

TOWN OF FALMOUTH

PROPOSED BUDGET

2008 – 2009

Budget Process

- Capital Improvement Program (CIP)
 - Departments submitted capital planning budget
 - Management and finance reviewed capital requests
 - Management and finance reviewed reserve accounts and determined adequate funding for 10 year plan
 - Management and finance analyzed the mil rate impact
 - The CIP was presented to the Town Council

Budget Process (cont)

■ Operating Budget

- Departments submitted expense and revenue requests
- Management and finance reviewed operating budget requests
- Management and finance met with Department Heads to review all requests
- Management and finance analyzed the mil rate impact
- Management and finance made adjustments to achieve level mil rate impact and minimal expenditure increase

Budget Process (cont)

- Operating Budget (cont)
 - Management and finance met with Departments Heads again to discuss and review adjustments
 - Management and finance prepared and distributed final budget package to the Town Council

FY09 Budget Challenges and Predetermined Policy Commitments

- Open Space Land Acquisition referendum
- 4.1% inflation rate (source: US CPI 2008)
- Expanded emphasis on land use planning
- No increase in non-tax revenues
- Increased fuel costs
- Opening of the new Police Station and expanded Central Fire Station
- Increased technology and communication needs to connect multiple locations
- Increased cost of public transportation

FY09 Budget Solutions

- Adjustments in employee benefit plan
- Reduction in capital reserve funding
- Staff reduction in Town Clerk and Public Works
- Increased emphasis on paperless projects to realize savings associated with printing/ mailing costs and reduction in paper

Property Tax Rate Calculation

2008-2009 Town Budget

■ Expenditures	10,776,880
■ Non-tax revenues	<u>(4,843,300)</u>
■ Net from property taxes	5,933,580

Property Tax Rate Calculation

2008-2009 Town Budget

	<u>Net of Open Space</u>	<u>Open Space</u>	<u>Total</u>
■ Net from property taxes	5,433,580	500,000	5,933,580
■ 2008-09 projected valuation		1,695,634,400	
■ 2008-09 proj rate	3.20	0.30	3.50
■ 2007-08 rate	<u>3.20</u>	<u>0.00</u>	<u>3.20</u>
■ Rate inc (dec)	0.00	0.30	0.30

FY09 Budget – Comparison to FY08 Budget

	2007-2008 Adopted	2008-2009 Proposed	2008-2009 (\$) Increase	Percent Increase
Town w/o Open Space	\$ 9,821,597	\$9,902,880	\$ 81,283	0.83%
Open Space	\$0	\$500,000	\$500,000	New
Library	\$361,500	\$374,000	\$12,500	3.46%
Sub-Total Town	\$ 10,183,097	\$ 10,776,880	\$ 593,783	5.83%
County	\$1,051,052	\$1,120,421	\$ 69,369	6.60%
School	\$24,281,412	\$25,190,084	\$ 908,672	3.74%
TOTAL	\$ 35,515,561	\$ 37,087,385	\$ 1,571,824	4.42%

Property Tax Rate Calculation

2008-2009 School and County Budget

	<u>County</u>	<u>School</u>
■ Expenditures	1,120,421	25,190,084
■ Non-tax revenues		<u>(6,819,382)</u>
■ Net from property taxes		18,370,702
■ 2008-09 projected valuation		1,695,634,400
■ 2008-09 projected rate	0.66	10.83
■ 2007-08 rate	<u>0.63</u>	<u>10.77</u>
■ Rate increase (decrease)	0.03	0.06

Significant Changes in Revenue FY08 Budget to FY09 Budget

Authorized Use of Fund Balance	(120,000)
(Offset by planned and equal reduction in CIP expense)	
State Revenue Sharing	(70,000)
Planning Board Fees	(25,000)
Inspection Fees	50,000
Cable TV Franchise Fees	20,000
Ambulance Fees	30,000
Mooring Fees	28,000
All Other	<u>30,725</u>
Total Impact	(56,275)

Significant Changes in Operating Budget

FY08 Budget to FY09 Budget

Salary Increases (including FICA)	162,500
Insurance Increases	46,800
Bus Services	41,000
Recycling Services (Silver bullet hauling)	37,500
Fuel and Utility Increases	59,000
General Assistance	10,500
<u>Information Technologies Upgrades</u>	<u>58,600</u>
Sub-Total Expense Additions (without open space)	\$ 415,900
 Open Space Land Acquisition	 \$ 500,000
(Approved by voters in Nov 2007)	
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Total Expense Additions	\$ 915,900

Significant Changes in Operating Budget FY08 Budget to FY09 Budget

Salary Increases (including FICA) 162,500

3% COLA	136,700
Additional Planning Staff	89,000
Additional Bldg Maintenance Staff	37,300
Additional IT Staff	12,000
Reduced Town Clerk Staff	(24,500)
Reduced Public Works Staff	(22,700)
Transfer Staff to TIF	(70,600)
Other	5,300

Insurance Increases 46,800

Worker's Comp Insurance	23,300
Liability Insurance	16,000
Vehicle Insurance	7,500

Significant Changes in Operating Budget FY08 Budget to FY09 Budget

Bus Services

41,000

Metro	26,000
RTP	15,000

Recycling Services (Silver bullet hauling)

37,500

Fuel and Utility Increases

59,000

Vehicle Fuel	37,000
Heating Fuel	12,000
Electricity	10,000

General Assistance

10,500

Increased Demand	6,500
New Prop Contract	4,000

Significant Changes in Operating Budget

FY08 Budget to FY09 Budget

Information Technologies Upgrades **58,600**

System Engineering Support	6,800
Telephone System Support	13,000
Server Software Support	8,800
Increased License/Maintenance Fees	10,000
Fiber Optic Connection (full year)	15,200
Additional Internet Access for Multiple Locations	4,800

Sub-Total of Expense Additions **415,900**

Significant Changes in Operating Budget

FY08 Budget to FY09 Budget

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Total Expense Additions	\$ 915,900

Significant Changes (reductions) in Operating Budget FY08 Budget to FY09 Budget

Benefit Adjustments	(103,400)
Ombudsman Allocation	(30,000)
Capital Funding Reductions	(65,200)
Overlay Reduction	(87,000)
<u>Other</u>	<u>(36,517)</u>

**Total Expense Decreases
in FY09 Budget**

(322,117)

Significant Changes (reductions) in Operating Budget FY08 Budget to FY09 Budget

Benefit Adjustments **(103,400)**

Health Insurance – Reduced Premiums	(32,500)
Health Insurance – Change in Benefit Plan	(50,000)
Retirement – Change From ICMA to MPERS	(11,900)
Long Term Disability – Change from ICMA to MPERS	(9,000)

Ombudsman Allocation **(30,000)**

(Transfer to Open Space Land Acquisition Reserve)

Significant Changes (reductions) in Operating Budget FY08 Budget to FY09 Budget (cont.)

Capital Funding Reductions

(65,200)

Police Equipment	(3,000)
Harbor Equipment	(1,000)
Parks Equipment	(1,000)
Parks Renovation	(5,000)
PW Heavy Equipment	(6,000)
Street Improvements	(15,000)
Bike Path/Sidewalk Improvements	(5,000)
Landfill Equipment	(2,000)
Town Hall Office Equipment	(2,000)
Town Hall Renovation	(10,000)
Energy Efficiency	(15,200)

Significant Changes (reductions) in Operating Budget FY08 Budget to FY09 Budget (cont.)

Overlay Reduction	(87,000)
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Other	(36,517)
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Bond Interest	(21,700)
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Recreation and Adult	
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Education Funding Reductions	(15,000)
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Tools	(10,000)
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Other	10,183
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Significant Changes (reductions) in Operating Budget FY08 Budget to FY09 Budget

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Ombudsman Reductions	(30,000)
Capital Funding Reductions	(65,200)
Overlay Reduction	(87,000)
<u>Other</u>	<u>(36,517)</u>

**Total Expense Decreases
in FY09 Budget**

(322,117)

Expense Comparison

FY08 Budget to FY09 Budget

- Expense Total FY08 Budget 10,183,097
- Open Space Land Acquisition 500,000
- Expense Increases in FY09 Budget 415,900
(Without Open Space)
- Expense Decrease in FY09 Budget (322,117)

Expense Total FY09 Budget 10,776,880

Alternative FY09 Budget

	FY09 Bud <u>Impact</u>
Open Space Acquisition	(300,000)
Fully fund Ombudsman in Operating Budget	30,000
Restore funding to Capital Reserves	20,000
Restore Contingency Fund	17,000
<u>Conservatively state Investment Income</u>	<u>25,000</u>
Total	(208,000)

Property Tax Rate Calculation

2008-2009 Town Budget Alternative

■ Expenditures	10,543,880
■ Non-tax revenues	<u>(4,818,300)</u>
■ Net from property taxes	5,725,580

Property Tax Rate Calculation

2008-2009 Town Budget

	<u>Net of Open Space</u>	<u>Open Space</u>	<u>Total</u>
■ Net from property taxes	5,525,580	200,000	5,725,580
■ 2008-09 projected valuation		1,695,634,400	
■ 2008-09 proj rate	3.26	0.12	3.38
■ 2007-08 rate	<u>3.20</u>	<u>0.00</u>	<u>3.20</u>
■ Rate inc (dec)	0.06	0.12	0.18

FY09 Budget – Comparison to FY08 Budget

	2007-2008 Adopted	2008-2009 Proposed	2008-2009 (\$) Increase	Percent Increase
Town w/o Open Space	\$ 9,821,597	\$9,969,880	\$148,283	1.51%
Open Space	\$0	\$200,000	\$200,000	New
Library	\$361,500	\$374,000	\$12,500	3.46%
Sub-Total Town	\$ 10,183,097	\$ 10,543,880	\$ 354,783	3.48%
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School	\$24,281,412	\$25,190,084	\$ 908,672	3.74%
TOTAL	\$ 35,515,561	\$ 36,860,385	\$ 1,344,824	3.79%