



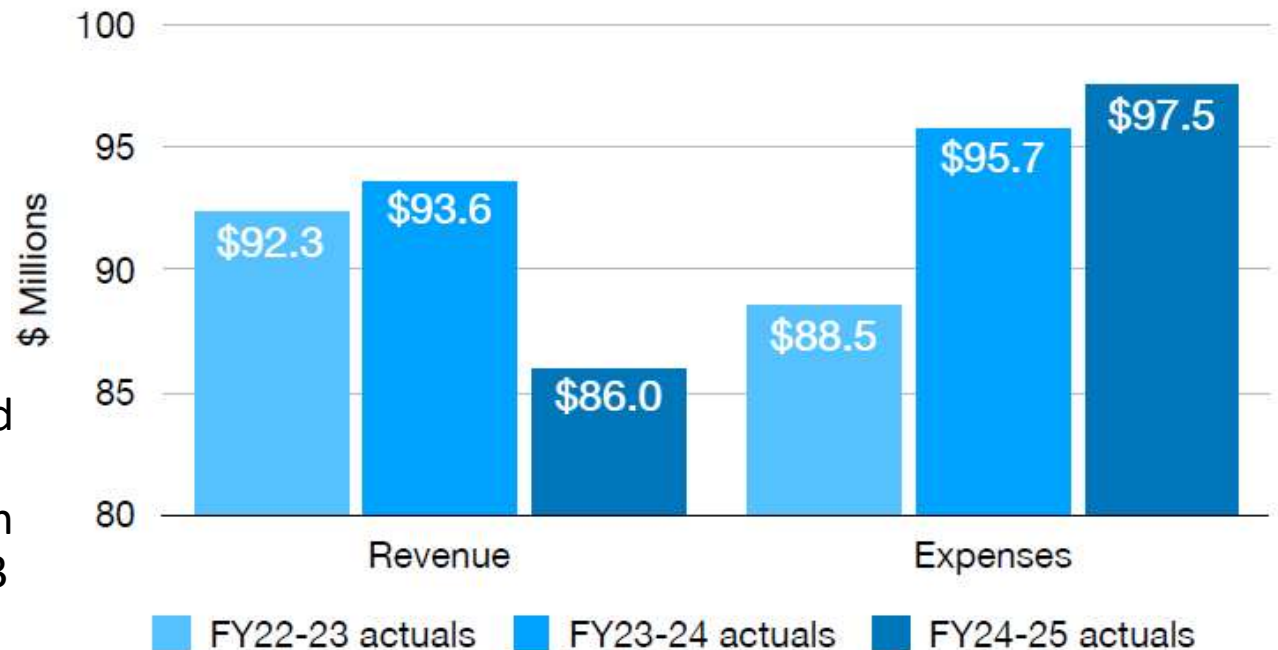
City of Ansonia

FY2026-27 Final

Budget Presentation

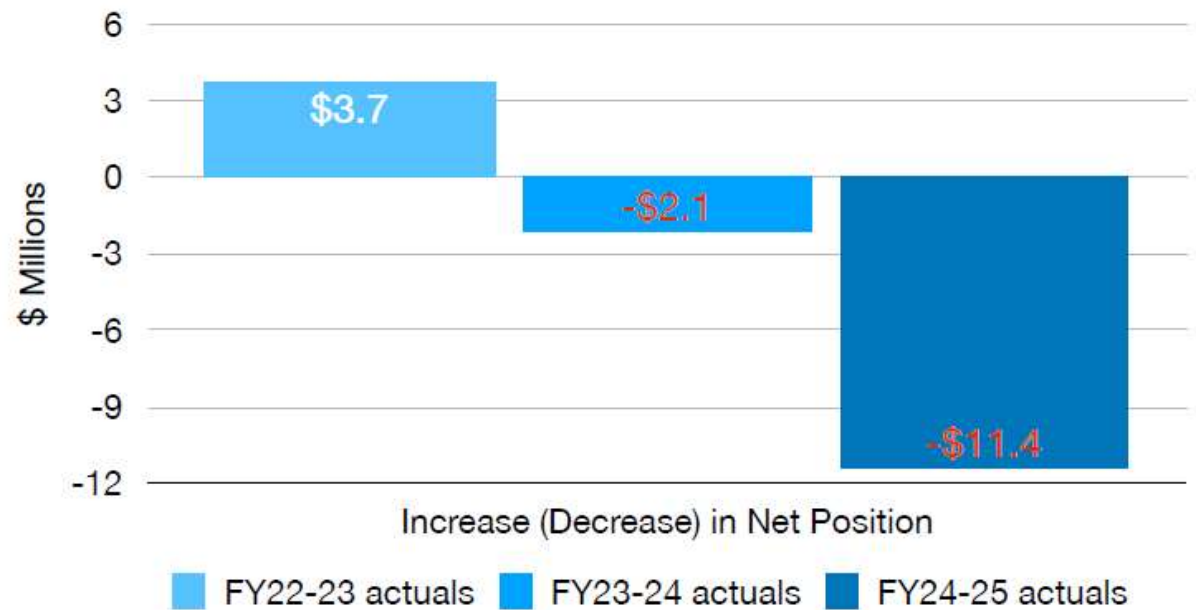
Historical Trends Inherited by Current Administration

- Revenues declining
 - Grant funding largely decreased
 - Charges For Services moderately waned
- Expenses increasing
 - Board of Education and General Government expenses have been on the rise over the past 3 years



Historical Trends Inherited by Current Administration

- Significant deterioration over last three years in Net Position



Budget History: Unsustainable & Unsound Practices of Past Administration

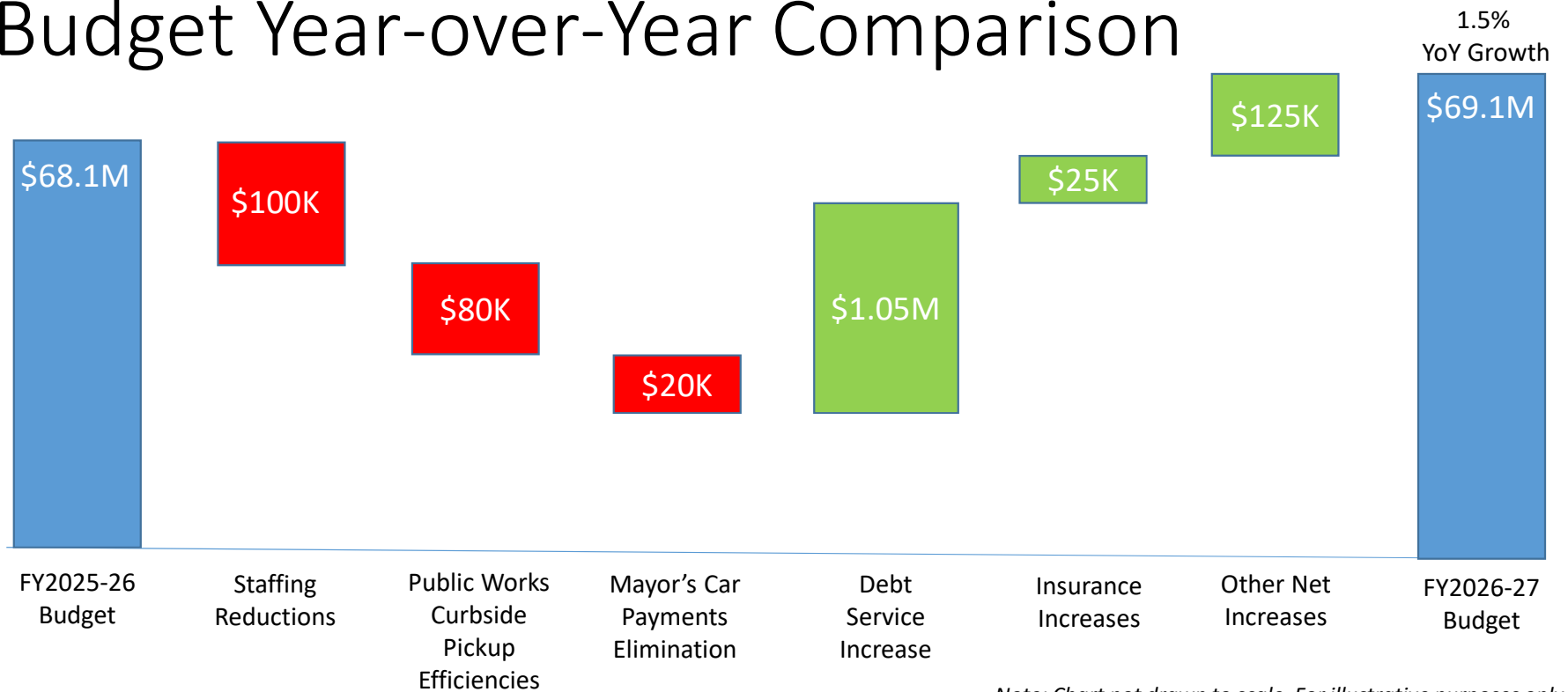
- Use of one-time WPCA assets sales to support annual Operating Expenses
- Use of one-time WPCA proceeds to artificially lower Mill Rates
- Large fiscal cliff for FY2026-27 left by past Administration
- Fuel Cell Revenue of \$1.6 million built into the FY2025-26 budget, which will not be realized in FY2025-26 or in FY2026-27
- Fuel Cell Debt Service Expenses (\$1.7 million) were not included in FY2025-26 budget, despite payments having started
- Magnitude of overall budget shortfall suggested a tax levy increase in the range of 26% would be necessary to restore budgetary balance

Structural Budget Imbalance:

Itemization of major budget shortfalls

Use of Future Revenue (WPCA Sale Proceeds)	\$5,250,000
Use of Fund Balance	\$48,017
Fuel Cell PILOT Payment Revenue (Fuel Cell not operational)	\$1,577,874
Unbudgeted Debt Service – Fuel Cell Project	<u>\$3,039,813</u>
TOTAL	\$10,415,704
Amount as % of Current Tax Levy	26.2%

Budget Year-over-Year Comparison



- Debt Service makes up virtually entire budget increase
- Reductions include staffing reallocations, reduced labor hours, leaving some vacant positions unfilled, Public Works Curbside Pickup efficiencies, and elimination of Mayor's car payments

FY2026-27 Budget: Where every tax dollar goes

Breakdown of \$1 of taxes

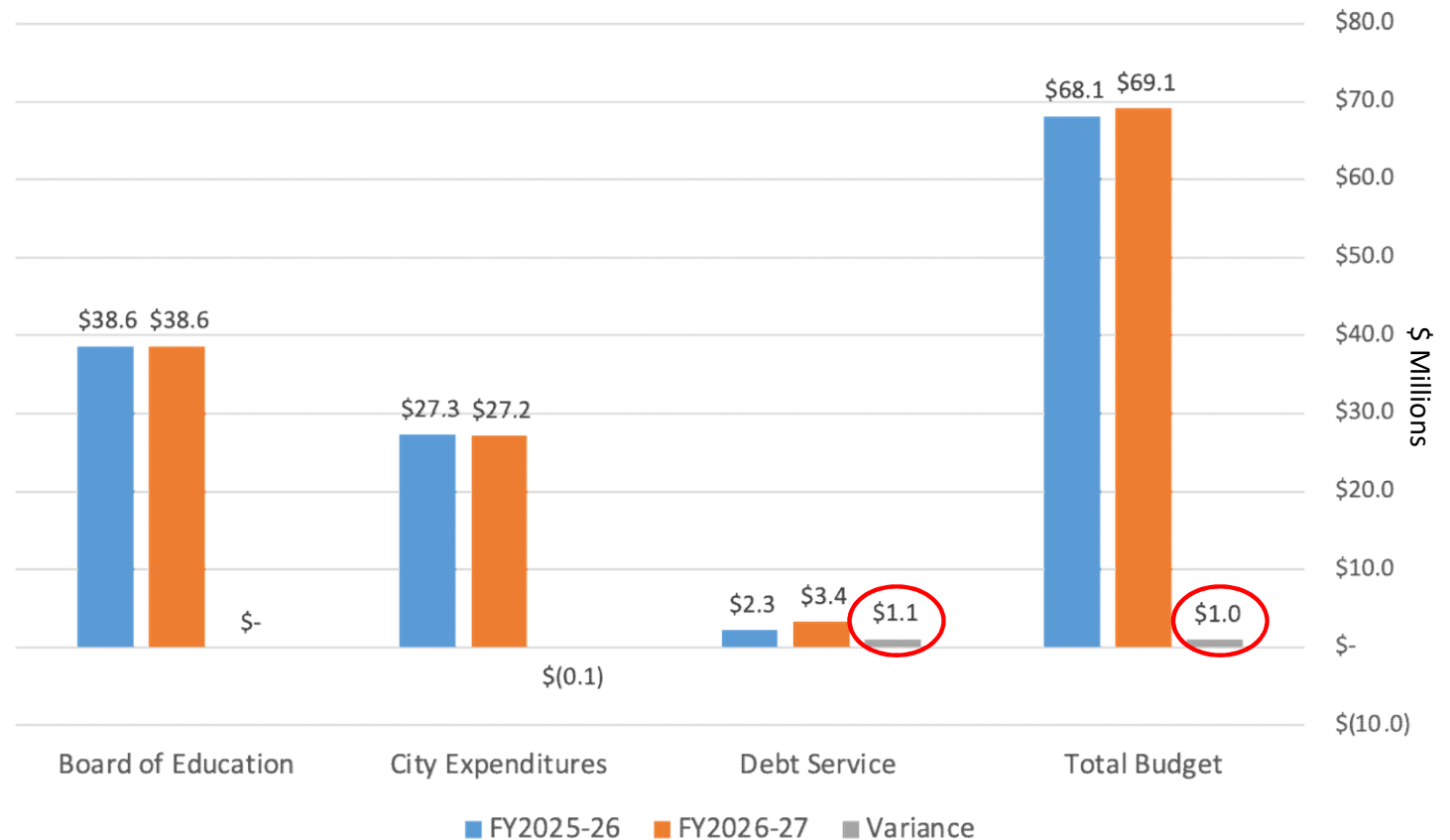
- Nearly \$0.70 of every tax dollar collected invests in Education and Public Safety



\$0.56	Education	\$ 38,612,089
\$0.13	City Public Safety	\$ 8,732,353
\$0.09	City Employee Benefits	\$ 6,381,507
\$0.07	City Public Works	\$ 4,901,498
\$0.05	City Government Expenses	\$ 3,369,370
\$0.05	Debt Service	\$ 3,354,034
\$0.02	City Utilities	\$ 1,320,647
\$0.01	City Insurances	\$ 846,969
\$0.01	City Community Service	\$ 843,588
\$0.01	City Information Technology	\$ 485,500
\$0.003	Capital and Grants	\$ 214,800
\$0.001	Contingency	\$ 83,800
\$1.00	Total FY2026-27 Budget	\$ 69,146,155

Budget Comparison by Segment

- Board of Education remained flat year-over-year
- Cut back on City Expenditures
- Debt Service is the driver of 1.5% Budget increase



State Aid Increases Approved by Legislature Above Mayor's Original FY 2026-27 Budget

GRANT DESCRIPTION	AMOUNT
Supplemental Education Aid (goes directly to Bd of Education)	\$939,494
Supplemental Mashantucket Pequot and Mohegan Grant	\$261,746
Adult Education Grant	\$15,866
One-Time Rescue Funding	<u>\$3,250,000</u>
TOTAL	\$4,467,106

- State Aid the City received was extraordinary driven by \$3.25M one-time funding to stabilize the City
- Education grant fully funds Board of Education FY2026-27 budget request and means **no education layoffs**
- State Aid increase allows the City to position itself for sustainable budgets for FY2026-27 and beyond

Two-year Outlook on Taxes

Referendum Approved vs. Denied Scenarios

If Referendum Approved

	FY 2026-27	FY 2027-28	2-Year Total
Mill Rate	30.35	31.71	
% Increase	6.30%	4.49%	
Median Single Family House – Tax Impact	\$336	\$254	\$590
Median Condo – Tax Impact	\$159	\$120	\$279

If Referendum Denied

	FY 2026-27	FY 2027-28	2-Year Total
Mill Rate	29.46	32.60	
% Increase	3.18%	10.67%	
Median Single Family House – Tax Impact	\$170	\$586	\$756
Median Condo – Tax Impact	\$81	\$277	\$358

- **Total Taxes** over next two years would be **LOWER** if **Referendum** is passed in FY2026-27

Fuel Cell Update

- State Legislative action on Fuel Cell Project provides path to resolution
- Fuel Cell Project is now positioned to move forward
- City to issue Temporary Notes to bridge the gap for FY2026-27
- More information to come in later presentation to Board of Alders