

BOF Meeting-July 12, 2022

- **Over the last five approved budgets, annual debt service declined from \$11.8 million to \$9 million, helping to minimize mill rate increases.**
- **Beginning with FY2024, that trend will reverse.**
- **The goals of this presentation are**
 - To provide information related to anticipated debt referendums and debt service amounts.
 - To provide information related to grand list growth relative to debt service growth.
 - To request the Board of Finance provide FY2024 budget targets, either in October or November 2023.

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- **\$19.4 million of bonded projects were approved at the May 2022 ATM.**
- **\$25 million of additional bonded projects are expected to be requested over the next three years.**
 - *As included in the 5-year plan, plus a third turf field, WHS and MB renovations and Ambler Farm Yellow House renovations.*
 - *Timing for WHS, MB and AFYH is based on schedule debt retirement in FY2025.*

	2023	2024	2025	2026
2023-2027 5-year Capital Plan	\$ 19,460,137	\$ 8,842,150	\$ 5,550,555	\$ 3,846,306
Turf Field		\$ 2,000,000		
Town Hall Elec & HVAC		\$ (1,500,000)	\$ 1,500,000	
WHS and MB Renovations			\$ 4,000,000	
Ambler Farm Yellow House			\$ 800,000	
Total	\$ 19,460,137	\$ 9,342,150	\$ 11,850,555	\$ 3,846,306

- **During this same period, approximately \$25 million of additional bonding has been avoided because the Town secured state and federal grants for those projects. Securing grants in lieu of bonding or operating expenses continues as an area of focus for town departments.**

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- **Debt service with a 3.5% interest rate is expected to increase by approximately**
 - *\$680,000 in FY2024*
 - *\$1,100,000 in FY2025*
 - *\$670,000 in FY2026*

- **BOS and BOE operating costs at a 2% annual increase would increase by**
 - *\$2,412,000 in FY2024*
 - *\$2,460,000 in FY2025*
 - *\$2,510,000 in FY2026*

Can Incremental Grand List Growth Absorb the Increase in Debt Service?

- *October 1, 2021 and 2020 assessed grand list increased as follows:*

In Millions	October 1 2021	October 1 2020
Real Estate	\$ 5.3	\$ 24.6
Personal Property	\$ 2.4	\$ 14.2
Vehicles	\$ 53.8	\$ 5.7
Total	\$ 61.5	\$ 44.5

- *Activity plummeted during the pandemic, but is picking up as evidenced by building permit activity, but*
 - A \$680,000 debt service increase currently requires \$24 million of incremental assessed growth, or \$34 incremental market growth.
 - A \$1,100,000 debt service increase currently requires \$39 million of incremental assessed growth or \$55 incremental market growth.

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FY2021 and FY2022 Permit Activity

- Permits include, among others, 200 Danbury Road, ASML, Hartford Healthcare, 40/60 parking garage expansion, Ipark parking garage, Hollyhock retail/residential conversion and Cannonwoods residential subdivision.
- Some of those projects were reflected fully or partially in the October 1, 2021 grand list.

Building Permits Issued-Construction Full Value				
	2021	Still Open	2022	Still Open
Residential, New	\$ 5,545,555	\$ 3,713,000	\$ 11,990,665	\$ 11,319,000
Residential, Alterations	\$ 14,182,838	\$ 7,480,000	\$ 13,180,992	\$ 12,040,000
Residential, Swimming Pool	\$ 2,681,059	\$ 1,490,000	\$ 2,440,700	\$ 2,370,000
Residential Solar	\$ 1,410,643	\$ 186,000	\$ 2,161,732	\$ 826,000
Commercial, New	\$ 625,000	\$ 625,000	\$ 8,142,880	\$ 8,142,880
Commercial, Alterations	\$ 16,563,500	\$ 1,602,000	\$ 17,911,318	\$ 14,135,000
Minor, Residential & Commercial	\$ 6,077,602.5	\$ 2,596,000	\$ 7,930,458	\$ 5,914,000
Total	\$ 47,086,197	\$ 17,692,000	\$ 63,758,744	\$ 54,746,880

- Note: not all permitted projects will be started.
- Note: not all permitted projects will result in an increase in assessment.

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Can Incremental Grand List Growth Absorb the Increase in Debt Service, cont?

- ***New constructions projects include or may include:***
 - 200 Danbury Road, apartments and retail-+/--\$160,000.
 - FY2023 and FY2024 budgets-October 2021 and 2022 grand lists.
 - Near completion.
 - 141 Danbury Road, apartments-\$900,000.
 - FY2025 and FY2026 budgets-October 2022 and 2024 grand lists.
 - Site demolition occurred, new permits expected this month.
 - 12 Godfrey Place-+/- \$140,000.
 - Completed pre-app process, application expected this year.
 - SSND property-\$1.2 to \$1.9 million.
 - A buyer has not been confirmed, expected this year.

Note: the above amounts were not prepared by the Assessor and should not be considered as reflective of any future assessment.

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Examples of commercial real estate assessments and taxes

Address	Property Type	Approx Assessment	Approximate Taxes before exemptions
20 Westport Road	office	\$ 40,900,000	\$ 1,154,566
25 River Road	TH apartments	\$ 30,592,000	\$ 863,582
10 Westport Road	office	\$ 22,771,000	\$ 642,803
116 Danbury Road	TH apartments	\$ 21,316,000	\$ 601,729
50 Danbury Road	office	\$ 21,137,000	\$ 596,676
435 Danbury Road	retirement facility	\$ 16,228,000	\$ 458,100
5 River Road	retail/restaurants	\$ 16,792,000	\$ 474,021
15 River Road	retail/office	\$ 14,315,000	\$ 404,098
21 River Road	office	\$ 14,708,000	\$ 415,192
211 Danbury Road	retirement facility	\$ 14,272,000	\$ 402,884
249 Danbury Road	medical	\$ 8,017,000	\$ 226,312
31 Old Danbury Road	apartments	\$ 4,704,000	\$ 132,789
151 Old Ridgefield Road	retail/restaurants	\$ 2,740,290	\$ 77,356