

Budget in Brief

**Proposed Fiscal Year 2008 Budget
Budget Referendum, Tuesday, May 8, 2007**



Overview

The Town of Windsor is in a fortunate budgetary position for fiscal year 2008. The Governor's proposed increases in school funding and dividends from our economic development efforts are expected to lessen the burden of the town's fixed cost increases. Without these two factors, the town would have had less ability to maintain services at their current level without having increased taxes.

"... this budget results in a zero percent increase to the tax rate..."

In an effort to maintain the high quality services Windsor residents have come to expect, town staff reviewed all programs and services for ways to contain costs, reduce spending and improve efficiency. In addition, staff was challenged to redirect resources toward achieving the Town Council and Board of Education goals. The FY 2008 proposed budget is a result of those efforts. It is a responsible financial plan that allows for the continuation of current services, some restorations and very few enhancements.

This budget results in a zero percent increase to the tax rate.

The Budget in Brief document provides a broad overview of the proposed FY 2008 budget. See inside to learn more about where our money comes from and where it goes.

Impact of Economic Development



Historically, on average, the total value of new construction and equipment in town has increased 1.75% per year. Last year, the resulting value of our economic growth increased by 4.31%. The mill rate and everyone's property taxes are affected by how the total value of property changes each year. Last year's robust economic growth is helping to keep the tax rate low in FY 2008. Without this growth, the proposed budget would have required higher taxes. (\$101 more on a \$200K home)

Budget Summary

When the town's proposed operating budget is combined with the Board of Education's proposed 3.74% increase, the overall FY08 budget proposes an increase of 4.70%. The overall expenditure increase equals \$4,191,065 or 4.87% when debt service payments, Metropolitan District Commission (MDC) assessments and capital projects are included. The budget going before the voters on May 8th has a zero increase on the current mill rate of 29.30 resulting in no increase in property taxes. Without the past year's economic development growth, a mill rate increase would have been needed to provide the services proposed in this budget. Clearly, these projects have a positive impact on the taxes we all pay.

"...the budget going before the voters on May 8th has a zero increase to the current mill rate of 29.30 resulting in no increase in property taxes."

| | FY 2007 Budget | FY 2008 Budget | \$ Change | % Change |
|-----------------------|---------------------|---------------------|--------------------|--------------|
| Board of Education | 54,824,345 | 56,874,840 | 2,050,495 | 3.74% |
| Town Operating Budget | 22,797,705 | 24,394,775 | 1,597,070 | 7.01% |
| Sewer Service (MDC) | 2,815,550 | 2,956,330 | 140,780 | 5.00% |
| Debt Service | 5,626,950 | 5,989,670 | 362,720 | 6.45% |
| Capital Projects | 0 | 40,000 | 40,000 | 100% |
| Total | \$86,064,550 | \$90,255,615 | \$4,191,065 | 4.87% |

Town Operating Budget Details

The town's operating portion of the budget is 27.03% of the overall budget and is proposed to increase by \$1.6 million dollars over the FY07 budget. The purchase of Public Works vehicles, in the amount of \$258,000, accounts for more than 16% of that increase. The majority of the increase is due to fixed costs, contractual obligations and the maintenance of ongoing operations. Some of the major cost drivers in the operating budget are health insurance and utilities. Only \$67,690 of the town operating budget's increase is related to the restoration or enhancement of services.

To learn more about the FY 2008 proposed budget, view it in its entirety at www.townofwindsorct.com. Copies are also available for viewing at the Windsor Library, the Wilson Branch Library or the Windsor Town Clerk's Office.

The budget referendum date is scheduled for May 8, 2007.

Operational Efficiencies and Cost Containment Efforts

Throughout the year, town staff looks for ways to provide existing and enhanced services in more efficient ways. This often means applying for grant funding and finding ways to save money. As the cost of delivering high quality services increases at a faster rate than revenues, we must continue to find ways to make each tax dollar stretch farther.

The town proposes using nearly \$3,000,000 in special revenue funds in the FY 08 budget to fund programs and services and lessen the burden on the General Fund. Special revenue funds are funds that are not tax related, such as grants, user fees, donations, reimbursements and private contributions. Special revenue funds make up 12% of the town's operating budget and allow the town to provide a wide range and higher quality of services than its tax revenue would otherwise allow.

Thousands of dollars resulting from cost containment efforts and improvements in efficiency have also been identified by town staff. Some of these items add up to significant savings and others demonstrate staff's willingness to look for even the smallest way to save a few pennies. For example, proposed changes to the employee health plan will result in \$79,300 in savings next year, police overtime expenses will be reduced by \$89,100 through a series of operational changes, and by changing electrical suppliers, the town will save up to \$30,000 in utility costs. On the other end of the scale, the Police Department will eliminate a few seldom used pagers, saving \$720, and the Planning Department has consolidated software updates and maintenance contracts, which results in a \$600 savings.

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Board of Education Priorities

The proposed budget includes a 3.74% increase to the Board of Education budget. This is actually 1.15% less than the cost to simply "roll forward" existing staff and programs. The Board of education budget focuses on:

- **Raising Student Achievement** by focusing on literacy and sustaining and strengthening current programs
- **Maintaining School Buildings** with restoring major maintenance funding
- **Communication with parents** by obtaining technology software to allow immediate communication.

You can review the FY2008 Board of Education budget in its entirety at www.windsorct.org

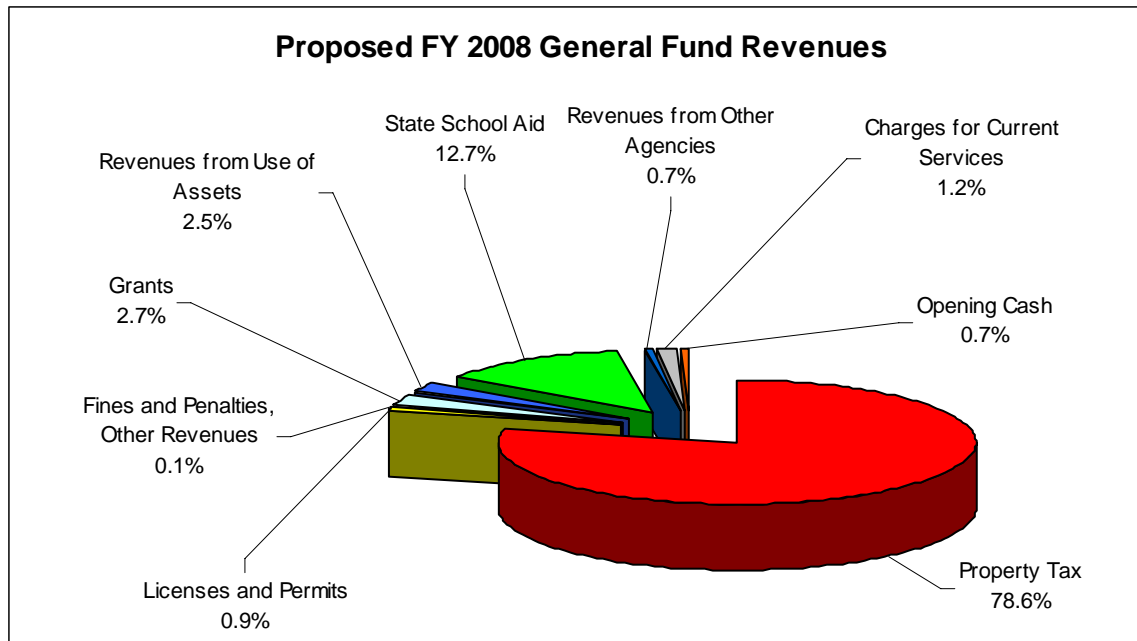
Addressing Town Council Priorities

***Leadership and Governance * Neighborhoods and Family Services * Growth Management
Solid Waste Management * Green Technology***

There are several programs and services included in the FY08 proposed budget that address Town Council goals. Some of them are new, such as an "Adopt a Park" program, developing an Open Space Plan and increasing outreach and programming for teenagers at the library. Others are enhancements to existing services, such as re-designing the town's website, offering more evening and weekend programs to seniors and boosting our property maintenance enforcement. Many of these initiatives will have little or no impact on the General Fund.

Revenues

Like every municipality in Connecticut, Windsor is heavily reliant upon property tax revenue. In FY 2008, 79% of the total revenues will come from property tax. Fortunately, and unlike many other towns in the state, Windsor's Grand List growth was very robust during the past year and a greater share of the property tax burden will fall to commercial and industrial taxpayers. Grand List growth produced more than \$2.9 million in new revenue for FY 2008, which is \$2.3 million greater than last year.



In addition to property taxes, the town has projected \$1,080,000 more in state aid which is slightly higher due to the Governor's proposed increase in Educational Cost Sharing. Other state aid, such as Town Aid for Roads are shown to decrease in the Governor's budget. Interest revenue is forecast to increase by \$300,000 due to

higher rates. Building permit revenue is projected to decrease from the FY 2007 budgeted amount of \$1.1 million to \$750,000 in FY 2008, as building activity returns to a more typical level. State payments for machinery tax exemptions and personal property tax revenue from telecommunications companies are projected to contribute an extra \$618,000 in FY 2008 revenue. The transfer from the Landfill Enterprise Fund is being decreased by \$100,000 as we reduce our reliance on this revenue source.

Mill Rate

The proposed budget does not increase the mill rate, resulting in a zero increase in property taxes.

Calculation of Impact on a \$200,000 Home

| | FY07 Approved Budget | FY07 \$ Increase | FY07 % Increase | FY08 Proposed Budget | FY08 <i>proposed</i> \$ Increase | FY08 <i>proposed</i> % Increase |
|--------------------------------|----------------------|------------------|-----------------|----------------------|----------------------------------|---------------------------------|
| Assessment on a \$200,000 home | \$140,000 | | | \$140,000 | | |
| Mill Rate | 29.30 | | | 29.30 | | |
| Property Tax Paid | \$4,102 | \$80 | 1.98% | \$4,102 | \$0 | 0% |

Tax Relief for Seniors



Guidelines for additional tax relief for qualified Windsor seniors and disabled persons are outlined in a pamphlet available at Town Hall, and other town facilities. For more information, call the Town Assessor's Office at 285-1816. **Application Deadline: May 15, 2007.**

Your opinion counts!

If you have questions or concerns about the FY 2008 proposed budget, please don't hesitate to email Windsor Town Manager Peter Souza at townmanager@townofwindsorct.com or call the Town Manager's Office at 285-1800.