



**TOWN OF ENFIELD
ANNUAL BUDGET**

EXECUTIVE SUMMARY



Town of Enfield

2009-10 Proposed Budget

Honorable Members
Enfield Town Council
Enfield, Connecticut

Councilors:

Since last November, Town staff has been working on their departmental budgets in preparation of this document. Each department spent considerable time reviewing its operations to assure an appropriate budget would be submitted to me for consideration. All Department Directors were challenged to submit a budget that did not go above the appropriations granted by Council in FY 2008-09.

The total General Fund Town budget is \$114,164,296. This represents a 3.0% decrease over the FY 2008-09 budget.

FACTORS IMPACTING THE 2009-10 FY BUDGET

There are a number of factors impacting the proposed 2009-10 Budget. Among the more significant factors are:

State of Connecticut's Budget – In February, the Governor submitted a budget that reduced the Town's funding by the state in excess of \$1,000,000. As this budget is submitted to Council, we still do not know the actual revenue coming from the State of Connecticut. Nor do we know when this number will be adopted by the State. Additionally, the State has not specified if there will be a minimum budget requirement for the school system that is mandated along with the receipt of ECS funding. Should the State reduce revenues beyond what is presented in the Governor's budget or require that the Town increase the funding to the schools, the basic assumptions within this budget will be invalid, requiring a retooling of the dispersal of the Town's financial resources.

Loss of Value in the Grand List – The Grand List that was established for the FY 2009-10 budget lost over \$14,000,000 of value from the Grand List for FY 2008-09. This value loss results in the need to reduce anticipated tax revenues by over \$400,000 to prevent a tax increase to be passed on to the residents and businesses of Enfield. Two elements of the Grand List were responsible for this loss of value: vehicles and business personal property.

Reduction in Collections of Property Taxes – In the 2008-09 Budget, the Town based revenue projections on a property tax collection rate of 98%. Through much of the year, this rate has been below the projection, and is trending towards a rate of 97%. Because of this, tax collections will be based upon the lower rate of 97% for FY 2009-10.

Decrease of Interest Income on Investments – Because of the economic conditions within the United States, returns on investments have dropped dramatically in the last six months. A typical year's return has exceeded \$1,000,000. However, with the drop in interest rates, investment returns have been cut nearly in half. This trend will not



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improve in the 2009-10 fiscal year, resulting in a reduction of revenue for investments by \$500,000.

Shifting of Responsibility of Building Maintenance for all Town and School Buildings – Beginning July 1, 2009 the Department of Public Works will be responsible for the maintenance of all Town and School operated buildings. This represents a shift of over 60 positions and \$7.5 million of operational expenditures to the Town of Enfield from the Enfield Schools.

GENERAL FUND BUDGET

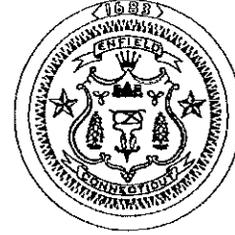
Revenues

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 2009-10 Budget estimates a reduction in overall revenues in excess of \$4.2 million. If substantial cuts were not made within the FY 2009-10 appropriations, a 1.5 mill increase would be necessary. This increase would represent a 6.3% increase over FY 2008-09. The following table shows the historic trend for mill rates since 1997:

| Fiscal Year Ended | Mill Rate | |
|-------------------------|--------------|--|
| 2010 | 23.88 | Proposed |
| 2009 | 23.88 | |
| 2008* | 23.88 | |
| 2007 | 36.18 | 23.89 Recalculated based upon growth in Grand List |
| 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 | |

The following table demonstrates the impact that the necessary mill rate increase would have on houses of differing taxable values:



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| Taxable Value | Tax Increase |
|---------------|--------------|
| \$150,000 | \$225.00 |
| \$180,000 | \$270.00 |
| \$200,000 | \$300.00 |
| \$250,000 | \$375.00 |
| \$300,000 | \$450.00 |
| \$350,000 | \$525.00 |
| \$400,000 | \$600.00 |

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.

Although these are the two primary sources of revenue for the Town of Enfield, they are also the least controllable. The Town is completely dependent on the State of Connecticut for the majority of the intergovernmental revenue which can vary significantly from year to year. Once the amount of intergovernmental revenue and other revenues are known, we can set the mill rate needs to produce the level of taxes needed 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 or reduce the cost to perform those services.

Expenditures

The proposed expenditures in the 2009-10 General Fund budget represents a decrease of approximately 3.0% over last year. This includes a School Budget decrease of \$2,251,970 and a Town expenditure increase of \$5,502,285. This increase in the Town's operation appropriation and subsequent decrease in the School's budget is attributed to the shift of custodial and building maintenance from the Schools to the Town.

| General Fund | 2008-09 | 2009-10 | +/- |
|-----------------------|---------------|---------------|--------|
| Town Appropriations | \$48,202,974 | \$53,705,259 | 11.0% |
| School Appropriations | \$70,211,007 | \$60,459,037 | -13.0% |
| Total | \$118,413,981 | \$114,164,296 | -3.0% |

To reach the significant reductions necessary to balance the budget without a tax increase, a number of drastic measures will need to be taken. The following proposed actions will allow for the reductions totaling over \$4.2 million:



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- A reduction of over \$2 million in the school budget;
- The de-funding of 10 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;
- The transfer of the fully insured health care program to a self-funded health care program (a projected savings of nearly \$1.2 million over a fully insured plan);
- The elimination of wage and step increases.

EMERGENCY MEDICAL SERVICES FUND

There are no significant changes proposed within the EMS budget. Revenues are anticipated to increase incrementally, while the change to a self-insured health plan will minimize the operational cost increases for the upcoming year. 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 2009-10 appropriation requests for the WPCF represents a decrease of \$63,999 over FY 2008-09. This decrease would have been greater, but the Town will be undertaking the first phase of the federally funded Thompsonville Inflow and Infiltration project. This project will insert liners within existing sanitary sewers to reduce the flow of storm and ground water into the sanitary system. These reductions will reduce operational costs by reducing the amount of waste water that will be treated throughout the year. The Town will be seeking future funding to continue this vital infrastructure improvement.

Even with these reductions, expenditures are still anticipated to be \$2,769,918 in excess of revenues, with a sizable deficit existing within the WPCF. 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 2009-10 appropriation requests for the Social Services Fund represent a decrease of \$228,102. This decrease is due primarily to the reduction of two open positions within Youth Services and the decrease in funding of outside agencies. Because of this decrease in operational costs, the General Fund contribution drops from \$2,317,302 to \$2,088,246.



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CAPITAL FUND

The 2009-10 Budget proposes transferring \$642,614 from the General Fund for Capital Improvement projects. This represents a decrease of over \$1.66 million in funding from 2008-09.

Conclusion

The 2009-10 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 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 limitations.

What is presented herein is only the starting point for the 2009-10 budget process. While Town Staff has worked diligently to provide a balanced budget that respects the revenue constraints due to a faltering economy, there are still many challenges to overcome before a final budget is adopted by Town Council.

Still ahead are the decisions to be made by the State of Connecticut. Will funding be reduced further? Will the State require the Town to increase the School appropriations based upon past increases of the ECS? Will the proposed cuts by the Board of Education be acceptable?

Also, the Town needs to review the continued use of General Fund balance to maintain the level of operations. In FY 2008-09 the Town designated \$2.5 million from the General Fund balance to cover revenue shortfalls. It now appears that the Town will be utilizing a significant portion of this amount. The FY 2009-10 budget once again taps into this balance to the amount of \$2.5 million. If used, the Town will potentially fall beneath the 8% threshold of undesignated fund balance that bond rating agencies look at in determining the strength of financial operations. This could result in a step backwards for the Town of Enfield that historically has maintained a strong financial position even in difficult financial times.

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 is being presented to Council for its 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 craft a final budget that reflects the needs of our residents, and carry that plan out to the best of our ability

Respectfully submitted,

Matthew W. Coppler
Town Manager

MUNICIPAL SUPPORT FOR EDUCATION
March 19, 2009

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| Activity | Program | FY 08-09 | FY 09-10 | FY 09-10 - Summary |
|--|---|-----------------------|---------------------|-----------------------|
| Library | Reference Desk Services | \$37,500 | \$37,500 | |
| | Library/School ID cards | 500 | 500 | |
| | Thrd Grade Visits | 3,300 | 3,300 | |
| | Children's Library | 3,975 | 3,975 | |
| | E-TV | 5,652 | 5,652 | |
| | Misc. | 1,250 | 1,250 | |
| | Library Total: | \$52,177 | \$52,177 | \$52,177 |
| Celebrations & Special Events (Family Day & Jack-O- Lantern Fast) | Police | 5,400 | 5,400 | |
| | Recreation | 800 | 800 | |
| | Public Works | 1,100 | 1,100 | |
| | Special Events Total: | \$7,300 | \$7,300 | \$7,300 |
| Police | School Resource Officers | 198,373 | 239,317 | |
| | SRO Cruisers | 13,000 | 13,000 | |
| | School Functions - To Date | | 20,730 | |
| | Crossing Guards | 130,000 | 145,000 | |
| | Police Total: | \$341,373 | \$418,047 | \$418,047 |
| Family Resource Center | FRC Operation | 137,103 | 136,450 | |
| | FRC Total: | \$137,103 | \$136,450 | \$136,450 |
| Youth Services | .25 Youth Counselor for expelled youth | 8,544 | 9,423 | |
| | Youth Development program consultant | 700 | 700 | |
| | Youth Services Total: | \$9,244 | \$10,123 | \$10,123 |
| Recreation | Weekday Gym Use - Janitors | 18,080 | 0 | |
| | Recreation Total: | \$18,080 | \$0 | \$0 |
| Town Attorney | Legal Assistance | | \$930 | \$930 |
| Senior Center | Community Service/Jazz Brunch | | \$1,300 | \$1,300 |
| Finance | Fincial Audit | | 21,400 | |
| | Property & Liability Insurance | | 348,200 | |
| | Financial Management | | 7,700 | |
| | Finance Total: | | \$377,300 | \$377,300 |
| Public Works | Highway | 27,850 | 27,850 | |
| | Water Pollution Control | 55,704 | 72,000 | |
| | Custodial/Maintenance | | 4,000,000 | |
| | School Utilities | | 2,483,726 | |
| | Solid Waste | 269,055 | 274,008 | |
| | Fleet Services | 25,000 | 3,500 | |
| | Fuel - gas & diesel | 38,000 | 2,000 | |
| | Buildings & Grounds | 421,172 | 1,131,145 | |
| | Public Works Total: | \$836,781 | \$7,994,229 | \$7,994,229 |
| | Debt Service | EHS Library Expansion | 209,433 | 204,814 |
| School Expan. | | 1,593,616 | 1,543,939 | |
| Debt Service Total: | | \$1,803,049 | \$1,748,753 | \$1,748,753 |
| Special Revenue | Grant Writer, other | | 340,000 | |
| | CIP Total: | \$0 | \$340,000 | \$340,000 |
| CIP | School Dept. CIP | 200,000 | 410,000 | |
| | CIP Total: | \$200,000 | \$410,000 | \$410,000 |
| Information Technology | Net costs after School Department transfer | 0 | 0 | |
| | IT Total: | \$0 | \$0 | \$0 |
| TOTAL: | | \$3,405,107 | \$11,496,609 | \$11,496,609 |

Increase: \$8,091,502

Percentage: 237.63%

**2009/2010 BUDGET
2008 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 | 2,782,987,740 | 226,715,240 | 158,326,734 | 3,168,029,714 |
| Supplemental MV | | 18,000,000 * | | 18,000,000 |
| Taxable Portion | 2,782,988 | 244,715 | 158,327 | 3,186,030 |
| Mill Rate | 23.88 | 23.88 | 23.88 | 23.88 |
| Collection % | 97.00% | 97.00% | 97.00% | 97.00% |
| Gross Revenue | 64,464,015 | 5,668,486 | 3,667,417 | 73,799,918 |
| Deductions: | | | | |
| State CB | (420,000) | | | (420,000) |
| Town CB | (420,000) | | | (420,000) |
| Rounding | (15) | (86) | (17) | (118) |
| Net Revenue | 63,624,000 | 5,668,400 | 3,667,400 | 72,959,800 |

1 mill equals approximately \$3,090,000 at 97% collection rate

* Estimated based on prior year actuals