

CITIZEN'S GUIDE TO THE GUILFORD TOWN BUDGET

FISCAL YEAR (FY) 2025-2026

MARCH 24, 2025



THE ANNUAL TOWN BUDGET

The Annual Town Budget is the proposed revenues and expenditures for both the Town and Board of Education for the upcoming fiscal year, which runs from July 1 through the following June 30. When voting on the budget each year, taxpayers are approving a Town budget that includes the total cost of services provided to them by the Town and Board of Education according to the process outlined in our Town Charter.

FAQ'S

Q1. How is the FY2025-26 budget broken down?

The Board of Education (BOE) comprises 60.77% of the total budget, the Town comprises 31.00%, and the combined BOE/Town debt service comprises the final 8.23% of the total budget request.

Q2. What budget reductions were made by the BOE and BOS (Town) prior to the BOF receiving them on February 13?

Following the Superintendent's reduction of school and department budgets by \$800K, the BOE further reduced the Superintendent's proposed budget by over \$730K for a total reduction of \$1.53M, reducing the increase from 7.65% to 5.50%. The BOS reduced the requested department budgets over \$1.64M, reducing the increase from 7.18% to 3.50%.

Q3. What actions did the Board of Finance (BOF) take at their Budget Workshop on March 6?

Based on several factors taken into consideration such as the 2024 U.S. inflation rate (2.9%), COLA increase (2.5%), and the increased costs we ALL feel as a community, the BOF unanimously reduced the combined budgets nearly \$1M. This reduction was allocated \$650K from the BOE budget and \$275,000 from the Town budget.

Q4. What are the key aspects and/or cost drivers regarding the FY2025-26 Budget?

One driver affecting the BOE and Town budgets is a substantial medical insurance increase. To alleviate some of this burden, a projected combined \$750K will be used from our medical fund balance to offset this increase. The BOE will also pause the OPEB contribution for one year (\$330K reduction), resulting in adjusted medical insurance increases of 13.78% for the Town and 10.19% for the BOE. Other costs driving the Town budget increase (2.91%) include added department staffing requests by Health, Building, and Public Works due to State-mandates, increased workload, and anticipated contractual and inflationary increases. Other costs driving the BOE budget increase (4.59%) include previously negotiated contractual salary increases, tuition for outplaced students, and inflationary increases.

Q5. What is the proposed FY2025-26 Mill Rate (Tax) increase?

If the budget is adopted by voters as recommended by the Board of Finance at referendum, the Mill Rate will increase from 26.58 to 27.74, or 4.37%. This atypical increase over the past 15 non-revaluation years is due to a Grand List decrease of 0.31% due to a new State-mandated motor vehicle pricing structure, and decreases in non-tax revenue associated with State grants. These factors require the Town to seek more revenue through property taxes. It should be noted that for the past five (5) straight years, mill rate increases have been below the U.S. inflation and COLA rates.

Q6. What will the two bond authorization requests be utilized for?

One would appropriate just over \$1.9M for building improvements, equipment upgrades, and design services for future projects at our school facilities. The second request would appropriate just over \$2.25M for Town road and facility improvements, and equipment upgrades/replacement for the Fire and Public Works Departments.

THE BUDGET PROCESS

December – February

- Town/School departments submit budgets for review by Boards of Selectman (BOS) and Education (BOE starts this process in October)
- BOS/BOE hold public meetings/hearings to seek input before finalizing respective budgets
- Board of Finance (BOF) receives BOS and BOE budgets/bonding requests at mid-February regular meeting (**February 13, 2025**)

March – April

- BOF conducts public hearing/workshop(s) on both Town/School budgets first week of March (**March 4 & 6, 2025**)
- Final Budgets published in local newspaper (**end of March**)
- Annual Town Budget Meeting in early April (**April 1, 2025**)
- Annual Budget Referendum in early/mid-April (**April 8, 2025**)
- BOF sets Mill Rate within ten (10) days of budget passing

The Annual Town Budget Meeting will be held at Guilford High School on April 1, 2025 @ 7:30PM.

The Annual Budget Referendum Vote will be held April 8, 2025 at all polling places, 6AM – 8PM.

This document was created in partnership by the Office of the First Selectman and the Guilford Public School District.