
TOWN OF COLUMBIA

FISCAL YEAR '11-'12 BUDGET

Presented to FIPAC

on 3/16/11

3/17/2011

KEY FORMULA

EXPENDITURES

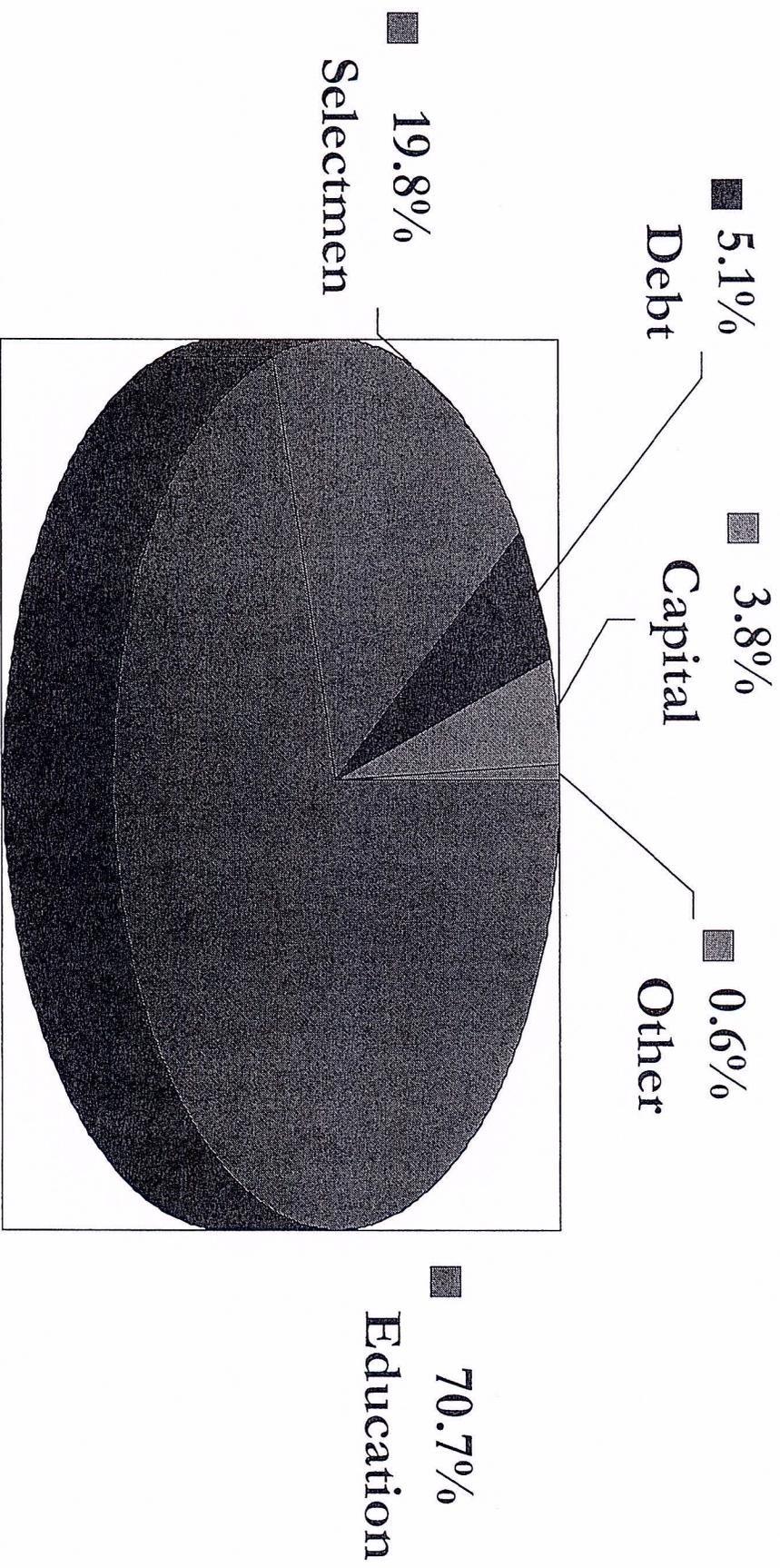
- NON-PROPERTY TAX REVENUES

= AMOUNT TO BE RAISED BY PROPERTY TAXES

FY '11-'12 SPENDING SUMMARY

	<u>Expenditures</u>	<u>% Change</u>
■ BOE	\$ 11,607,465	3.2%
■ BOS	\$ 3,245,172	2.1%
■ Debt Services	\$ 835,194	- 4.8%
■ Capital	\$ 631,258	19.5%
■ All Other	\$ 101,732	-27.1%
TOTAL	\$ 16,420,821	2.8 %

Distribution of the FY '11-'12 Budget



Total Budget: \$16,420,801

The BOS' Approach to its FY '11 –'12 Operating Budget

- Keep spending as low as possible.
- Avoid the creation of new programs.

BOS Notable Expenditure Increases

(Increases \geq \$1,000 and 3%)

<u>DEPT</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
■ Judicial/Legal	\$ 24,229	= 60.57%
■ Registrar of Voters	\$ 4,794	= 25.24%
■ Assessment	\$ 4,966	= 4.61%
■ Tax Collection	\$ 3,252	= 4.5%
■ Public Records	\$ 3,204	= 3.59%
■ Sr. Center	\$ 5,667	= 9.18%
■ Youth Services	\$ 2,816	= 19.74%
■ Police	\$ 9,113	= 8.84%
■ Public Works	\$ 30,873	= 5.65%
■ Planning & Zoning	\$ 2,193	= 5.82%

BOS Notable Expenditure Decreases

(Decreases \geq \$1,000 or 3%)

<u>DEPT</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
■ Town Treasurer	\$ 11,258	= -100%
■ Elderly Services	\$ 2,856	= -16.54%
■ Waste Disposal	\$ 26,474	= -12.15%

BOS Notable Expenditure Denials

(Operating Budget)

■ Charitable donations	\$ 7,000
■ Senior Center	\$ 15,000
■ Recreation	\$ 15,000
■ TOTAL	\$ 37,000

BOS Salaries & Wages

- **The BOS issues General Wage Increases (GWI). No steps.**
- **For FY '09-'10 virtually no GWI was issued.**
- **For FY '10-'11, Contingency contained the funds for GWI.**
- **A GWI of 2% was issued in the fall from Contingency.**
- **For FY '11-'12, funds for a GWI will come from the BOS Operating Budget, not Contingency.**
- **Contingency will reduce in FY '11-'12 by \$ 33,112 (28%).**

Town Capital Budget

Significant Projects Funded

■ Road Resurfacing	\$ 84,082
■ Revaluation	\$ 33,700
■ DPW Capital Equipment	\$ 110,000
■ DPW Capital Improvement Buildings	\$ 31,750
■ Bridge on Rose's Bridge Rd.	\$ 21,000
■ Land Acquisition	\$ 145,884
■ HWP Roof Architectural	\$ 50,000
■ HWP Roof Repair & Replacement	\$ 15,000
■ HWP Parking Lot Repair & Improve	\$ 25,000
■ HWP Whiteboards	\$ 11,300
■ HWP Gym Floor Refinish	\$ 15,000

Town Capital Budget

Significant Projects Denied

■ New salt/sand shed at DPW	\$ 400,000
■ Brush Chipper	\$ 25,000
■ Cistern at Island Woods	\$ 30,000
TOTAL:	\$ 455,000

Town Revenues

Revenue from non-property tax sources

- GRANTS: Even with an \$363,801 increase in ECS funding, Grant revenue will decrease by \$106,539 or 3.3%.
Tremendous decrease in STEAP, School Transportation, School Excess Cost Reimbursement, School Building Bond repayment grant, Elderly Relief, Manufacturing.
- FEES: Fees and interest will account for \$254,214 in FY '11-'12. That is a decrease of \$124,460 or 33%. Note that the FY '10-'11 Tax Sale was a one-time generator of \$100,000.
- UFB: The Undesignated Fund Balance will likely be approx \$2.2 million on 6/30/11. The Balance of the UFB was at this level years ago. What about accessing the UFB?

No More Federal Stimulus

American Recovery & Reinvestment Act

Each year, the State provides Education Cost Share funding (ECS) to the Columbia Municipal Government in consideration of BOE expenses.

During FY '09-'10 and FY '10-'11 the State of Connecticut was in a financial crisis since income tax revenues fell dramatically. In response, the Federal Government gave the State millions of dollars in federal stimulus funds to be used to support education.

Of all the federal stimulus dollars received, the State assigned \$363,801 to the Columbia BOE in FY '09-'10 and another \$363,801 in FY '10-'11. At the same time, the State reduced its ECS funding to the Columbia Municipal Government by \$363,801 in FY '09-'10 and then another \$363,801 in FY '10-'11.

In FY '11-'12, no federal stimulus money will be given directly to the Columbia BOE. Therefore, the State will increase its ECS funding to the Municipal Government by \$363,801.

Town Revenues

From non-property tax sources

- Exactly how did that UFB increase?
 - BOS typically under spends (Contingency is a driver).
 - BOS recently collected taxes at a rate higher than budgeted.
 - FIPAC engineered an infusion in FY '09-'10 through the budget.
 - The BOS engineered an infusion in FY '10-'11 via LOCIP funds.
 - The BOE is projected to under spend its FY '10-'11 tuition monies by \$250,000 - \$400.000 (H.S. & Special Education).

Town Revenues

From non-property tax sources

- When it comes to using the UFB, consider:
 - What will the rating agencies think? Do their opinions matter?
 - How much of the USB will eventually be utilized for the school roof?
 - How much of the USB will eventually be utilized for the library?
 - What is the min amount to have for emergencies & disasters?
 - What are the pros/cons of using the UFB on one-time purchases vs. using the UFB for ongoing operating costs?
 - Will interest rates rise soon? If so, will having more cash be better (revenue generation) or worse (inflation depleted its value)?

Town Revenues

From property tax sources

- Grand List growth for the FY '11-'12 Budget is 1.24%.
- The budgeted Collection Rate for FY '09-'10 was 97.5%.
The actual Collection Rate for FY '09-'10 was 98.4%.
- The budgeted Collection Rate for FY '10-'11 was 97.5%.
The projected Collection Rate for FY '10-'11 is 98.4%.
- When setting a Collection Rate for FY '11-'12, please note:
 - (A) No Tax Sales scheduled for FY '11-'12; and
 - (B) Extended unemployment benefits are drying up.

Mill Rate Calculations

Current Mill Rate: 23.55

Proposed Mill Rate: 24.62

Proposed Increase: 1.07 mills or 4.54%

Example of the tax impact:

A home assessed at \$ 200,000 would yield a property tax of \$ 4,924 – an increase of \$ 214 from FY '10-'11.

Recent Mill Rate Increases

