

TOWN OF FALMOUTH

PROPOSED CIP BUDGET

2011 – 2012

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.
- ◆ Consider inflation and allowances for technology.
- ◆ If extra funding is necessary, review all reserve accounts to see if a transfer of funds is sufficient to solve the problem. If not, consider funding modification.

# CIP Assumptions

- ◆ 1.0% increase in valuation for 2012 and 1.5% for each subsequent year.
- ◆ 1.0% investment interest earnings in each year.

# Significant Changes in Capital Program

- ◆ Extend life of police cruiser from 2 years to 2 ¼ years, which save the Town \$11,500 per year in funding to the Police Equipment Reserve.
- ◆ Reduce the seed money in the Police Building Reserve by \$20,000.

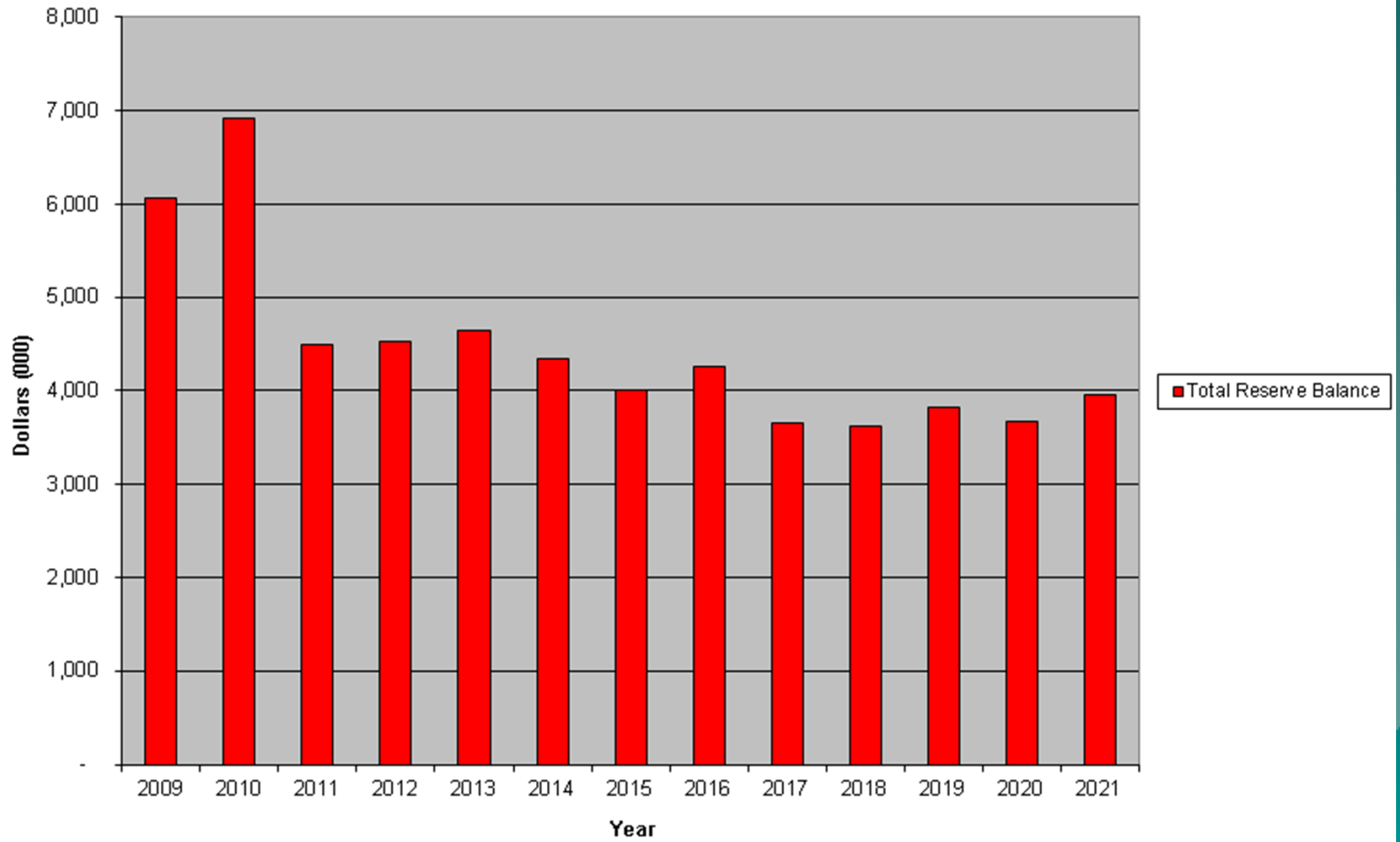
# Significant Changes in Capital Program

- ◆ Transfer \$20,000 in 2011 from General CIP Reserve into Town Hall Renovation Reserve to fund future projects.
- ◆ Transfer \$50,000 in 2014 from General CIP Reserve into Police Communication Reserve to fund base communication equipment replacement earlier than expected because the vendor will be out of business.
- ◆ Plan to use Fund Balance at \$275,000 in 2017 for the Fire Apparatus Reserve to fund the replacement schedule.

# Future Consideration

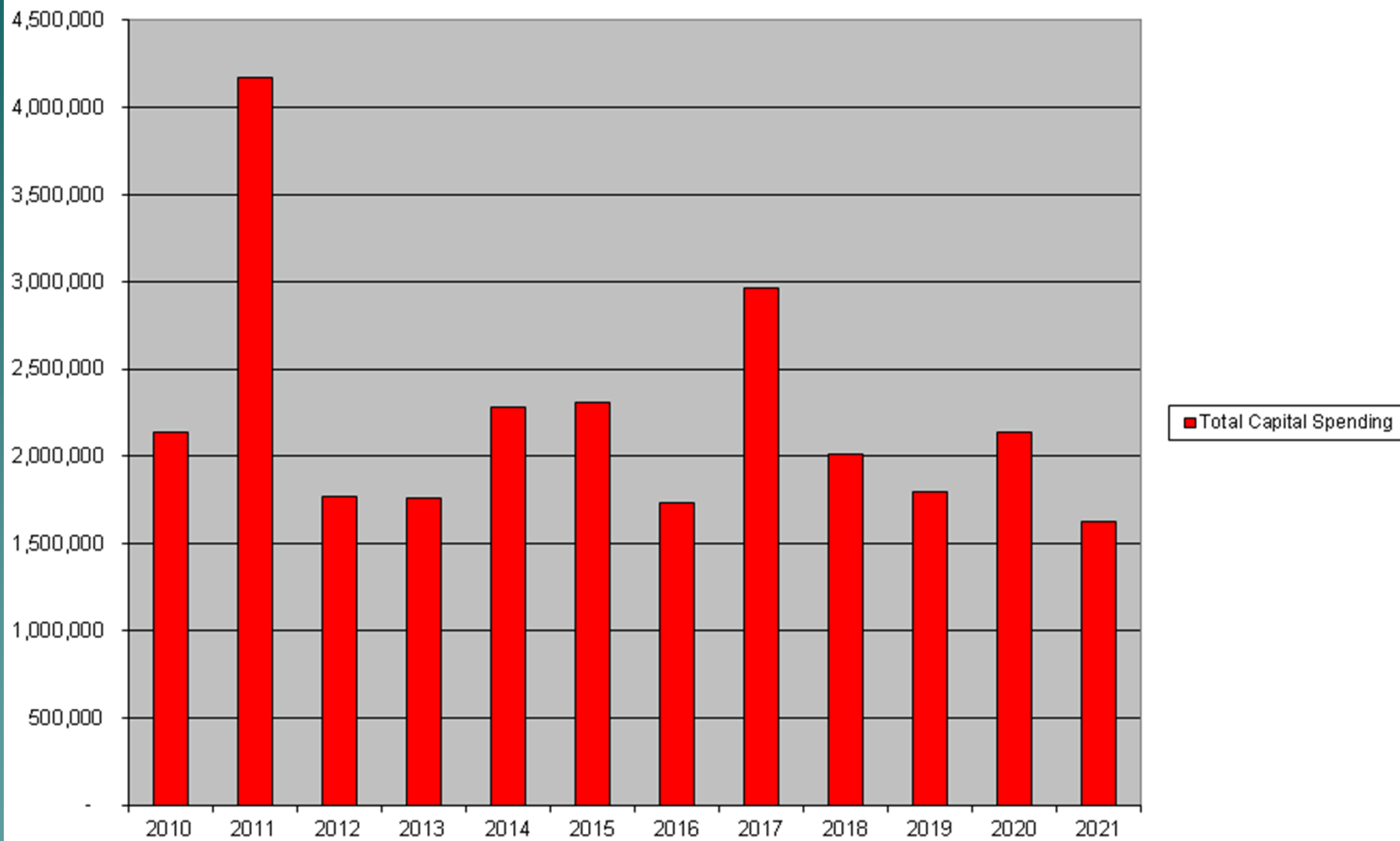
- ◆ Recreational trail across the railroad between Community Park and the School Campus. Projected costs for an underground crossing may approach \$1,000,000. This project is currently unfunded. Private sources and grant funding should be explored to help fund this project.
- ◆ The renovation of the 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.

Total Reserve Balance





Total Capital Spending



Annual CIP Tax Rate

