

City of Norwalk

Mayor's Recommended Operating Budget

Fiscal Year 2026 – 2027



I ♥ NORWALK

FYE 2027 PROPOSED OPERATING BUDGET

Budget & Tax Challenges

- 2023 Real Estate Revaluation Phase-in
- BOE Budget Request: 6.5%*
- Increasing Employee Healthcare: State Plan Increases
- Funding **SIX** Settled Union Contracts
- Fortifying the Internal Service Fund – Employee Healthcare and Claims Liabilities
- No Tax-Sale Revenue
- Decreased Investment Income
- Pension Costs (To Be Determined)

** Assumes \$4.5 million in grant and carryforward funding for FY 26*

FYE 2027 PROPOSED OPERATING BUDGET

Addressing Budget Challenges

Budget and tax mitigation measures to address challenges:

- Citywide Unallocated Salary Lapse
- Use of Bond Premium to Reduce Debt Service
- Drawdown of Fund Balance
- Continue Motor Vehicle Registration Compliance Program
- Update Allocation of Trash Collection Costs to Participating Homeowners
- Third Year of Revaluation Phase-in
- Implement Red-Light Cameras
- Maintain Increase in Personal Property Mill Rate from 28 to 32
- Reduce BOE Requested Increase
- Thorough Vetting and Reductions of Department Requests

FYE 2027 PROPOSED OPERATING BUDGET

Revenue by Source

Category	FY 24 Actuals	FY 25 Actuals	FY 2026 Adopted	FY 27 Mayor Recommended	% variance
Intergovernmental	23,332,568	25,170,526	23,037,918	22,380,609	-2.9%
Miscellaneous	2,809,111	2,561,055	2,503,329	2,862,804	14.4%
Departmental Receipts	11,831,399	13,762,235	12,947,822	13,781,370	6.4%
Interest & Penalties	2,928,603	2,787,294	1,641,321	2,649,040	61.4%
Investment Income	7,632,572	8,091,841	8,000,000	5,500,000	-31.3%
Tax Revenue	373,243,960	367,695,931	394,341,587	429,804,467	8.9%
Fund balance usage	-	-	8,000,000	7,000,000	-12.5%
Total	421,778,212	420,068,882	450,471,977	483,418,291	7.3%

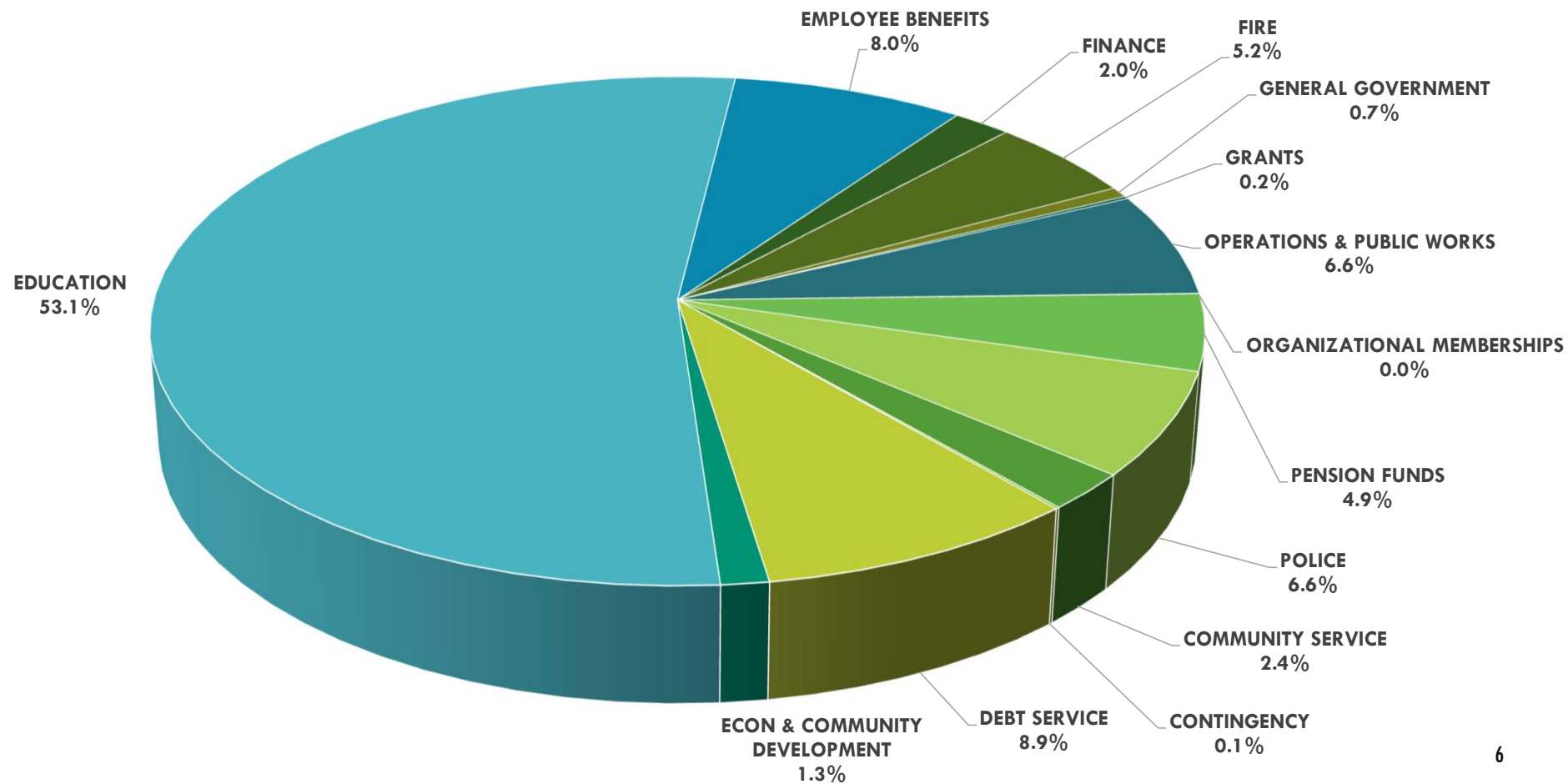
FYE 2027 PROPOSED OPERATING BUDGET

General Fund Budget by Division

DIVISION	FY25 ACTUAL	FY26 ORIGINAL	FY26 REVISED	FY27 MAYOR	FY27 MAYOR vs FY26 REVISED	
BOARD OF EDUCATION	233,462,868	247,194,758	247,194,758	257,082,548	9,887,790	4.00%
DEBT SERVICE	42,583,544	41,469,166	41,469,166	43,121,046	1,651,880	3.98%
POLICE & DISPATCH	29,383,151	30,012,986	30,512,986	32,162,281	1,649,295	5.41%
EMPLOYEE BENEFITS	23,462,985	24,156,800	24,156,800	38,691,756	14,534,956	60.17%
OPS & PUBLIC WORKS	23,158,828	25,903,464	23,547,149	25,151,910	1,604,761	6.82%
FIRE DEPARTMENT	21,941,119	23,361,357	23,392,212	25,128,943	1,736,731	7.42%
PENSION & RETIREMENT	20,829,170	23,128,000	23,128,000	23,528,000	400,000	1.73%
COMMUNITY SERVICES	9,969,984	10,872,966	10,862,946	11,652,993	790,046	7.27%
FINANCE DEPARTMENT	8,075,164	9,223,738	9,219,238	9,743,534	524,296	5.69%
ECON & COMM DEV	5,444,725	5,994,478	5,989,678	6,391,690	402,012	6.71%
DPW – REC & PARKS	5,193,463	5,287,357	5,286,761	6,703,046	1,416,285	26.79%
GENERAL GOVERNMENT	2,836,944	2,770,398	2,953,398	3,166,243	212,845	7.21%
CORPORATION COUNSEL	1,575,786	1,805,859	1,803,063	1,840,562	37,499	2.08%
GRANTS	1,301,615	1,330,892	720,007	803,828	83,821	11.64%
CHIEF OF STAFF	1,105,809	1,170,986	1,220,168	1,309,911	89,743	7.35%
CONTINGENCY	0	1,288,772	545,747	500,000	-45,747	-8.38%
SALARY LAPSE	0	0	0	-3,000,000	-3,000,000	-100.00%
EXPENDITURES TOTAL	430,325,155	454,971,977	452,128,177	483,978,290	31,850,113	7.04%
CITY	196,862,287	207,777,219	204,933,419	226,895,742	21,962,323	10.72%
BOE	233,462,868	247,194,758	247,194,758	257,082,548	9,887,790	4.00%

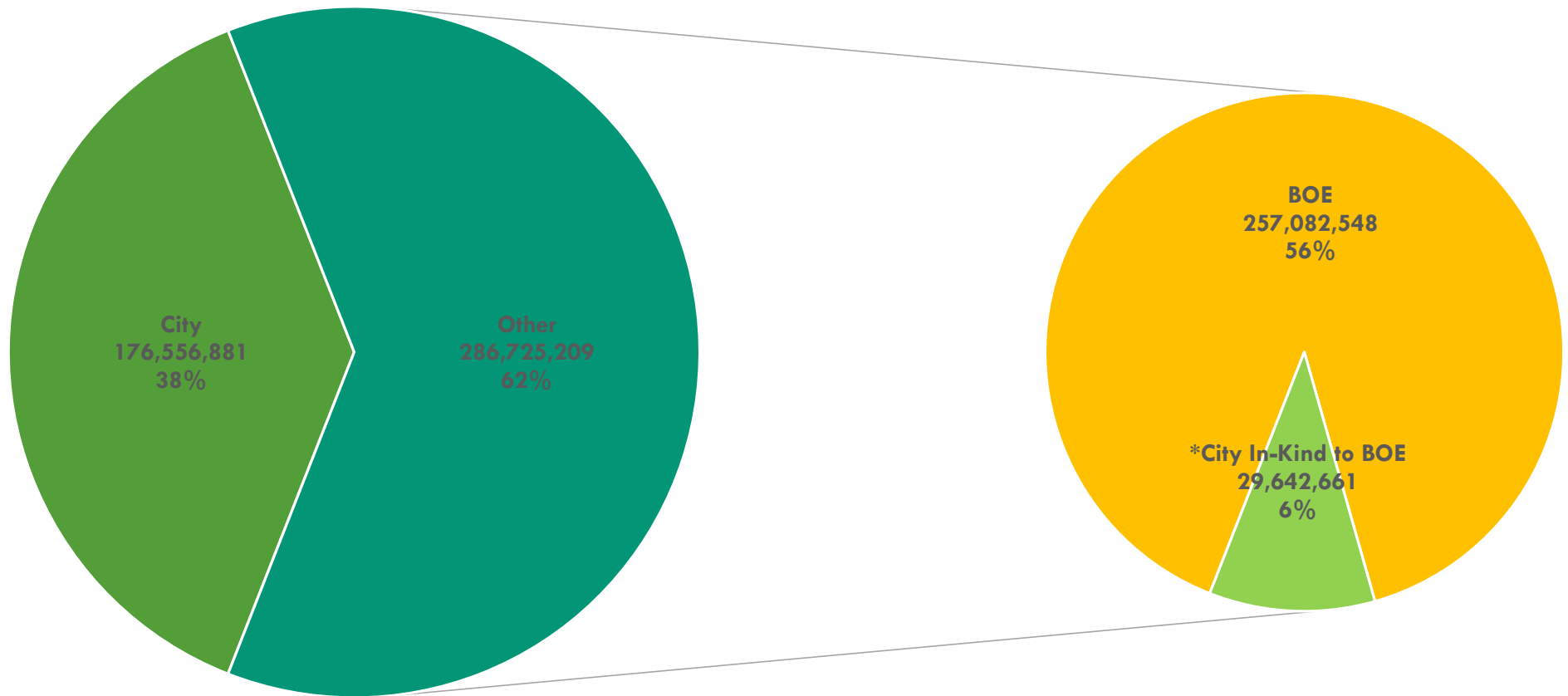
FYE 2027 PROPOSED OPERATING BUDGET

Expenditures by Use



FYE 2027 PROPOSED OPERATING BUDGET

Actual Expenditures – City and BOE



*\$29,642,661 reflects FY2025 Actuals

FYE 2027 PROPOSED OPERATING BUDGET

Overview of Union Agreements

Goal: Employee Retention

- Staggered Expiration Dates
 - Fire and Police: 5-year agreements
 - Other Units: 4-year agreements
- Added Number of Step Increases
- Equalize Fire and Police Pension Benefits Between
- General Wage Increases Between 2.5% and 3.0% Annually
- \$9 Million Salary Increase from FY 25 to FY 27
- Increased City Contribution to 401A By 1%

FYE 2026 PROPOSED OPERATING BUDGET

Fund Balance History

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
\$400,336,989	\$423,665,380	\$436,079,582	\$450,481,977	\$483,318,290
\$78,833,252	\$85,956,585	\$80,000,000	\$72,000,000	\$65,000,000
\$0	(\$6,000,000)	(\$8,000,000)	(\$8,000,000)	(\$7,000,000)
\$0	\$0	(\$6,000,000)	(\$8,000,000)	(\$7,000,000)
19.7%	20.3%	18.3%	16.0%	13.4%

* FY 26 and 27 are budgeted amounts (projections)

FYE 2027 PROPOSED OPERATING BUDGET

Mill Rates

District	FYE 26	FYE 27		
	Mill Rate	Mill Rate	Difference	%
1	23.9001	25.0010	1.10	4.6%
2	23.9001	25.0010	1.10	4.6%
3	23.9001	25.0010	1.10	4.6%
4	23.9459	25.0444	1.10	4.6%
5	23.7404	24.6516	0.91	3.8%
6	22.3924	23.2351	0.84	3.8%
District	FYE 26	FYE 27		
	Median Tax	Median Tax	Difference	%
1	\$7,278	\$8,418	\$1,140	15.7%
2	\$7,092	\$8,286	\$1,194	16.8%
3	\$9,015	\$10,334	\$1,319	14.6%
4	\$7,805	\$8,795	\$990	12.7%
5	\$10,254	\$11,339	\$1,085	10.6%
6	\$20,696	\$23,328	\$2,632	12.7%

FYE 2026 PROPOSED OPERATING BUDGET

2025 Grand List

- Filed the grand list before the deadline
- \$750 million of Real Estate change related to phase in

	2024	2025	\$ Change	% Change
NET Real Estate (Incl Elderly NET)	\$14,499,261,461	\$15,473,584,826	\$974,323,365	6.72%
NET Motor Vehicle	\$893,267,449	\$935,894,670	\$42,627,221	4.77%
NET Personal Property	\$895,345,992	\$929,093,876	\$33,747,884	3.77%
NET Taxable Grand List	\$16,287,874,902	\$17,338,573,372	\$1,050,698,470	6.45%
<u>Real Estate Breakout</u>				
Gross Residential	\$11,686,524,746	\$11,767,401,232	\$80,876,486	0.69%
Gross Commercial	\$4,622,131,386	\$4,665,511,520	\$43,380,134	0.94%

FYE 2026 PROPOSED OPERATING BUDGET

2023 Revaluation and the Phase-in

- Average home value increased by 45% in the 2023 revaluation
- Shift in property class: Residential from 66% to 71.5%; Commercial from 34% to 28.5%
- City elected to phase in the revaluation over four years to limit the increase in residential property taxes, beginning with FYE 25
- The FY 27 budget proposal reflects the third year of the phase-in

FYE 2027 PROPOSED OPERATING BUDGET

Process/Calendar

Description	Date
Mayor's Recommended Budget - BET	2/9/26
Mayor's Recommended Budget – Common Council	2/9/26
Finance Committee Public Hearing	2/12/26
Common Council Sets Budget Cap by...	2/24/26
BET Meetings with Departments	3/3/26 – 3/13/26
BET Public Hearing	3/25/26
BET Forwards PROPOSED Budget to Common Council	4/6/26
Common Council Sets Final Budget Cap	4/14/26
BET Sets Final Budget and Tax Levy	5/4/26

FYE 2026 PROPOSED OPERATING BUDGET

The End

Thank You!

Questions?