

March Update from the Chair of the Board of the Finance

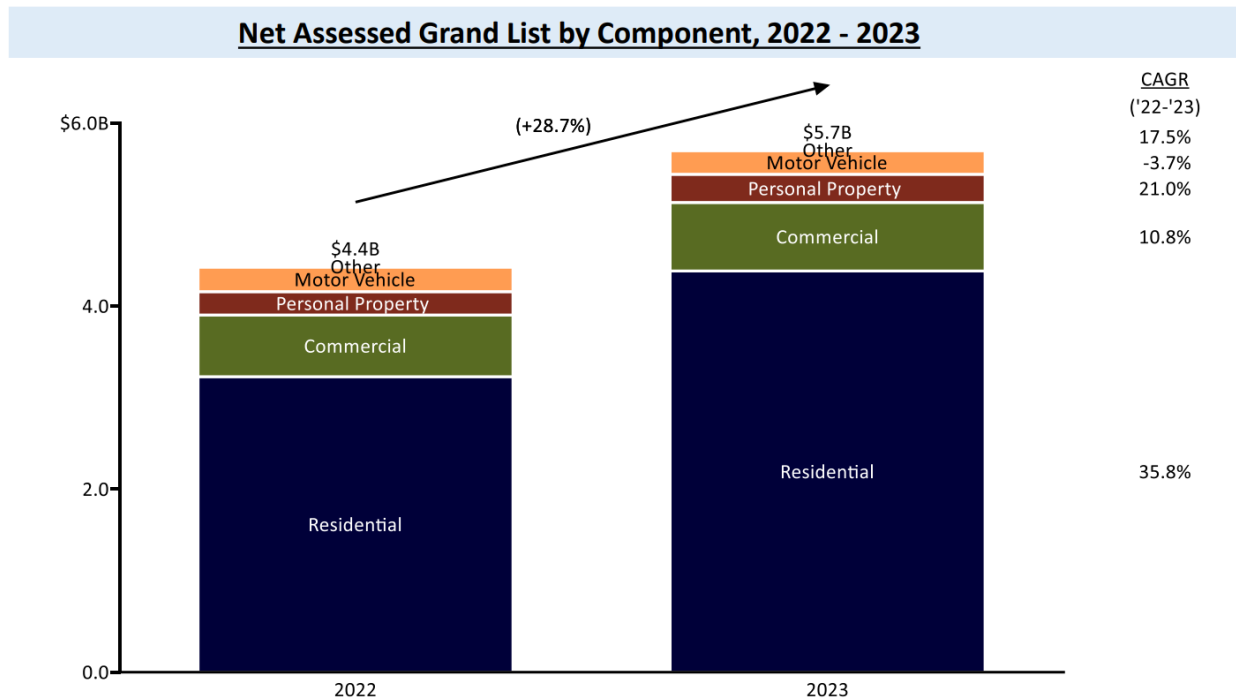
Revaluation:

As a general overview, the Revaluation process determines the appraised value (similar to market value) for each property as of October 1, 2023. The assessed value, used to calculate property taxes, is mechanically calculated at 70% of the appraised value per state statute. You can search for your appraisal and assessment figures [here](#). This process is overseen by the Board of Selectmen and is mandated to occur every five years by state statute. The primary goal of a municipal revaluation is to ensure that property assessments are reflective of the current market conditions.

Individual FY2025 property taxes will be calculated by dividing the revalued assessment by 1000 then multiplying that amount by the FY2025 mill rate. For example, if the mill rate is 24.0 and an individual's house is assessed at \$1,000,000, then that person's taxes would be $24.0 \times \$1,000,000 / 1000 = \$24,000$. The actual mill rate will be approved at the Annual Town Meeting in May.

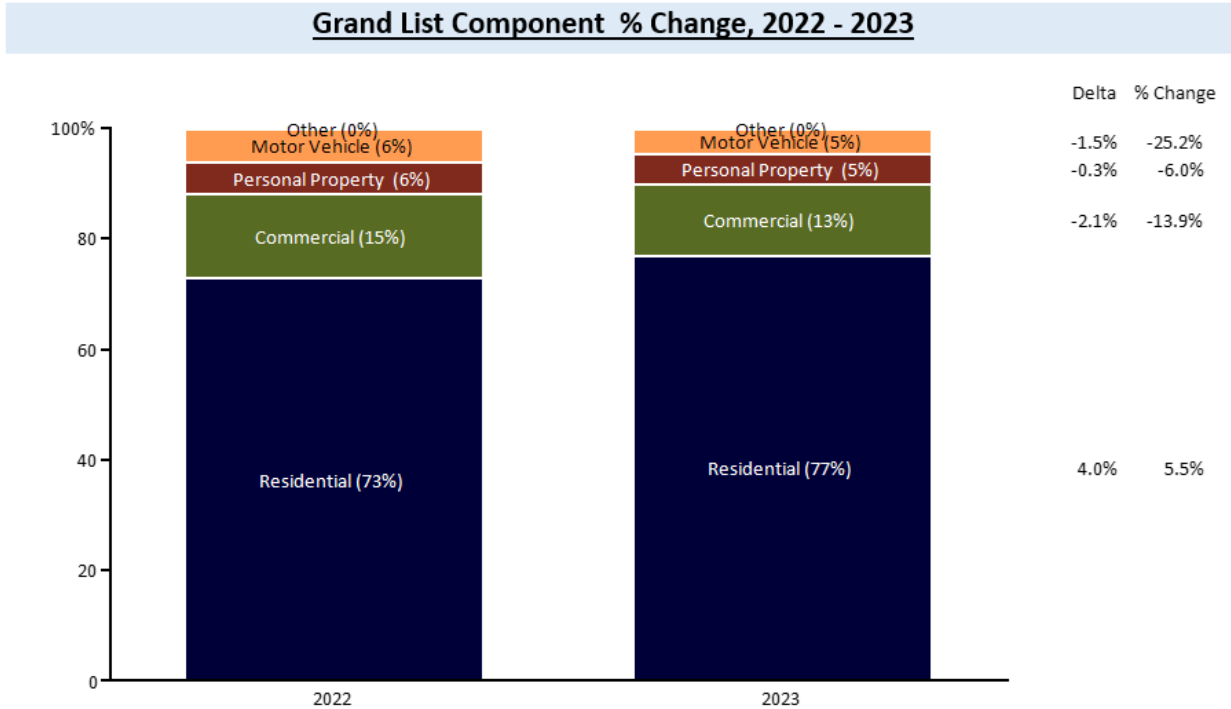
This year's revaluation cycle saw a significant increase in Grand List value, which caused a change in the mix of our town's Grand List. You can see an in-depth presentation that was shared with the Board of Finance [here](#).

Wilton's Total Net Assessed Grand List grew 28.7% over Oct-22, from \$4.4b to \$5.7b. The Grand List consists of four components: Non-Apartment Residential Properties (+35.8% growth), Commercial Properties (+10.8%), Personal Property (+21.0%), and Motor Vehicles (-3.7%). Given this change, the average price of a Non-Apartment Residential Property in Wilton grew from ~\$750k to ~\$1m. This change reflects that properties in Wilton are now worth significantly more than they were previously.



Note: "Other" includes Special (\$8.2m), Industrial (\$3.2m), and Open Space (\$125k); property values represent "Assessed" values vs "Appraised"; exempt properties are excluded; these figures are based on raw data received from the Town Administrator on March 5, 2024
 Source: Wilton Preliminary Grand List; Town Assessor - Wilton, CT Board of Finance -

Given the differential in growth rates, there was a significant mix shift in the Grand List’s composition. **Non-Apartment Residential Properties used to be 73% of the Grand List and have grown to 77% of Grand List.** All other Grand List components declined. As a result of this shift, residential taxpayers are now responsible for a higher portion of the town’s spending than previously.



Note: “Other” includes Special (\$8.2m), Industrial (\$3.2m), and Open Space (\$125k)
 Source: Wilton Preliminary Grand List; Town Assessor - Wilton, CT Board of Finance -

Given that shift, even if Wilton had the exact same budget as last year, **the average residential tax increase would be +5.5%**, while other components would see a decrease. Note that this is an average amount, as the actual tax change that a property owner would face is entirely dependent on the change in assessed value of their specific property.

FY25 Budget:

Budget season is in full swing! The **Board of Education (“BOE”)** has requested a **\$93.5m budget**, which reflects a \$4.4m increase (+4.9%) over last year. The **Board of Selectmen (“BOS”)** has requested a **\$35.9m budget**, which reflects a \$1.4m (+4.1%) increase over last year.

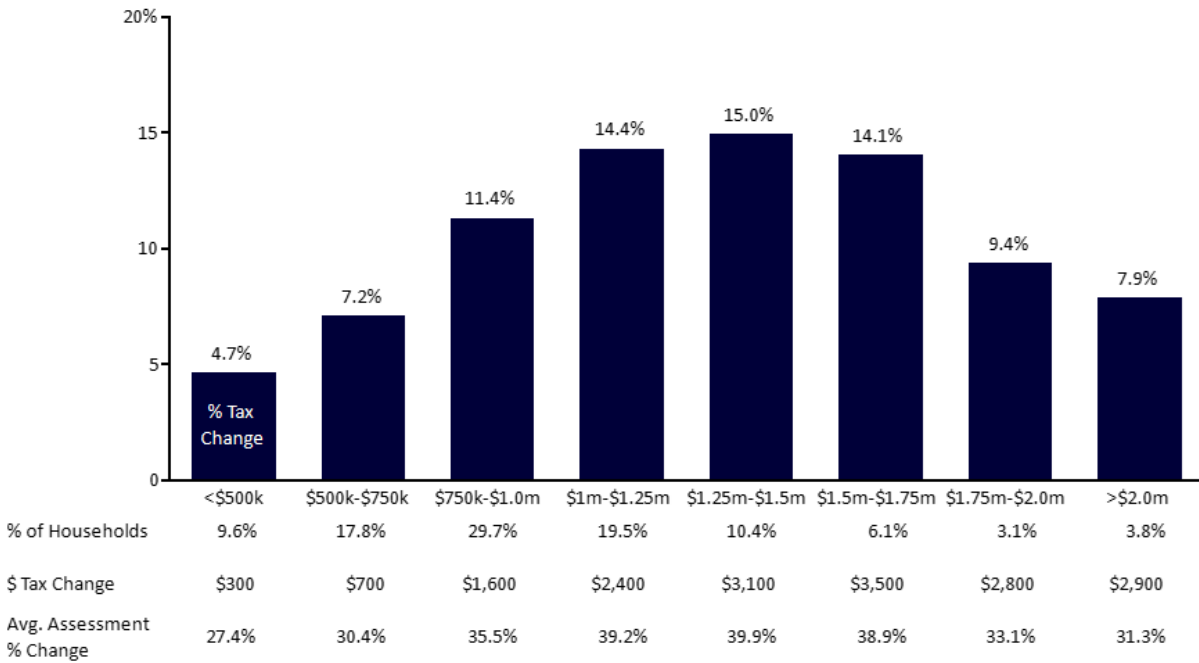
When combined with other town budget items (such as debt service, reserves, etc.), **the Total Town Property Tax increase (i.e., the total amount of tax revenue collected by Wilton across all properties) is forecast to increase 5.8%**. However, given the significant growth in Wilton’s Grand List, **the mill rate is forecast to decline to 24.0 (from 29.3 today)**. This mill rate change means that each property owner pays less per dollar of assessed value; however, since residential property assessments have increased significantly, residential property owners will pay more in taxes on average.

The shift in the Grand List implies that different properties will face different levels of tax change. The quick intuition is that if the assessed value of an owner’s property increased more than the Grand List increase (+28.7%), then they will see a tax increase of more than 5.8% (the total town property tax

increase). If an owner saw the assessed value of their property increase by less than the Grand List increase of 28.7%, then they will see a tax increase of less than 5.8%. For example, a residential property which has a 25.0% assessment increase would see a 2.7% tax increase; conversely, a residential property which has a 45% assessment increase would see a 19.1% tax increase. **75% of Wilton’s residents saw an assessed value increase of more than 28.7%.**

On average, given the requested budgets from the BOE and BOS, **the average Wilton resident will see a residential property tax increase of 11.6%.** See below for residential property tax change by house appraisal value:

Average Tax Increase Based on an Overall 5.8% increase in Funding from Property Taxpayers



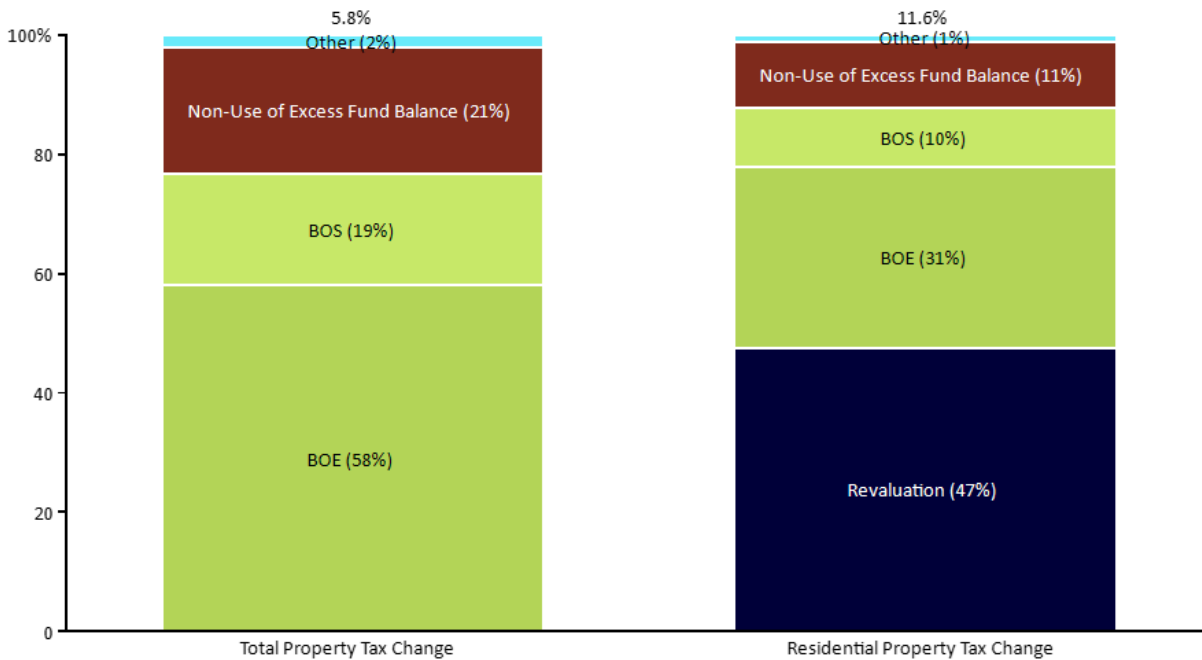
% of Households	9.6%	17.8%	29.7%	19.5%	10.4%	6.1%	3.1%	3.8%
\$ Tax Change	\$300	\$700	\$1,600	\$2,400	\$3,100	\$3,500	\$2,800	\$2,900
Avg. Assessment % Change	27.4%	30.4%	35.5%	39.2%	39.9%	38.9%	33.1%	31.3%

Source: Wilton Preliminary Grand List; Town Assessor

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As described in the chart below, the biggest driver of the increase (on average) is the Revaluation-driven change in assessed value (47%), followed by the BOE budget (31%), the non-use of Excess Fund Balance (11%), and the BOS budget (10%). Regarding the Fund Balance, Moody’s has changed their AAA-rating policy such that we need to hold 25-35% in our Fund Balance, as defined by Moody’s. Wilton currently has less than that amount (23.4%) and has been given two years to raise the ratio. The town is proposing to hold back unused reserves to fill the fund balance.

Components of Tax Change



Note: "Other" includes change in Debt Service, Non-Property Tax Revenue, Charter Reserve, and Collection Rate
 Source: Wilton Preliminary Grand List; Town Assessor - Wilton, CT Board of Finance -

The Board of Finance ("BOF") will be holding its budget and mill rate deliberation on April 2-4. Based on those deliberations, the BOF will propose approved budgets and a mill rate for the town.

Public Feedback:

The BOF has released its annual budget survey, **which residents can take online [here](#)**. The last day to take the survey will be March 29th at 5pm ET. We are grateful for all the commentary we received on the survey draft, and for all the community support that we have received to date. Please encourage all of your friends and neighbors in Wilton to take the survey if they haven't already! The ultimate purpose of this survey is to give all residents a voice on the budgets. Last year we had 797 residents take the survey; hopefully we'll have more this year!

Additionally, the **Public Hearing on the BOS budget will be on Monday, March 18th at 7pm ET**, and the **Public Hearing for the BOE budget will be on Wednesday, March 20 at 7pm ET**. Both hearings will be held at **Middlebrook Auditorium**. We encourage all interested residents to attend and would also invite residents to [email us](#) as well to share their perspectives.

Lastly, I wanted to say thank you to all the different groups in town who invited me to speak with them during the last few weeks. While I shared the financial situation facing the town and answered questions, I was most interested in hearing everyone's perspectives. As I weigh my own calculations, these conversations are among the most important data points for me and I'm grateful for everyone taking the time to speak to me.

If you have any questions or comments, please don't hesitate to reach out to the Board of Finance at boardoffinance@wiltonct.org.

Matt Raimondi
Chair, Board of Finance
Matthew.Raimondi@wiltonct.org