



**To: Board of Finance & Board of Representatives**

**From:** Dr. Elda Sinani, LL.M. OPM Director

**Date:** November 9, 2023

**Re:** FY 2023-2024 First Quarter Fiscal Projection

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Attached for your review is a summary of revenue and expenditure projections for the current fiscal year (FY23-24) which is based on one quarter of actual data.

**OVERALL Q1 PROJECTION RESULTS:**

I am pleased to report that the projection indicates a positive budget variance. The total estimates for Q1 reflect an estimated \$1,031,222 at year end including BOE's projection of a flat budget.

While OPM is reporting a surplus compared to budget of \$1.0mil, we will continue to work closely with the Tax Department to monitor the collection of Current Levy to ensure taxes are coming in as projected as well as with the Town Clerk's office to monitor Conveyance Tax. On the expenditure side, we feel comfortable that utility projections are secure through year-end, but we will continue to monitor departments for spending outside of their budget and/or current projections.

The following analysis compares the first quarter full year projection to the revised budget.

**REVENUE VARIANCES:**

The total estimated surplus in revenue is \$531,186 for the first quarter full year projection. This surplus is mainly from PILOT–State Tiered Reimbursement and Street Permits. Municipality reimbursement from the state of Connecticut for PILOT is expected to exceed budget by \$403,208. This is based on the state's latest estimate. Street Opening Excavation and Street Use Obstruction Permits are projected to be \$100,000 and \$50,000 respectively, higher than budgeted. This is driven by an anticipated increase in activity leading to additional permit receipts.

**EXPENDITURE VARIANCES:**

On the expenditure side, we are projecting City operating expenditures to be \$500,036 less than budgeted. This is mainly due to net Salary related savings (vacancy saves offset by higher overtime, seasonal, and part-time) assumptions of approximately \$780K. This is partially offset by higher Recycling Process Fees of \$177,000 due to expected increased usage and higher contracted Outside Payroll and Accounts Payable services of \$94,000.

City expenditures for non-operating items related to employee benefits is currently expected to be in line with budgeted totals.