


TOWN OF FALMOUTH

PROPOSED CIP BUDGET

2010 – 2011

A stylized silhouette of a mountain range in shades of teal, located at the bottom right of the slide.

CIP Objective

The purpose of a Capital Budget is to replace items that have fulfilled their useful lives. It is also a policy/tool used to maintain steady funding and mil rates. Spending may increase or decrease in any given year depending on the replacement schedules, but funding of the reserve accounts has and will remain steady.

Budget Process

- ◆ Analyze prior year purchases, funding levels and replacement schedules.
- ◆ Move items forward or back in the replacement schedule if necessary to maintain funding at the current level.
- ◆ Factor in inflation and allowances for technology.
- ◆ If extra funding is necessary, globally review reserve accounts to see if a transfer of funds is sufficient to solve the problem. If not, consider funding modification.

CIP Assumptions

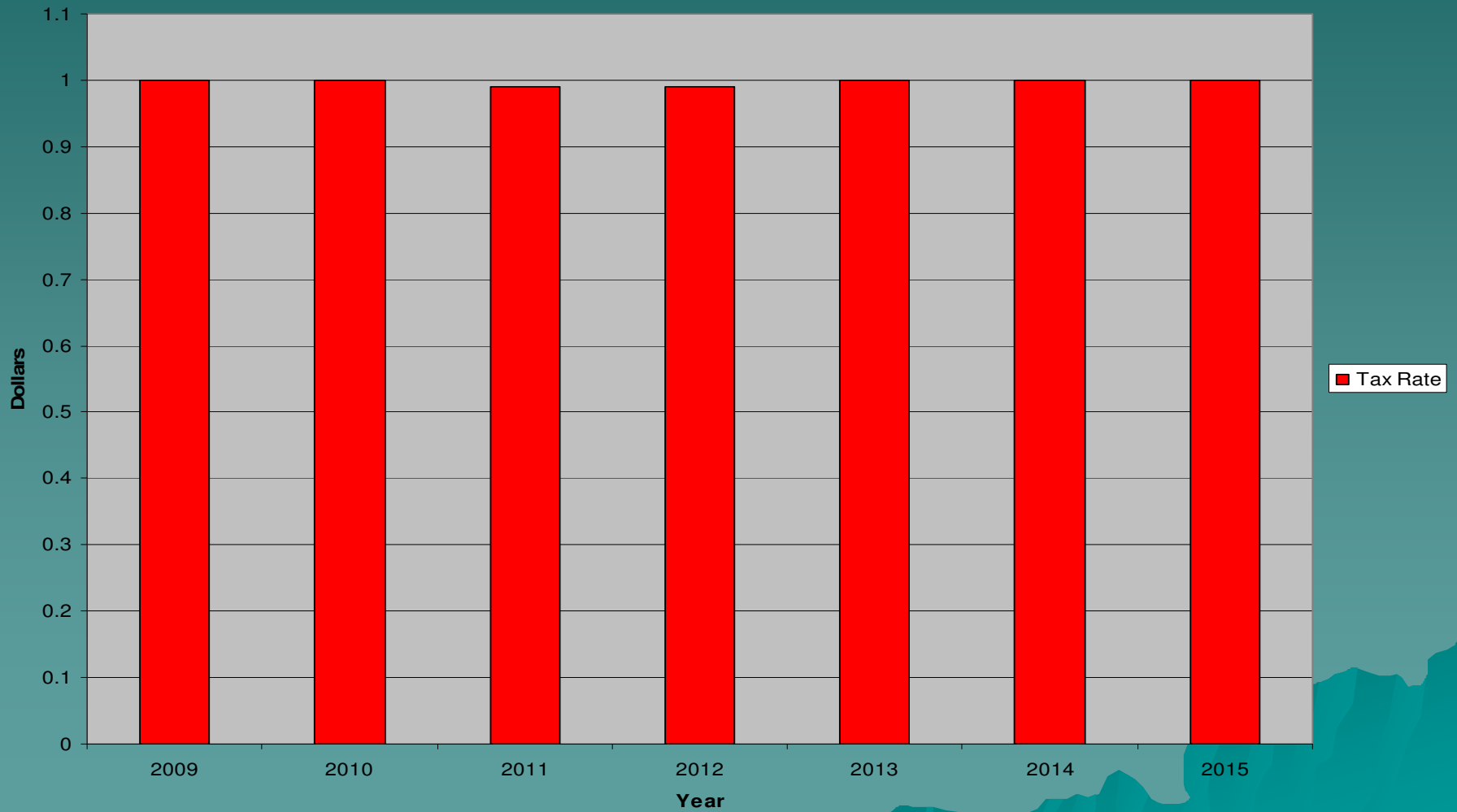
- ◆ 1.5% increase in valuation each year.
- ◆ 0.0% investment interest earnings in FY10 and a 1.0% investment interest earnings for each year after FY10.

Significant Changes in Capital Program

- ◆ We transferred \$100,000 from the Street Improvement Reserve to the Fire Building and Equipment Reserve. This is a one time adjustment that will enable us to fund the Fire replacement schedule at the proposed funding levels for the next 10 years.
- ◆ The renovation of the River Point Bridge is not in the Capital Budget. The Town Council will need to consider the future of use of the River Point property. Current use of the property will require a bridge renovation project that will cost between \$350,000 - \$400,000.

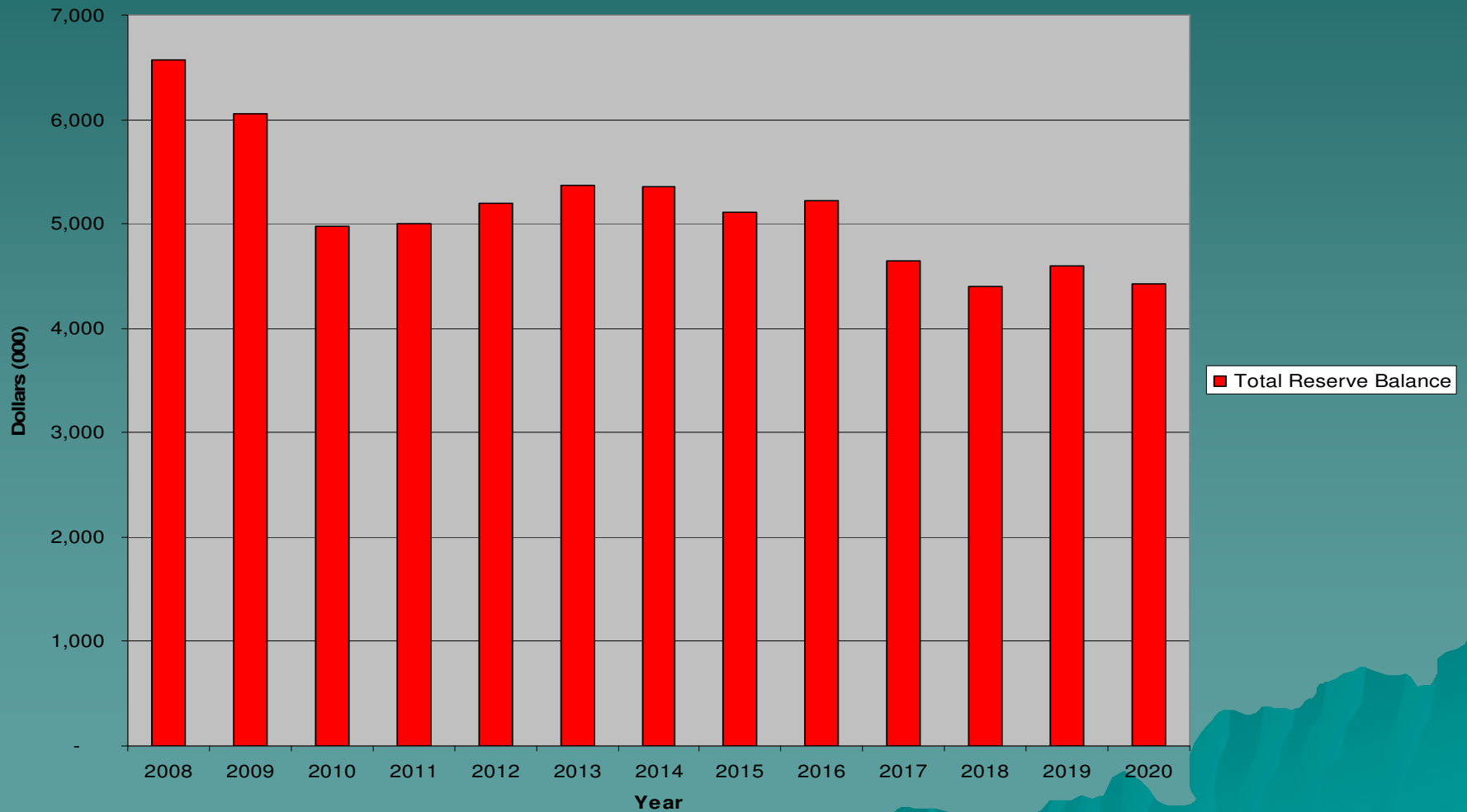
Annual CIP Tax Rate Impact

Tax Rate



Total CIP Reserve Balance

Total Reserve Balance



Total Capital Spending

Total Capital Spending

