



City of Norwalk Operating & Capital Budgets

Public Hearing
September 29, 2026

Presented by Jared Schmitt, CFO

Operating vs Capital

Operating Budget

- **Expenses and revenues related to day-to-day operations over the period of a fiscal year – from July 1st to June 30th**
 - City Employee Salaries and Benefits
 - Utilities
 - Vehicle fuel
 - Supplies
 - Maintenance
 - Contracted services – e.g. trash collection, PD body cameras, software licenses
- Expenses paid by revenue from property tax, fees, permits, grants

Capital Budget

- **Expenses related to long-term investments, construction, expansion, or replacement of physical assets / infrastructure**
 - Road Construction
 - Bridges
 - City Buildings – including New Schools (and renovations)
 - Fire Stations and Fire Trucks
 - Significant Technology
- Expenses paid by revenue from bond proceeds and grants



FYE 2026 BUDGET HIGHLIGHTS

- **Maintained AAA Stable Bond Ratings with Moody's and Standard & Poor's**
- **Projected FY 26 balance – approximately \$800,000.**
 - **Assumes the drawdown of \$8,000,000 in Fund Balance, as budgeted**
- **Revenues - Unfavorable variances in property tax collection. Favorable balance in "Other Revenue Sources".**
- **Expenditures - Generally, favorable balances across departments.**
- **Significant impact of settled Collective Bargaining Agreements (union contracts).**
- **State mandates complicated revenue projections.**
- **Winter storms impacted overtime, salt, and other road-related accounts**

FYE 2026 UNAUDITED PROJECTION

Revenues	FY 26 Original Budget	FY 26 Revised Budget	Projected FY 26 Actuals	Favorable (Unfavorable)
1) Property taxes	\$394,341,587	\$394,341,587	\$389,989,207	(\$4,352,380)
2) Intergovernmental	\$23,037,918	\$23,037,918	\$21,907,942	(\$1,129,976)
2) Transfer from Fund Balance	\$8,000,000	\$8,000,000	\$8,000,000	\$0
3) Other Revenue Sources	\$17,092,472	\$17,092,472	\$24,401,655	\$7,309,183
4) Interest Income	\$8,000,000	\$8,000,000	\$6,372,020	(\$1,627,980)
Total Revenues	\$450,471,977	\$450,471,977	\$450,670,824	\$198,847

Expenditures				
01 - General Government	\$5,655,243	\$6,010,729	\$5,761,042	\$249,687
02 - Finance Department	\$9,223,738	\$9,219,238	\$8,262,520	\$956,718
03 - Community Service	\$10,872,966	\$11,073,946	\$10,756,728	\$317,218
04 - Police Department	\$30,012,986	\$30,516,450	\$30,399,850	\$116,600
05 - Fire Department	\$23,361,357	\$23,392,212	\$23,575,292	(\$183,080)
06 - Econ & Comm Development	\$5,994,478	\$6,001,678	\$6,043,680	(\$42,002)
07 - Ops / Public Works / Rec & Parks	\$31,190,821	\$29,047,910	\$27,809,585	\$1,238,325
08 - Grants	\$1,330,892	\$720,007	\$688,905	\$31,102
09 - Debt Service	\$41,469,166	\$41,469,166	\$41,469,166	\$0
10 - Organizational Dues	\$92,000	\$92,000	\$32,383	\$59,617
11 - Employee Benefits	\$24,156,800	\$24,156,800	\$24,884,293	(\$727,493)
12 - Contingency	\$1,288,772	\$120,747	\$0	\$120,747
13 - Pensions	\$23,128,000	\$23,128,000	\$23,067,482	\$60,518
14 - Education	\$242,694,758	\$247,194,758	\$247,059,090	\$135,668
Total Expenditures	\$450,471,977	\$452,143,641	\$449,810,015	\$2,333,626

Projected	\$0	(\$1,671,664)	\$860,808	\$2,532,472
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FYE 2027 BUDGET REVIEW

- Restructuring of City Government – more than \$1 million in savings annually
- 2023 Real Estate Revaluation Phase-in: Year 3 of 4
- Funded BOE at 4.1%
- Increasing Employee Healthcare: State Plan Increases. BOE high-Deductible Plan
- Funding **SIX** Settled Union Contracts
- Fortifying the Internal Service Fund – Employee Healthcare and Claims Liabilities
- Updated Investment Income Projection
- Pension Program Adjustments – Increased Discount Rate

Monitoring:

- Potential uptick in investment income due to Federal Funds rate hike
- Increased in fuel costs

FYE 2028 BUDGET PREVIEW

- Ongoing inflation, especially municipal-intense commodities
- Final year of the 4-year phase-in of Property Revaluation
- Employee healthcare increases unknown. BOE high-deductible plan.
- Unpredictable fuel costs
- Municipal Grant in Aid no longer available
- Unfunded state mandate: Change in methodology for calculating business personal property. Revenue reduction between \$800,000 and \$1,200,000
- Goal: Minimize drawdown of Fund Balance
- Goal: Minimize impact of phase-in on homeowners' property tax

EFFICIENCY HIGHLIGHTS

Online permitting – UPDATE: Selected vendor and working with departments to implement the new system.

Purchasing - Updated Purchasing Guidelines, which was approved by the Common Council in 2024. Modernized approval thresholds to create a more efficient procurement process, while maintaining critical controls.

Tax Collection –

- **UPDATE:** We have identified 2,624 improperly registered vehicles and have recouped \$156,596.91 in tax dollars.
- **UPDATE:** Tax Collector conducted a tax sale in August, which generated more than \$6 million in property tax collection of past-due accounts.
- More aggressively pursuing improperly permitted and blighted properties

Network – Working with the State to complete a loop of our fiber optic network, which will ensure stability and reliability of our network, in case of accidents, storms, etc...

Cybersecurity – Implemented a comprehensive cybersecurity awareness program that includes monthly training videos, phishing simulations, and targeted follow-up training for all email users.

Fire Marshall – Consolidated three part-time employees into a single full-time position.

City Streets – Adopted Complete Streets Program to ensure new and upgraded streets are designed to new standards that accommodate ALL travelers.

Online Field Cards – Currently upgrading to a new product through Vision Appraisal that enables current property information and drawings.

EFFICIENCY HIGHLIGHTS

Shared Services (City & BOE Collaboration) –

- City attorneys provide significant support to BOE for liability cases.
- BOE and City collaborate on IT services depending on situation.
- Collaboration on Finance operations.
- City Building & Facilities Manager and staff provide services to BOE for school construction projects.
- BOE joined City in utilizing ClearGov E-budget book, which will provide board members and public with easy-to-read budget documents, graphics, and charts.
- City and BOE operating off the same phone system and same ERP system.
- Frequent communication between City and BOE to share knowledge of best practice and experience in areas of IT and vendor selection.
- City and BOE entered into MOU to collaborate on use of fields.
- Completed implementation of a new Time & Attendance software program – UKG.



FYE 2028 OPERATING BUDGET CALENDAR

Date	Description
Tuesday, September 29, 2026	Joint Public Hearing with Mayor, CFO, BET Chair, Council President, F&CC Committee Chair, BoE Chair, and Planning Commission Chair for comments, input, and suggestions from the public.
Monday, October 26, 2026	Finance Department distributes pro forma Operating Budget packages to departments and agencies.
Monday, November 2, 2026 -- Wednesday, December 2, 2026 Thursday, December 31, NPS / BoE	City Departments and Grant Agencies prepare and file their Operating Budget requests, including goals and objectives, with the Office of Management & Budgets. City departments enter line items requests in MUNIS.
Thursday, December 3, 2026 -- Monday, December 21, 2026	Finance Department staff meets with Division Chiefs, Department Managers, and Grant Agencies on a staggered weekly schedule to review requests. Reviews will include both Operating and Capital budget requests.
Wednesday, December 30, 2026	Board of Education files its Operating Budget request with the Chief Financial Officer.
Wednesday, January 13, 2027	Finance Department meets with Board of Education to review both Operating and Capital budgets.
Thursday, January 14, 2027	City Council Finance & Claims Committee and BoE Finance Joint Committee hear Public Comments at regular Finance & Claims Meeting (2nd Thursday of January).
Friday, February 5, 2027	Mayor submits the Recommended Operating Budget to the Board of Estimate & Taxation and City Council.
Monday, February 8, 2027	Chief Financial Officer presents Recommended Operating Budget and tax levy at regular Board of Estimate & Taxation meeting



FYE 2028 OPERATING BUDGET CALENDAR

Date	Description
Tuesday, February 9, 2027	Chief Financial Officer presents Recommended Operating Budget and tax levy at regular City Council meeting
Friday, February 12, 2027	Chief Financial Officer posts Mayor's Recommended Operating Budget (on or before February 14th of each year)
Tuesday, February 23, 2027	City Council establishes Operating Budget Cap at regular City Council meeting (on or before February 28th each year). Council must vote on separate caps for the BOE and City budgets.
Tuesday, March 2, 2027 -- Thursday, March 18, 2027	Board of Estimate & Taxation conducts meetings to hear from City departments and agencies concerning Operating Budget adjustments and formulates tentative Operating Budget.
Wednesday, March 24, 2027	Board of Estimate & Taxation holds Public Hearing on the Tentative Operating Budget.
Thursday, April 8, 2027	Board of Estimate & Taxation attends Finance & Claims Committee regular meeting to review status of budget to date.
Thursday, April 15, 2027	Resubmissions of Operating Budgets by the Mayor and Superintendent are due by April 15th
Wednesday, April 28, 2027	Board of Estimate & Taxation conducts final deliberation and votes on the Approved Operating Budget to forward to the City Council (on or before April 29 each year).
Thursday, May 6, 2027	City Council may vote to amend final Operating Budget cap (for both the City and the BOE) no later than May 6th of each year
Monday, May 10, 2027	Publish the Approved Operating Budget and tax levy in accordance with Public Notice provisions of City Charter. *Must reflect changes to cap if necessary.
Thursday, May 13, 2027	Board of Estimate & Taxation meets and votes on final alterations to Operating Budget based on changes to cap made on May 6 by City Council.



FYE 2028 CAPITAL BUDGET CALENDAR

Date	Description
Tuesday, September 29, 2026	Joint Public Hearing with Mayor, CFO, BET Chair, Council President, F&CC Committee Chair, BoE Chair, and Planning Commission Chair for comments, input, and suggestions from the public.
Friday, October 30, 2026	CFO submits a list of capital projects 4 years or older that are scheduled to lapse in the next 12 months to the City Council. Council has 30 days to review and recommend each project for closure or to continue authorization.
Wednesday, November 4, 2026	Finance Department distributes budget packages to departments.
Tuesday, November 17, 2026 -- Wednesday, December 2, 2026 Thursday, December 31, NPS / BoE	Departments file Capital Budget requests on staggered deadlines, including PoCD's, with the Office of Management & Budgets. NPS/BoE only -- due December 31 Departments enter requests and PoCDs in ClearGov -- this is first year of new 10 year Capital Plan.
Thursday, December 3, 2026 -- Monday, December 21, 2026	Finance Department meets with Division Chiefs and Department Managers to review budget requests. Review will include both Operating and Capital budget requests.
Wednesday, December 30, 2026	Board of Education submits its Capital Budget requests to the Finance Department.
Wednesday, January 13, 2027	Finance Department meets with Board of Education to review their Capital Budget Requests.
Friday, January 29, 2027 (on or before February 1st)	Chief Financial Officer transmits requests together with recommendations to the City Council, Board of Estimate & Taxation, and the Planning & Zoning Commission. Recommendations will include a report of the impact on the debt service in the Operating Budget and various debt ratios.
Wednesday, February 10th, 2027 (on or before February 15th)	Planning & Zoning Commission holds a Public Hearing on the Proposed Capital Budget, primary purpose is to ensure projects are consistent with Plan of Conservation and Development.



FYE 2028 CAPITAL BUDGET CALENDAR

Date	Description
Friday, February 12, 2027	Mayor submits to Board of Estimate & Taxation and City Council Proposed Capital Budget including CFO report from January 29 and spending estimates by Entity.
Friday, March 5, 2027 (on or before March 5th)	Planning & Zoning Commission transmits its report (along with the Capital Plan) with determination of capital budget items' consistency with the PoCD to the Mayor, City Council, Board of Estimate & Taxation, and Chief Financial Officer.
Monday, March 15, 2027 (on or before March 15th)	Mayor completes review and transmits recommended Capital Budget to the Board of Estimate & Taxation and the City Council.
Wednesday, March 24, 2027	Board of Estimate and Taxation holds Public Hearing on Capital Budget and Operating Budget
Thursday, April 1, 2027 (on or before April 1st)	Board of Estimate & Taxation submits recommended cap to the City Council with an expression in judgment to the amount of funds to expend and the effect such expenditures will, in its opinion, have upon the operating expenses and credit of the City.
Tuesday, April 13, 2027 (on or before April 15)	City Council may approve, reject or reduce any item in the Capital Budget by a vote of the majority of its members. The City Council shall approve the same as amended on or before the 15th day of April in each year. Any item not rejected or reduced by the City Council shall be deemed approved.
Friday, May 28, 2027 (on or before June 1)	Chief Financial Officer shall transmit to the City Council and the Board of Estimate and Taxation his/her recommendations in respect to the most feasible and economical measures to finance the Capital Budget for the ensuing fiscal year.
Tuesday, June 8, 2027	City Council reviews, votes, and accepts capital resolutions necessary for bond offering.