



**TOWN OF ENFIELD
ANNUAL BUDGET**

EXECUTIVE SUMMARY

Town of Enfield 2010-11 Proposed Budget



Honorable Members
Enfield Town Council
Enfield, Connecticut

Councilors:

Since last November, Town staff have been working on departmental budgets in preparation of this document. Each department spent considerable time reviewing its operations to insure an appropriate budget would be submitted to me for consideration. Department Directors were challenged to submit budgets that did not increase appropriations from the 2009-10 adopted budget.

The total General Fund budget is \$112,815,804. This represents a 2.8% decrease from the FY 2009-10 budget.

FACTORS IMPACTING THE 2010-11 FY BUDGET

There are a number of factors impacting the proposed 2010-11 budget. Among the more significant factors are:

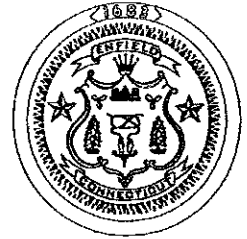
State of Connecticut's Budget – It is unknown at this point what impact the funding from the State of Connecticut will have on the 2010-11 budget. Based upon recent numbers released by OPM, the Town has lost another \$170,000 from the State of Connecticut. On March 1 the Governor released a deficit mitigation plan that suggests another possible hit is coming the Town's way, but the plan does not go into enough specifics to determine the impact on the Town of Enfield. It is quite possible that after our budget is adopted the State of Connecticut will reduce the level of funding it provides. If so, we will need to reduce our budget accordingly.

Gain in Value in the Grand List – The Grand List for the upcoming year grew by over \$29,000,000, mainly due to new construction. This growth produced an additional \$600,000 in revenue for the Town of Enfield.

Reduction in Debt Service Costs – Debt service costs were reduced by over \$1.5 million from FY 2010. This is because (1) over \$1 million in debt was retired in the current year; and (2) Refunding of outstanding debt produced a savings of approximately \$500,000.

Reduction in Pension Cost – Based on better than expected interest earnings in the current year, the performance of the Town's two pension funds, the estimated 2010-11 payment will be over \$327,000 less than the 2009-10 estimated payments.

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Increase in Health Insurance Costs – In 2009-10 the Town was able to escape increases in health insurance costs for its employees by switching to a self-funded plan. The costs associated with this self-funded plan have stayed within our original projections. However, our insurance consultants recommend that we should expect a 10% increase for Fiscal Year 2010-11 because of trending of medical inflation within the industry.

GENERAL FUND BUDGET

Revenues

The revenue budget for the General Fund consists of the following categories: taxes, licenses and permits, intergovernmental revenue, charges for services, fines and forfeitures, use of money and property, miscellaneous, and utilization of fund balance.

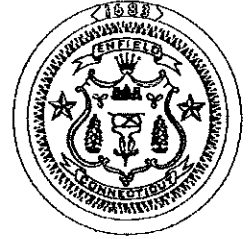
The proposed FY 2010-11 Budget estimates a reduction in overall revenues of \$3,293,492. If substantial cuts were not made within the FY 2010-11 appropriations, a 1.05 mill increase would be necessary. This increase would represent a 4.4% increase over FY 2009-10. The following table shows the historic trend for the mill tax rate since 1997:

Fiscal Year Ended	Mill Rate	
2011	23.88	1 mill = \$3,126,000
2010	23.88	
2009	23.88	
2008*	23.88	
2007	36.18	
2006	35.20	
2005	34.24	
2004	33.43	
2003*	32.15	
2002	32.60	
2001	30.87	
2000	29.62	
1999	28.95	
1998	28.95	
1997	28.95	

*Revaluation

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The table below demonstrates the impact the tax increase would have on houses of differing assessed values:

Assessed Taxable Value	Tax Increase
\$150,000	\$157.50
\$180,000	\$189.00
\$200,000	\$210.00
\$250,000	\$262.50
\$300,000	\$315.00
\$350,000	\$367.50
\$400,000	\$420.00

The majority of the Town's operating budget is derived from the local property tax, followed by intergovernmental revenues. The property tax revenue is comprised of all commercial, industrial and residential real estate, personal property taxes for local businesses, motor vehicle taxes, interest and lien fees and delinquent tax collections. Intergovernmental revenue consists of various grants the Town receives from the State and Federal Governments and includes payments in lieu of taxes for state owned property, reimbursement for a portion of the elderly benefit, Mashantucket Pequot Indian gaming revenue sharing, various educational grants the largest of which is the educational cost sharing grant and several miscellaneous grants.

Approximately 30% of the General Fund revenue comes from the State of Connecticut. Unfortunately this intergovernmental revenue can vary significantly from year to year. Once the amount of intergovernmental revenue and all other revenue is known, we can back into necessary mill rate which will produce the revenue to fund the services being provided. At that point, the only way to positively impact the mill rate is to reduce the services being performed and/or reduce the cost to perform those services.

Expenditures

Proposed expenditures in the 2010-11 General Fund budget represents a decrease of approximately 2.8% from the 2009-10 budget. This includes the school budget being frozen at the 2009-10 funding level and a Town expenditure decrease of \$3,293,492.

General Fund	2009-10	2010-11	Decrease
Town Appropriations	\$53,398,289	\$50,104,797	6.2%
School Appropriations	\$62,711,007	\$62,711,007	0.0%
Total	\$116,109,296	\$112,815,804	2.8%

To reach the significant reductions necessary to balance the budget without a tax increase, a number of drastic measures needed to be taken. The following proposed actions will be necessary for the reductions totaling over \$3.2 million:

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- The elimination of 25 full and part time positions within the Town operations
- The elimination of annual curbside leaf collection
- Significant reduction of investment in capital projects and purchases
- Reduction in funding of outside agencies that provide programs and services to Town residents
- Elimination of the town funded school crossing guard program
- Reduction in evening hours for the Senior Center
- Elimination of the meal program for the Child Development Center
- Reduction in the days of service for the Dial-A-Ride program

EMERGENCY MEDICAL SERVICES FUND

There are no significant changes proposed within the EMS budget. Revenues are anticipated to increase incrementally. The Director of Emergency Medical Services continues to seek new revenue opportunities that will reduce the General Fund contributions and create long-term financial stability to the service.

WATER POLLUTION CONTROL FUND

The 2010-11 appropriation request for the WPCF represents a decrease of \$690,197 from FY 2009-10.

Even with these reductions, expenditures are still anticipated to be 2,092,341 in excess of revenues, with a sizable deficit still existing within the WPC Fund. Staff will be reviewing this ongoing deficit in the WPCF, and develop a five year plan to reverse this trend and bring the fund back into solvency.

SOCIAL SERVICES FUND

The 2010-11 appropriation requests for the Social Services Fund represent a decrease of \$366,721. Savings will be achieved through elimination of positions, reductions in the hours of services, reductions in the nature of services and a decrease in funding to outside agencies.

CAPITAL FUND

The 2010-11 budget proposes expenditures totaling \$1,625,381, a decrease of \$1,017,233. This year's proposed projects/purchases include:

- Funding for necessary architectural and engineering services to review Town owned properties, facilities, and infrastructure related to pending or potential Capital Projects.

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- Funding for continued renovations and code improvements to the various Town owned and operated municipal and school facilities.
- Funding to continue the planning, design and construction of the Thompsonville Transit Center.
- Funding for the on-going repair/rehabilitation and reconstruction program through-out the Town in conjunction with the Road Inventory and Road Management Program and sidewalk priorities (Roads 2005).
- Funding for improvements to local roads in accordance with the Road Inventory and Road Management Program (non Roads 2005)
- Funding for annual police cruiser purchases in accordance with planned replacement of the police fleet.

Conclusion

The 2010-11 FY Budget represents the plan of service for the operations of the Town of Enfield. Town staff began this process understanding the need to control costs associated with providing a high level of services to our residents. A considerable amount of effort went into reviewing the requests and balancing the needs of each department with our funding constraints.

The difficulty in preparing the proposed 2010-11 plan of service is two fold. First, reduction in spending without reduction in the level of services offered to the residents was impossible. Since 2007, the Town has not increased the mill rate, limiting tax revenue increases to only growth in the tax base by new construction. However, employee costs, utility costs, and many contractual costs have grown over the same time. Meanwhile, the State of Connecticut has reduced funding to the municipal side of the Town's budget. Since 2007, the Town has reduced operational costs through intelligent and innovative means as well as by reductions in Town staffing. What are left to cut are those elements of service that impact the nature and quality of the service.

Secondly, we need to keep an eye toward the 2011-12 budget. Under conservative estimates, the State of Connecticut will be facing a budget deficit of over \$3 billion. Two outcomes of that situation could be a reduction in state funding for local education/government and increased State taxes on the businesses and residents. Regarding the reduction of state funding, the Town of Enfield is projecting to receive over \$32.6 million in FY 2011, nearly 29% of all Town revenues. A substantial reduction (anything over 3%) could have catastrophic consequences to the Town's ability to provide services to our residents. Unfortunately, a cut of this nature is very likely. Therefore, the 2010-11 budget must prepare the Town for future

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uncertainty and place us in a position to provide the needed services without losing reserves in order to minimize the municipal tax impact on the residents.

I wish to thank the Town staff that participated in the development of this budget. Unlike years past, this has been a very difficult process that has had very few positives. What I have presented to Council for consideration will allow vital services to continue but at a potentially reduced level. Town staff is committed to providing the highest level of service possible even under these conditions. Further, Town staff is prepared to work with Town Council to develop a final budget that reflects the needs of our residents, and carry that plan out to the best of our ability

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Matthew W. Coppler', is written over a horizontal line.

Matthew W. Coppler
Town Manager

MUNICIPAL SUPPORT FOR EDUCATION
March 17, 2010

<u>Activity</u>	<u>Program</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>
Library	Reference Desk Services	\$37,500	\$37,500	\$37,500
	Library/School ID cards	500	500	\$1,250
	Third Grade Visits	3,300	3,300	\$3,700
	Children's Library	3,975	3,975	\$7,000
	E-TV	5,652	5,652	\$5,800
	Misc.	1,250	1,250	\$1,250
	Library Total:	\$52,177	\$52,177	\$56,500
Celebrations & Special Events (Family Day & Jack-O-Lantern Fest.)	Police	5,400	5,400	4,410
	Recreation	800	800	0
	Public Works	1,100	1,100	4,500
	Special Events Total:	\$7,300	\$7,300	\$8,910
Police	School Resource Officers	198,373	239,317	191,247
	SRO Cruisers	13,000	13,000	13,000
	School Functions		20,730	24,000
	Crossing Guards	130,000	145,000	125,000
	Police Total:	\$341,373	\$418,047	\$353,247
Emergency Medical Services	Football Game Stand-bys			16,700
				\$16,700
Family Resource Center	FRC Operation	137,103	136,450	136,522
	FRC Total:	\$137,103	\$136,450	\$136,522
Youth Services	.25 Youth Counselor for expelled youth	8,544	9,423	10,216
	Youth Development program consultant	700	700	700
	Youth Services Total:	\$9,244	\$10,123	\$10,916
Recreation	Weekday Gym Use - Janitors	18,080	0	0
	Recreation Total:	\$18,080	\$0	\$0
Town Attorney	Legal Assistance		\$930	\$450
Senior Center	Community Service/Jazz Brunch		\$1,300	\$0
Finance	Fincial Audit		21,400	22,000
	Property & Liability Insurance		348,200	165,625
	Financial Management		7,700	14,500
	Finance Total:		\$377,300	\$202,125
Public Works	Highway	27,850	27,850	30,000
	Water Pollution Control	55,704	72,000	55,000
	Custodial/Maintenance		4,000,000	3,694,473
	School Utilities		2,483,726	Incl. B&G
	Solid Waste	269,055	274,008	457,480
	Fleet Services	25,000	3,500	3,500
	Fuel - gas & diesel	38,000	2,000	2,500
	Buildings & Grounds	421,172	1,131,145	4,416,550
	Public Works Total:	\$836,781	\$7,994,229	\$8,659,503
Debt Service	EHS Library Expansion	209,433	204,814	Both EHS Lib. & School Expan.
	School Expan.	1,593,616	1,543,939	1,059,252
	Debt Service Total:	\$1,803,049	\$1,748,753	\$1,059,252
Special Revenue	Grant Writer, other	340,000	0	0
	CIP Total:	\$340,000	\$0	\$0
CIP	School Dept. CIP	200,000	410,000	320,000
	CIP Total:	\$200,000	\$410,000	\$320,000
Information Technology	Net costs after School Department transfer	368,648	335,301	168,635
	IT Total:	\$368,648	\$335,301	\$168,635
	TOTAL:	\$3,773,755	\$11,491,910	\$10,976,060
			Increase:	-\$515,850
			Percentage:	-4.49%

**2010/2011 BUDGET
2009 GRAND LIST ACTUAL
Before BAA Appeals**

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	<u>REAL ESTATE</u>	<u>MOTOR VEHICLE</u>	<u>PERSONAL PROPERTY</u>	<u>TOTAL</u>
Total Net Grand List	2,804,669,800	231,174,260	161,352,586	3,197,196,646
Supplemental MV		18,000,000 *		18,000,000
BAA Adj (estimate)	(2,500,000)			(2,500,000)
Taxable Portion	2,802,170	249,174	161,353	3,212,697
Mill Rate	23.88	23.88	23.88	23.88
Collection %	98.00%	90.00%	96.00%	
Gross Revenue	65,577,499	5,355,253	3,698,976	74,631,727
Deductions:				
State CB	(420,000)			(420,000)
Town CB	(420,000)			(420,000)
Rounding		(3)	3	-
Net Revenue	64,737,499	5,355,250	3,698,979	73,791,727

1 mill equals approximately \$3,126,000

* Estimated based on prior year actuals