



Ridgefield Town Budget

Fiscal Year 2026 -2027

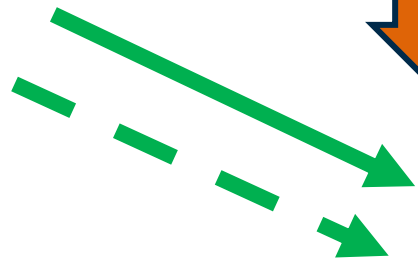
Board of Finance Considerations

March 2026

**Board of
Selectpersons**

*(Town Budget and
Combined Capital
Budgets)*

We Are Here



**Board of
Finance**

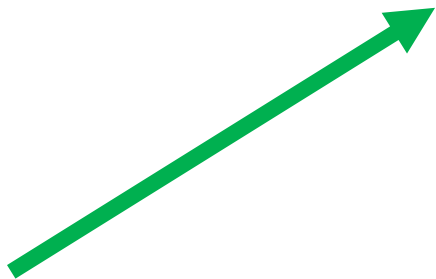


**Town Meeting
(5/4) and Town
Budget
Referendum
(5/12)**



**Board of
Education**

*(Schools Operating
and Capital
Budgets)*



Board of Finance – Primary Budget Responsibilities and Guidelines

(Town Charter – Sections 4-14 and 10-1)

- The Board of Finance is **the chief financial and budget-making authority of the Town** with a primary responsibility of **establishing and maintaining the Town in a sound overall financial condition**
- The Town Charter directs the Board of Finance to
 - Consider budget requests **against projected revenues and the overall financial condition** of the Town
 - Consider the financial aspects of municipal government **as a whole, rather than the viewpoint of any particular Town unit or department**

NOTE: Any adjustments to proposed operating budgets may be made only to each budget as a whole – **the BOF cannot make individual, line-item level changes**

The Financial Condition of the Town Is Sound

We have a high rate of tax collections (99%)

We see continued strong revenue from recreation/golf, investment income, and fees related to real-estate transfers

FY2025 had an overall budget surplus of \$1.6M – primarily from better-than-expected revenue growth in investment income and recreation fees, and a school budget surplus of \$500,000

The unassigned fund (reserve) balance is \$21.5M – 12.3% of FY26 budget

We maintain moderate debt and debt service cost levels

We have received top credit ratings (AAA / Aaa) from the major credit rating agencies

FY 2026-27 Budget – Key Financial Considerations

Debt Service costs are increasing

- \$8.9M for next year – a 12% increase

Investment income is expected to decline with lower interest rates and additional capital budget outlays

- Forecast \$1.3M for FY27 vs estimated \$2.1M for FY26

Other non-tax revenue sources are expected to be slightly up

- **But, these represent only about 7% of total funding sources**

Senior and Veteran's Tax Credit programs are being expanded modestly

Grand List Growth is about the same as last two years – **about 0.8%**

Student population is projected to decline slightly, but the **Special Education expense portion of the BOE budget is growing, even after replacement of most state funding**

FY 2026-27 Budget – Areas of Focus

- 1) Growth in the Mill Rate vs Inflation



FY 2026-27 Budget – Areas of Focus

Calculation of the Mill Rate – Simple Arithmetic

Operating Budgets (including Debt
Service) less Other Revenues

=

Mill Rate

Grand List

FY 2026-27 Budget – Areas of Focus

Inflation in the Mill Rate – Simple Mechanics

$$\begin{array}{ccccccc} \text{Change in} & & & & & & \\ \text{Operating Budget} & & & & & & \\ \text{(including Debt} & & & & & & \\ \text{Service)} & \text{less} & \text{Change in} & \text{=} & \text{Change in} & & \\ & & \text{Grand List} & & \text{Mill Rate} & & \end{array}$$

FY 2026-27 Budget – Areas of Focus

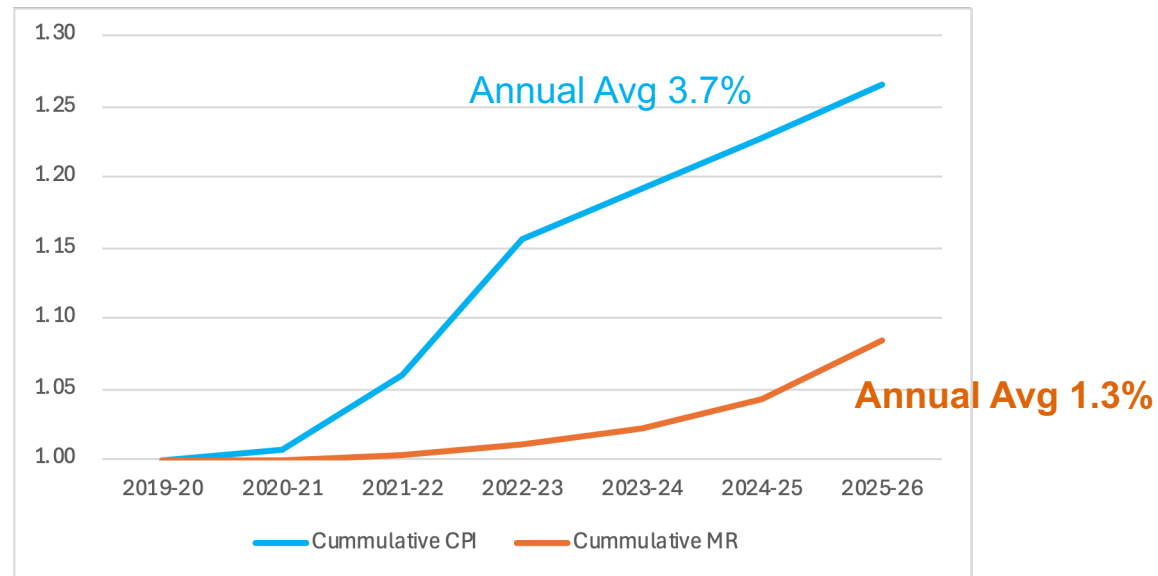
Inflation in the Mill Rate – Simple Mechanics

$$\begin{array}{ccccccc} \text{Change in} & & & & & & \\ \text{Operating Budget} & & & & & & \\ \text{(including Debt} & & & & & & \\ \text{Service)} & & \text{less} & & \text{Change in} & \text{=} & \text{Change in} \\ & & & & \text{Grand List} & & \text{Mill Rate} \\ & & & & \uparrow & & \\ & & & & \text{Historical} & & \\ & & & & \text{Average} & & \\ & & & & < 1\% & & \end{array}$$

FY 2026-27 Budget – Areas of Focus

Overall, the cumulative growth in the town mill rate has been significantly less than the increase in inflation since the start of Covid

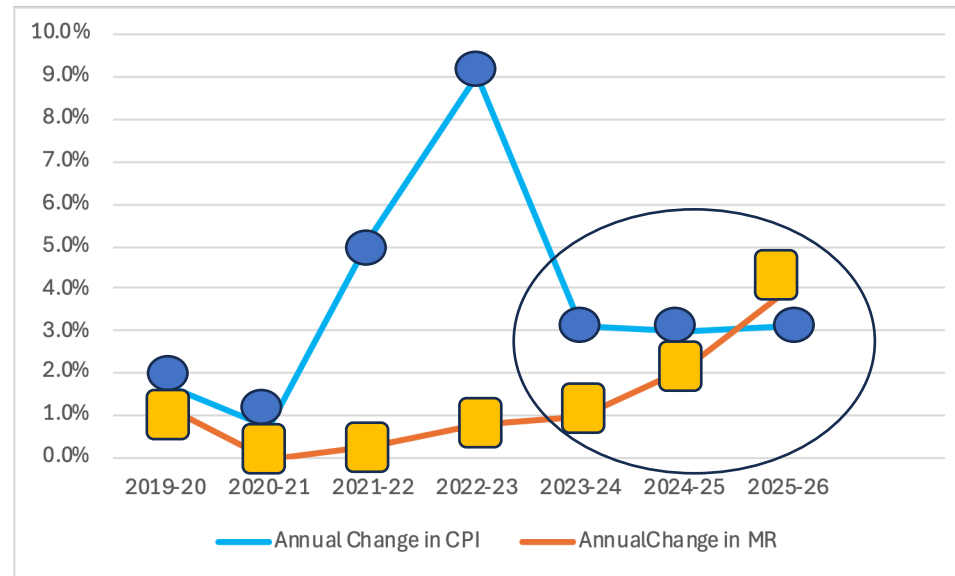
Cumulative Change in CPI vs Mill Rate since Covid



FY 2026-27 Budget – Areas of Focus

But, more recent trends in this historical pattern are concerning

Annual Change in CPI vs Mill Rate





FY2026-2027 Mill Rate Scenario Analysis

Budget Assumptions for FY2026-2027 Projections:

Debt Service:	\$9,250,000
Tax Collection Rate:	98.80%
Use of Surplus / Fund Balance:	\$1,000,000
Grand List Growth (YoY Change):	1.00%
Investment Income:	\$1,250,000
Other Revenues	\$15,000,000
Senior Tax Credit:	+ \$ 500,000

YoY % Change in Town and School Operating Budget for FY2026-2027

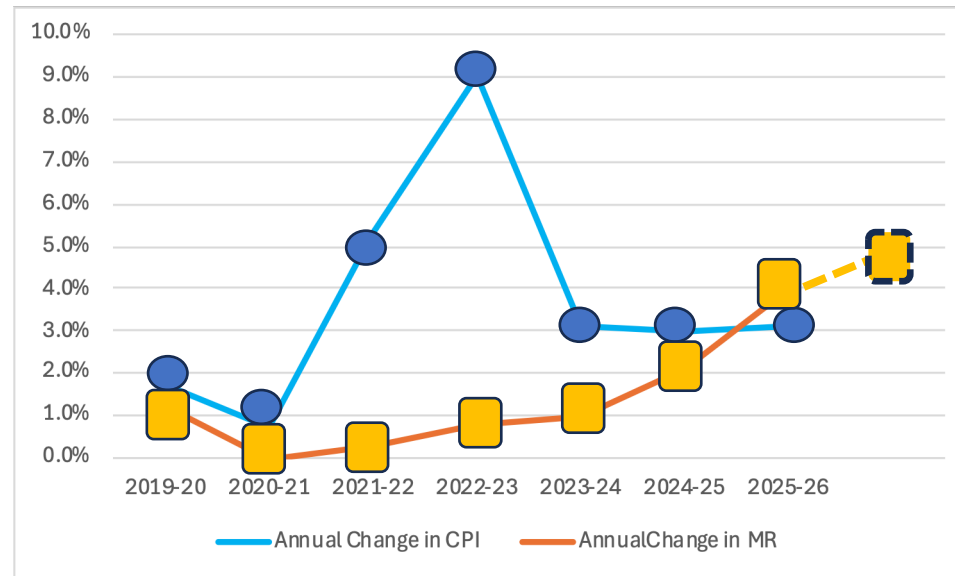
Estimated YoY % Change in Mill Rate for FY2026-2027

2.00%	2.81%
2.50%	3.33%
3.00%	3.85%
3.50%	4.38%
4.00%	4.90%

FY 2026-27 Budget – Areas of Focus

And, as proposed, the FY2027 budgets would continue this divergent trend

Annual Change in CPI vs Mill Rate



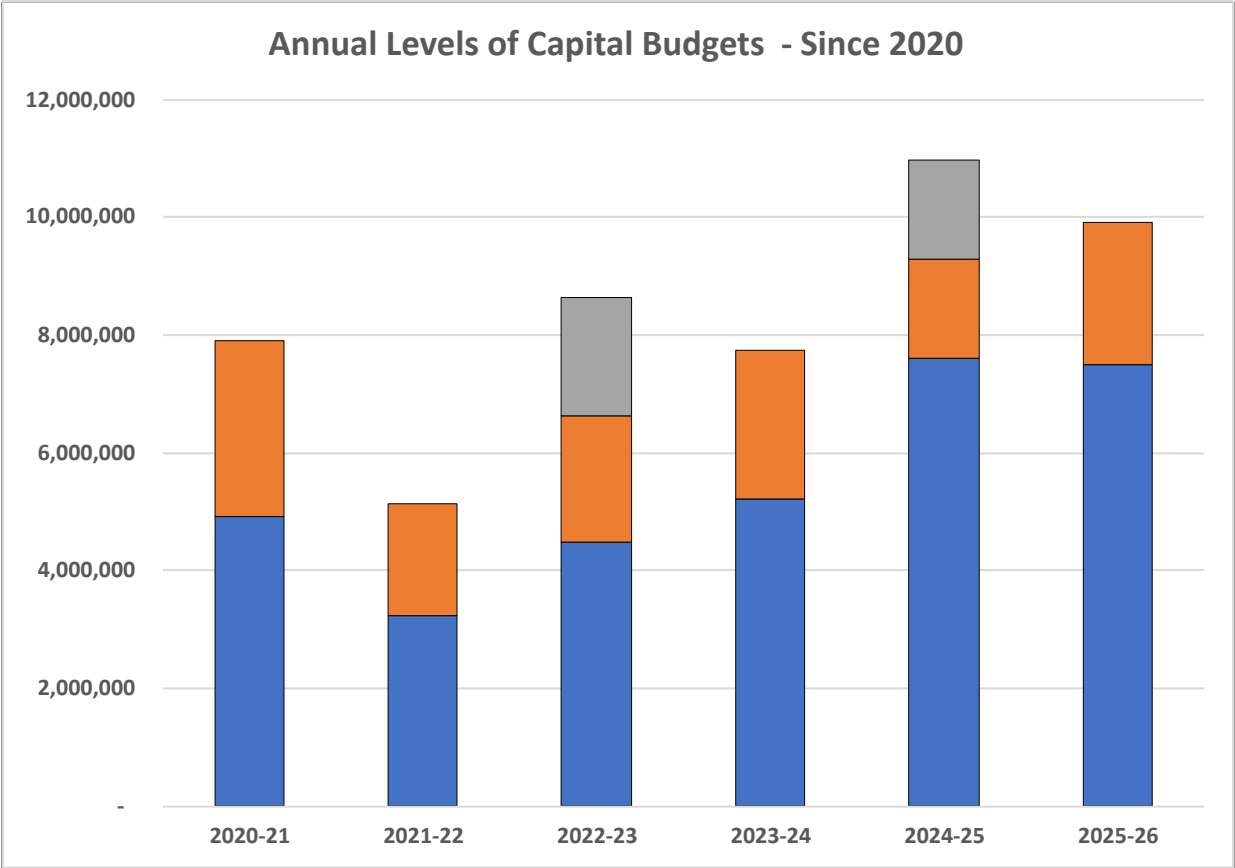
FY 2026-27 Budget – Areas of Focus

2) Growth in the Capital Budget



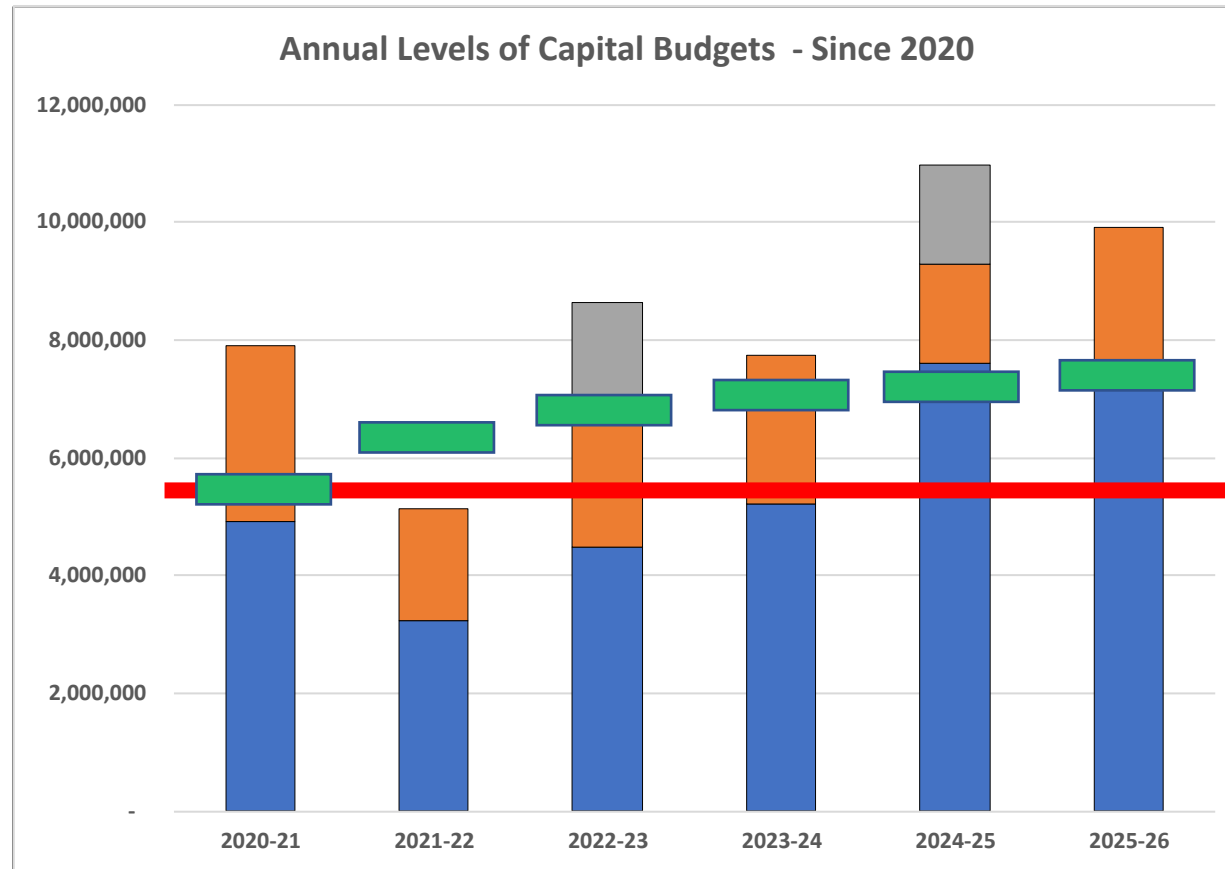
Capital Budget Trajectory (excluding infrastructure projects)

- Town
- Schools
- Off-cycle requests





Capital Budget Trajectory (excluding infrastructure projects)



If past six years had grown in line with inflation

Debt Service Cost as a Changing Component of the Budget

<u>Fiscal Year</u>	<u>YOY Chng in DS</u>	<u>DS/Rest of Budget</u>
2021	-4.4%	7.8%
2022	-9.5%	6.9%
2023	-15.6%	5.6%
2024	-19.1%	4.3%
2025	+9.0%	4.5%
2026	+8.9%	4.8%
2027	+11.8%	5.4%

Budget Meeting Schedule – Next Two Weeks

Tuesday, March 24 – Review of Proposed **Town** Operating Budget and Capital Budget

Wednesday, March 25 - Review of Proposed **BOE** Operating Budget and Capital Budget

Thursday, March 26 and Friday, March 27 (placeholder)– Review of **Budget Revenue Assumptions/Forecasts, Other Budget Factors**

Monday, March 30 – Follow up questions and discussions, **Possible votes on revenue items and Operating and Capital Budgets**

Tuesday, March 31 – Budget Deliberations, **votes on Operating Budgets and Capital Budgets - Town and BOE**

And Now It's Your Turn...

- We will now open the public hearing
- You are invited to present your comments on any aspect of the proposed budgets
- **At the start of your comments, please state your name and street for the record**
- **We ask you to limit your remarks to 3 minutes**, as a courtesy to others also wishing to speak
 - If you have more extensive/detailed comments, we invite you to submit written comments via the link **Contact the Board of Finance** on the Board of Finance page of the town web site (torbofchair@ridgefieldct.gov)