

Town of Thomaston

Proposed Budget *July 1, 2005-June 30, 2006*

Board of Finance:

Michael Burr, Chairman
George Counter
Marie Galbraith
Edmond Mone
John Scheppard
Kenneth Hopkins

Public Hearing
June 22, 2005, 7 pm
Thomaston High School

(Tentative date)
Town Meeting
June 29, 2005, 7 pm
Thomaston High School

(Tentative date)
Referendum
To be held
July 6, 2005

Budget in Brief

The operating budget of \$23,166,032 represents a \$1,441,861 or 6.64% increase from the previous year's budget of \$21,724,171. Forty-seven percent of the increase has been funded by the use of \$670,000 in fund balance reserves. The mill rate has been increased to 38.66 from 37.18, resulting in a 3.99% tax increase.

Debt Service - Through referendum on November 5, 2002, the citizens of Thomaston authorized the issuance of up to \$10,000,000 in bonds and an appropriation of \$16,280,000 for the purpose of funding renovations and/or additions to the Thomaston High School and Thomaston Center School.

On August 26, 2003, the Town issued \$2,300,000 towards the first phase of this project. On April 15, 2005, the Town issued the remaining \$7,700,000 to complete the High School and begin renovations on the Center School. As a result of these new bonds, the Town has \$545,797 of scheduled debt service payments budgeted for fiscal 05/06. This amount equates to 1.47 mills.

If one were to remove the \$545,797 of scheduled principal and interest payments from the budget, the Town's mill rate would have stayed the same at 37.18.

Fund Balance – One measure of a Town's financial strength is the level of its fund balances (i.e. revenues exceed expenditures). We estimate that the Town's unrestricted general fund balance, monies that help finance general Town operations, will amount to \$1.98 million at the end of fiscal year 2004-2005. Moody's bond rating agencies consider a 5-8% ratio of fund balance to general fund revenues to be deemed a healthy financial cushion allowing the Town to be in a position to adequately address potential fiscal emergencies. The Town has used \$670,000 of fund balance reducing the fund balance levels to 5.6%.

Revenue - The Board of Finance has raised the collection rate from 95.7% to 96.5% based on past collection rate experience. Also included in the Property tax revenue is an estimated \$150,000 for Motor Vehicle Supplement. State aid has increased by \$351,199, however, over the past six years the state aid percentage share as a revenue source has decreased 5%. Property taxes make up nearly 70% of budgeted revenues, which is 7% higher than 6 years ago.

Expenditures – Thomaston's increase in expenditures are primarily contractual and fixed costs. These costs include debt service, contractual wage increases, health & dental insurance premiums, social security and pension contributions and utilities.

Budget in Brief

(continued)

Contractual obligations and fixed costs

Wages - The Town and Board of Education are currently negotiating five contracts, which will be effective July 1, 2005. These unions include the sewer, highway, police, town hall workers, and BOE clerical, nurses, secretaries and custodians. Because the outcome is unknown, the Town and Board of Education have increased the contingency lines associated with union settlements. The Teacher's union is in year 2 of a 3-year contract and will receive 2.88% plus a step. The salary and health care cost increases are included in the Board of Education budget. Town Department budgets do not contain the costs associated with health care nor do they contain any wage increases, which are pending at this time.

Health care benefits – The cost of health care continues to be a concern locally and nationally. Health care costs are climbing five times the cost of inflation. The Town of Thomaston's health care and dental premiums including the Board of Education is \$3.26 million (14% of the total budget). This is an increase of almost a half million dollars over last year's budget.

New positions – New positions include a part-time clerical position to be shared by the building official, planning & zoning, and inland wetlands departments and the building inspector has been changed from part-time to full time.

Positions denied – The Position which was asked for and not granted was changing the fire marshal from part-time to full time.

Other changes – The Town's assessor and assessor's clerk have or will be resigning by June 30th. The Town has budgeted for a full-time assessor and part-time clerk in this department.

Capital improvements – The Town's capital improvements have decreased considerably, from \$676,192 in 2003 to \$386,534 in 2004 and \$323,785 in 2005. The Board of Finance has been unable to bring funding back to the 2003 level. Unfunded state mandates and roadwork topped the list of projects to be funded in the 2006 proposed budget of \$450,400.

TOWN OF THOMASTON
 ANNUAL BUDGET SUMMARY
 For the year Ending June 30, 2006
Based on 38.66 Mill Rate
 Tax Rate Increase of 3.99%

	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006	
REVENUES:				
Property Taxes.....	\$ 13,300,002	\$ 13,643,192	\$ 14,827,726	8.68%
Charges for services.....	342,175	253,394	307,658	21.41%
Intergovernmental.....	5,853,765	5,632,127	5,983,326	6.24%
Investment Income.....	69,294	78,000	100,000	28.21%
Other income.....	143,967	105,298	126,053	19.71%
* Other financing sources.....	1,889,691	2,012,160	1,821,269	-9.49%
TOTAL REVENUES	21,598,894	21,724,171	23,166,032	6.64%
EXPENDITURES:				
General Government.....	2,928,725	2,954,501	3,333,243	12.82%
Public Safety.....	1,330,697	1,205,404	1,227,740	1.85%
Public Works.....	1,257,699	1,250,381	1,309,261	4.71%
Health & Welfare.....	120,955	126,946	127,262	0.25%
Culture and recreation.....	445,507	444,866	442,366	-0.56%
Housing & Development.....	108,008	113,108	138,659	22.59%
Education.....	11,683,376	12,106,116	12,629,787	4.33%
Debt service.....	1,540,367	2,037,671	2,307,638	13.25%
** Other financing uses.....	2,086,525	1,485,178	1,650,076	11.10%
TOTAL EXPENDITURES	21,501,859	21,724,171	23,166,032	6.64%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ 97,035	\$ -	\$ -	

* Other financing sources include \$670,000 of prior year fund balance in proposed budget.

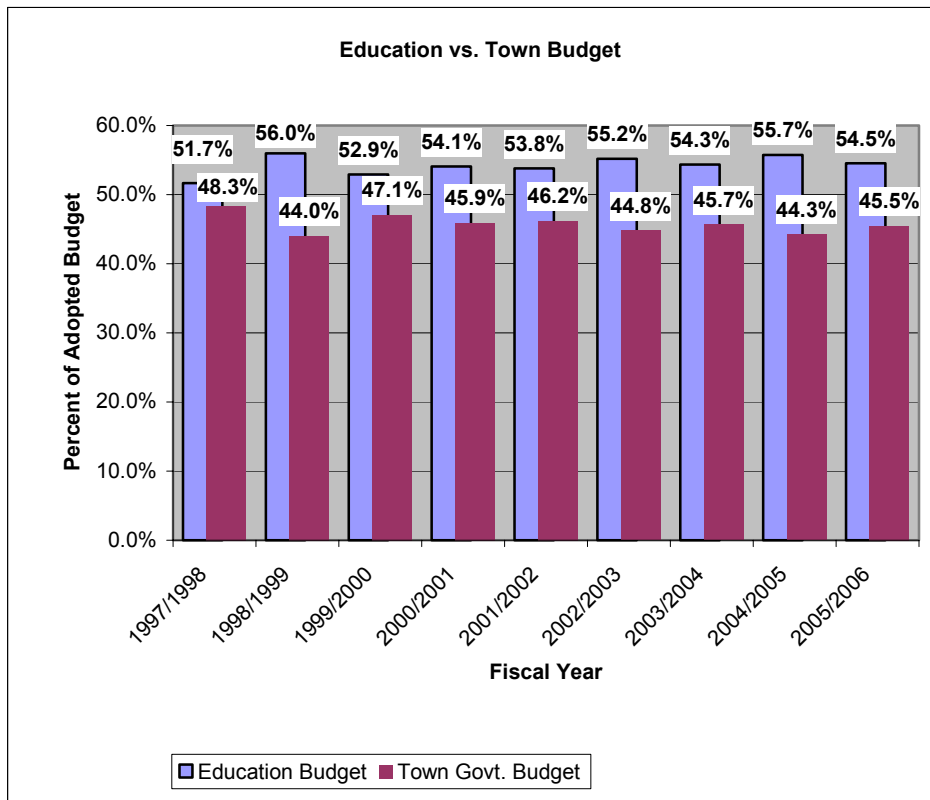
** Other financing uses include operating budgets for Dog Warden, the WPCA, Hillside Cemetery, the Opera House and transfers to the Capital or nonrecurring fund.

Impact on Taxes

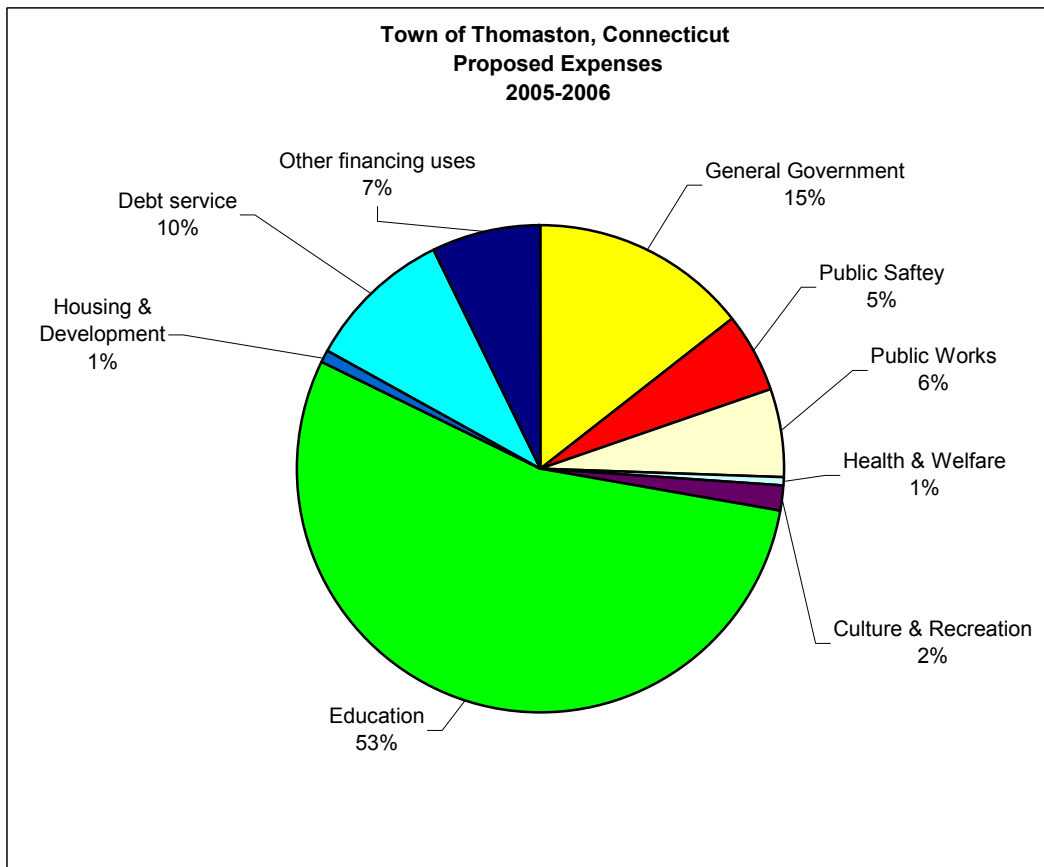
	Positive (Negative) Impact	** Impact Expressed in Mills
Revenue Sources:		
Increase in State Aid.....	351,199	(0.95)
Increase in Charges for services.....	54,264	(0.15)
Increase in Investment income.....	22,000	(0.06)
Increase in other income.....	24,355	(0.07)
Decrease in Use of Surplus.....	(270,000)	0.73
Positive impact on Revenue Sources	181,818	(0.49)
Expenditures:		
Increase in Education.....	(523,671)	1.41
Increase in Fringe Benefits (Gen'l Gov't).....	(266,444)	0.72
Increase in Debt Service.....	(269,967)	0.73
Increase in Capital Improvement Reserves.....	(98,889)	0.27
Increase in Contingency (Gen'l Gov't).....	(75,000)	0.20
Increase in Public Works.....	(49,380)	0.13
Increase in General Government.....	(37,298)	0.10
Increase in Public Safety.....	(22,336)	0.06
Increase in Housing & Development.....	(25,551)	0.07
Increase in Health & Welfare.....	(316)	0.00
Decrease in Culture & Recreation.....	2,500	(0.01)
Negative impact on Expenditures	(1,366,352)	3.68
Total Negative Impact to be funded by property taxes.....	\$ (1,184,534)	

** Value of 1 Mill = \$371,625 at 96.5% collection rate

The above presentation lists them in order of impact from highest to lowest. Total revenue increased \$181,818 and expenditures increased \$1,366,352. The total negative impact of \$1,184,534 represents the increase in tax revenues necessary to balance this year's budget.



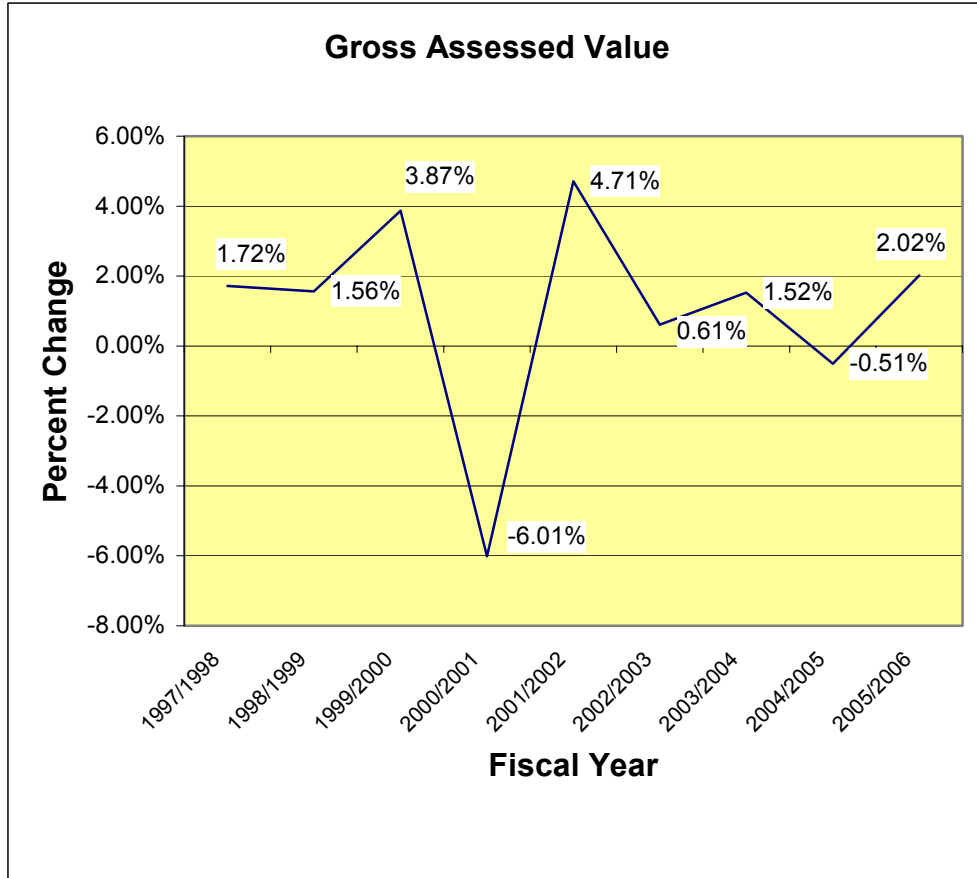
Prepared by: Catie Duncan - Thomaston High School



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** Other financing uses includes operating budgets for K-9, the WPCA, Hillside Cemetery, the Opera House and transfers to the Capital or nonrecurring fund.

Percent Change in the Grand List



Prepared by: Catie Duncan - Thomaston High School

Thomaston's grand list shows only moderate increases ranging from .61% to 2.02%, in the past four years. The revaluation of October 1, 1999 (2000/2001) resulted in a decrease of 6.01%. In 1989 property values were at the height of the market. Ten years later in 1999, residential and commercial values bottomed out. Currently, property values are exceeding the 1989 levels.

TOWN OF THOMASTON
REVENUE BUDGET
For the year Ending June 30, 2006
Based on 38.66 Mill Rate

	Increase of 3.99%			
	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006	Change
PROPERTY TAXES:				
1 Property Tax - Current.....	\$ 12,957,699	\$ 13,333,192	\$ 14,517,726	\$ 1,184,534
2 Property Tax - Prior Years.....	218,256	210,000	210,000	-
3 Interest and lien fees.....	124,047	100,000	100,000	-
TOTAL PROPERTY TAXES	13,300,002	13,643,192	14,827,726	1,184,534
CHARGES FOR SERVICES:				
22 Building permits.....	78,507	68,000	80,000	12,000
23 Conveyance tax.....	78,930	60,000	96,000	36,000
24 Special duty police.....	13,475	15,000	7,200	(7,800)
25 Transfer station fees.....	51,402	42,000	45,000	3,000
26 Accident reports.....	532	500	500	-
27 Gun permits.....	340	500	500	-
28 Vendor permits.....	300	400	400	-
29 Parking meter.....	5,590	5,000	5,500	500
30 Zoning and land use fees.....	9,011	7,000	10,000	3,000
31 Minibus fares.....	2,136	2,000	2,000	-
32 Recreation commission.....	25,000	25,000	25,000	-
33 Nystrom's park.....	5,200	5,200	5,200	-
35 Other fines and fees.....	2,538	1,000	1,000	-
36 Fingerprinting.....	924	-	500	500
37 Town of Litchfield sewer upgrade.....	-	-	8,867	8,867
51 Education of handicapped Blind Children.....	7,702	-	-	-
54 Dam Patrol-Law Enforcement.....	10,738	10,700	11,289	589
95 Nitrogen Credit.....	8,672	6,094	5,202	(892)
100 Statewide narcotics taskforce.....	24,000	-	-	-
151 Alarm violations.....	1,775	1,500	1,500	-
152 Parking fines.....	3,903	3,500	2,000	(1,500)
216 Tuition for out of district students.....	11,500	-	-	-
TOTAL CHARGES FOR SERVICES	342,175	253,394	307,658	54,264
INTERGOVERNMENTAL REVENUE:				
52 Boating Safety.....	1,131	1,131	1,131	-
59 Commitments for school construction.....	279,494	247,592	241,828	(5,764)
60 Education cost sharing.....	4,608,132	4,625,323	4,764,072	138,749
65 School transportation -public.....	131,052	131,246	188,117	56,871
68 Special education excess.....	35,148	-	-	-
78 Town aid road.....	44,837	72,220	101,224	29,004
79 Land authorization.....	819	1,163	819	(344)
83 Local capital improvement program (LOCIP).....	71,616	54,728	53,458	(1,270)
84 Mashantucket pequot.....	65,597	60,471	59,671	(800)
86 PILOT-Elderly freeze.....	9,862	9,693	9,705	12
87 PILOT-Elderly homeowner.....	53,899	57,325	61,647	4,322
88 PILOT-Manufacturing Machinery & Equipment..	450,516	297,914	430,300	132,386
89 PILOT-State owned property.....	61,303	62,942	60,847	(2,095)
90 PILOT-Totally disabled.....	-	1,420	1,560	140
91 PILOT-Veterans.....	8,286	8,959	8,947	(12)
104 Emergency Operation Planning.....	20,531	-	-	-
105 FEMA Public Assistance.....	11,542	-	-	-
TOTAL INTERGOVERNMENTAL	5,853,765	5,632,127	5,983,326	351,199

TOWN OF THOMASTON
REVENUE BUDGET
For the year Ending June 30, 2006
Based on 38.66 Mill Rate
Tax Rate increase of 3.99%

	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006	Increase (Decrease)
181 INVESTMENT INCOME	69,294	78,000	100,000	22,000
OTHER INCOME:				
206 Taxes from Housing Authority-P.I.L.O.T.....	4,860	4,800	9,200	4,400
207 Telecommunication property tax.....	81,132	58,098	70,000	11,902
208 Restitution Payments.....	18,600	12,400	6,200	(6,200)
210 Insurance recovery.....	1,827	-	-	-
214 Rent.....	32,302	30,000	40,653	10,653
215 Miscellaneous.....	5,246	-	-	-
TOTAL OTHER INCOME	143,967	105,298	126,053	20,755
OTHER FINANCING SOURCES:				
222 Hillside Cemetery.....	14,402	-	-	-
223 Sewer use fees.....	657,379	711,175	729,701	18,526
224 WPCA Repair & replacement fund.....	69,123	-	-	-
225 Dog fines & fees.....	-	3,500	3,500	-
227 Capital or nonrecurring fund.....	555,320	6,900	10,500	3,600
230 Surplus prior years.....	-	940,000	670,000	(270,000)
231 Funding - capital lease.....	166,500	-	-	-
237 Opera House.....	422,018	350,585	407,568	56,983
238 Premium on bond sale.....	4,949	-	-	-
TOTAL OTHER FINANCING SOURCES	1,889,691	2,012,160	1,821,269	(190,891)
TOTAL GENERAL FUND REVENUE AND OTHER FINANCING SOURCES	\$ 21,598,894	\$ 21,724,171	\$ 23,166,032	\$ 1,441,861

TOWN OF THOMASTON
EXPENDITURES BUDGET
For the year Ending June 30, 2006
Based on 38.66 Mill Rate
Tax Rate increase of 3.99%

	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006	Increase (Decrease)
GENERAL GOVERNMENT				
100 Board of Selectmen.....	\$ 91,006	\$ 95,721	\$ 95,721	\$ -
102 Elections.....	17,839	21,741	21,275	(466)
104 Board of Finance.....	1,325	2,400	2,400	-
106 Treasurer / Town technology.....	149,053	139,168	136,000	(3,168)
108 Independent audit.....	42,750	38,250	37,000	(1,250)
110 Legal.....	49,707	56,000	56,000	-
114 Tax Collector.....	83,255	94,508	94,508	-
116 Property Tax Rebates.....	34,342	25,000	25,000	-
118 Tax Assessor.....	63,272	68,995	77,717	8,722
120 Board of Assessment Appeals.....	3,000	3,450	3,450	-
122 Insurance.....	382,983	387,610	415,688	28,078
124 Town Hall operations & Maintenance.....	137,395	130,770	136,468	5,698
126 Town Clerk.....	52,621	48,750	48,750	-
128 Probate court.....	2,304	2,500	2,500	-
130 Social security.....	225,936	220,000	244,200	24,200
132 Pension - Town Employees.....	441,423	506,700	539,478	32,778
133 Pension - Volunteer Firefighters and Ambulance.....	105,442	102,000	136,300	34,300
134 Medical / Life insurance.....	522,708	570,711	684,490	113,779
136 Retirees Medical Insurance.....	218,042	307,124	368,511	61,387
138 Council of governments.....	23,532	3,238	3,276	38
140 CT Conference of Municipalities.....	4,160	4,865	4,511	(354)
141 Mountindale Settlement.....	250,000	-	-	-
142 Contingency.....	26,630	125,000	200,000	75,000
TOTAL GENERAL GOVERNMENT	2,928,725	2,954,501	3,333,243	378,742
PUBLIC SAFETY				
200 Police.....	920,422	774,129	800,635	26,506
202 Inmate custodial/maintenance program.....	28,861	29,100	29,100	-
204 Parking meters.....	1,436	1,700	1,700	-
206 Communications & dispatch.....	193,675	189,695	196,225	6,530
208 Fire Protection.....	102,529	117,080	117,080	-
210 Fire Marshal.....	17,886	19,000	19,000	-
212 Ambulance.....	60,328	65,100	54,400	(10,700)
214 Tree Removal.....	5,560	9,600	9,600	-
TOTAL PUBLIC SAFETY	1,330,697	1,205,404	1,227,740	22,336
PUBLIC WORKS				
300 Highways.....	493,323	454,274	459,414	5,140
302 Town Aid Road.....	44,837	72,220	101,224	29,004
304 Snow & ice removal.....	92,782	58,000	70,436	12,436
306 Street lighting.....	69,886	76,000	78,700	2,700
308 Fire hydrants.....	117,432	121,997	121,997	-
310 Solid Waste & Recycling.....	436,639	465,090	474,690	9,600
312 St Thomas Cemetery.....	2,800	2,800	2,800	-
TOTAL PUBLIC WORKS	1,257,699	1,250,381	1,309,261	58,880

TOWN OF THOMASTON
EXPENDITURES BUDGET
For the year Ending June 30, 2006
Based on 38.66 Mill Rate
Tax Rate increase of 3.99%

	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006	Increase (Decrease)
HEALTH AND WELFARE				
400 Vital statistics.....	1,752	1,000	1,000	-
402 Visiting nurse.....	16,000	16,000	16,000	-
404 Torrington Area Health District.....	28,041	29,899	30,249	350
406 Northwest Regional Mental Health Board....	829	854	864	10
408 Social Services.....	58,140	60,415	60,415	-
410 Elderly Nutrition.....	888	1,371	1,371	-
412 Susan B Anthony Project.....	1,500	1,500	1,500	-
414 Senior Advisory Board.....	1,002	200	200	-
416 Minibus.....	11,803	14,707	14,663	(44)
418 Veterans Administration.....	1,000	1,000	1,000	-
TOTAL HEALTH AND WELFARE	120,955	126,946	127,262	316
CULTURE AND RECREATION				
500 Recreation programs.....	109,114	106,888	106,888	-
502 Memorial Day.....	1,500	1,500	1,500	-
504 Nystroms Park.....	13,365	13,700	13,700	-
506 Police Explorers.....	2,832	5,000	2,500	(2,500)
508 Public Library.....	318,696	317,778	317,778	-
TOTAL CULTURE AND RECREATION	445,507	444,866	442,366	(2,500)
HOUSING & DEVELOPMENT				
600 Conservation Commission.....	1,500	1,500	1,500	-
602 Inlands/Wetlands Commission.....	14,175	15,152	18,815	3,663
604 Building Inspector.....	43,290	46,109	62,521	16,412
606 Town Engineer.....	1,566	2,500	2,500	-
608 Naugatuck Vally Brownsfield Pilot.....	800	800	-	(800)
610 Planning & Zoning.....	30,959	30,165	33,353	3,188
612 Zoning Board of Appeals.....	15,718	16,882	19,970	3,088
TOTAL HOUSING & DEVELOPMENT	108,008	113,108	138,659	25,551
EDUCATION				
700 EDUCATION.....	11,683,376	12,106,116	12,629,787	523,671
DEBT SERVICE (See Schedule B)				
800 Principal - Bonds, notes & leases	1,034,978	1,192,696	1,428,366	235,670
800 Interest - Bonds, notes & leases.....	505,389	844,975	879,272	34,297
TOTAL DEBT SERVICE	1,540,367	2,037,671	2,307,638	269,967
OTHER FINANCING USES				
900 Animal Control Officer-Dog fund.....	41,517	45,907	45,907	-
902 WPCA -Sewer Use fund.....	716,502	701,175	719,701	18,526
903 WPCA - Repair & Replacement fund.....	10,000	10,000	10,000	-
904 Hillside Cemetery.....	62,454	26,000	16,500	(9,500)
906 Capital or Nonrecurring (See Schedule A) ..	634,034	351,511	450,400	98,889
910 Opera House.....	422,018	350,585	407,568	56,983
999 Payment to refunding bond escrow.....	200,000	-	-	-
TOTAL OTHER FINANCING USES	2,086,525	1,485,178	1,650,076	164,898
TOTAL EXPENDITURES AND OTHER FINANCING	\$ 21,501,859	\$ 21,724,171	\$ 23,166,032	\$ 1,441,861

TOWN OF THOMASTON
EXPENDITURES BUDGET
For the year Ending June 30, 2006
Based on 38.66 Mill Rate
Tax Rate increase of 3.99%

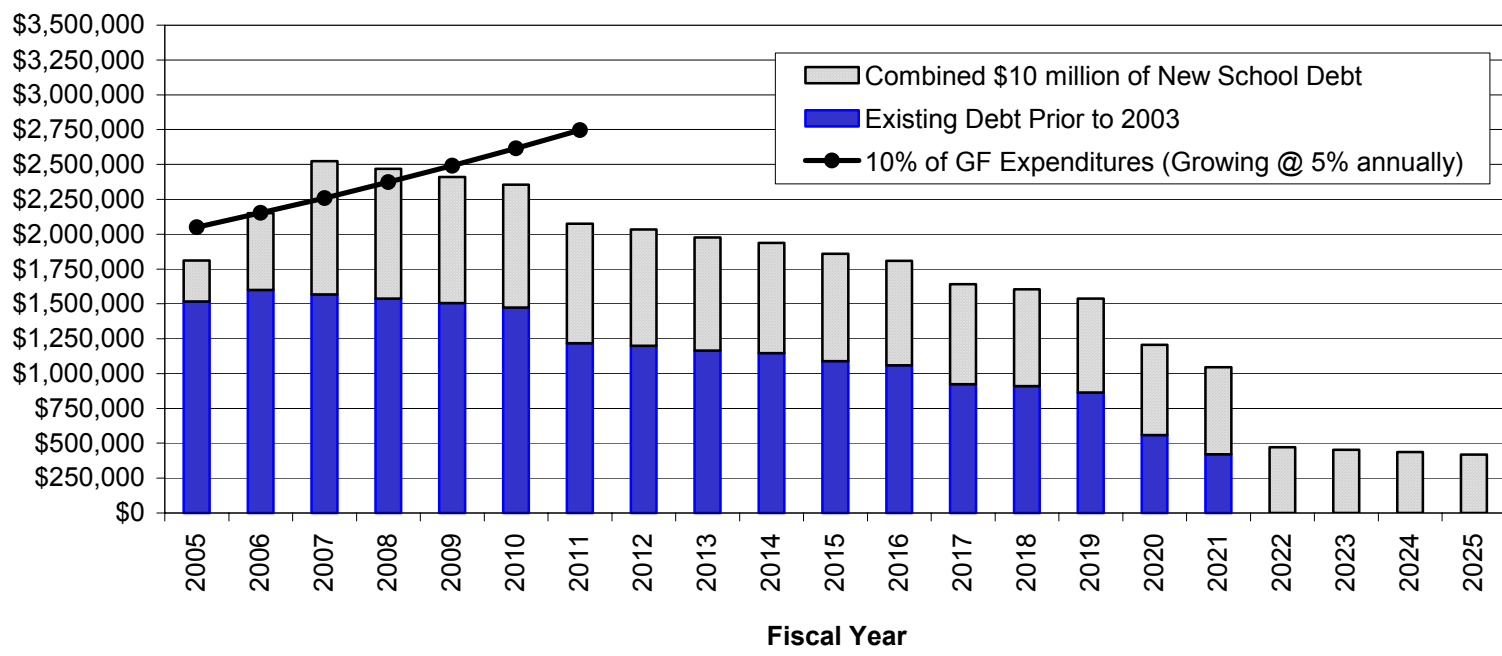
	ACTUAL 2003-2004	BUDGETED 2004-2005	PROPOSED 2005-2006
TRANSFER TO CAPITAL OR NONRECURRING FUND			
1 Assessors revaluation.....	\$ -	\$ -	\$ 52,000
2 BOE: TCS Sidewalks.....	10,000	22,000	-
3 BOE: Textbooks.....	45,000	45,000	45,000
4 BOE: THS Lavatories.....	6,500	-	-
5 BOE: THS Rubber roof.....	-	20,000	-
6 BOE: THS/TCS computers.....	10,000	-	-
7 Cemetery: Used Dump Truck.....	7,000	-	-
8 Christmas lights operating.....	2,000	-	-
9 Christmas lights reserve.....	2,000	-	-
10 DEP Mandate - Stormwater Tracking.....	-	30,000	-
11 DEP Mandate - Town Garage cleanup.....	67,000	40,000	21,000
12 Environmental Study.....	15,000	-	-
13 Fire Dept: Truck Reserve.....	-	22,485	-
14 Fire Dept: Repair Engine No. 3.....	-	-	11,000
15 LIB: Library rubber roof.....	-	-	36,000
16 PD: Durango.....	6,511	-	-
17 PD: Police cruisers.....	21,523	-	48,400
18 PWD: Road work.....	120,000	100,000	200,000
19 PWD: Roadside mower.....	72,000	-	-
20 PWD: Dump trucks.....	209,500	-	-
21 REC: Infield groomer.....	-	11,300	-
22 REC: Tennis Courts.....	-	-	5,000
23 Retirement costs: Police and Highway.....	-	60,726	17,000
24 Technology upgrade-town hall.....	28,000	-	5,000
25 Town Hall Building: Repair/renovate roof.....	-	-	10,000
26 TVAC: Ambulance reserve.....	5,000	-	-
27 Youth Center.....	7,000	-	-
	<u>\$ 634,034</u>	<u>\$ 351,511</u>	<u>\$ 450,400</u>

The items to be funded in 2005/2006 total \$450,400. Other capital items requested by the departments, which were passed on, totaled \$295,939. In addition to the above, the Town authorized the lease-purchase of a new fire truck to replace Engine No. 7 and a Vac-All/Sweeper truck for Public Works. The scheduled payments for these new trucks are included in the Debt Service Line.

Town of Thomaston
Schedule of Debt Service
For the year ending June 30, 2006

Due Date	Name of Loan	Original Debt	Outstanding Principal	Scheduled Payment			Ending Balance
				Principal	Interest	Total	
08/01/05	General Obligation Bond 1990-2009	4,960,000	1,050,000	210,000	34,125	244,125	840,000
02/01/06	General Obligation Bond 1990-2009				27,300	27,300	
Monthly	Clean Water 1997 - 2016	1,077,413	630,658	52,665	12,132	64,797	577,994
Monthly	Clean Water 2001 - 2021	9,091,656	7,382,134	402,821	143,963	546,785	6,979,313
09/15/05	General Obligation Bond 1998-2019	7,380,000	4,425,000	325,000	93,456	418,456	4,100,000
03/15/06	General Obligation Bond 1998-2019				87,119	87,119	
09/01/05	General Obligation Bond 2003-2020 (THS)	2,300,000	2,160,000	135,000	45,343	180,343	2,025,000
03/01/06	General Obligation Bond 2003-2020 (THS)				42,559	42,559	
09/01/05	General Obligation Bond 2003-2020 (Refunding)	1,615,000	1,605,000	155,000	32,903	187,903	1,450,000
03/01/06	General Obligation Bond 2003-2020 (Refunding)				29,706	29,706	
10/15/05	General Obligation Bond 2005-2025 (THS/TCS)	7,700,000	7,700,000	-	161,448	161,448	7,700,000
04/15/06	General Obligation Bond 2005-2025 (THS/TCS)				161,448	161,448	
	SUBTOTAL		24,952,793	1,280,486	871,502	2,151,988	23,672,306
	Bank Administration				4,000	4,000	
	TOTAL BONDS AND NOTES		<u>24,952,793</u>	<u>1,280,486</u>	<u>875,502</u>	<u>2,155,988</u>	<u>23,672,306</u>
Scheduled Lease Payments:							
07/01/05	Dump trucks	166,500	124,791	40,553	3,184	43,737	84,237
07/01/05	Fire Truck	245,000	245,000	51,957	-	51,957	193,043
07/01/05	Sweep/Vac Truck	190,000	190,000	40,293	-	40,293	149,707
09/18/05	Ambulance	43,559	15,077	15,077	587	15,664	-
	SUBTOTAL		<u>574,868</u>	<u>147,880</u>	<u>3,770</u>	<u>151,651</u>	<u>426,988</u>
	TOTAL DEBT SERVICE		<u>25,527,660</u>	<u>1,428,366</u>	<u>879,272</u>	<u>2,307,638</u>	<u>24,099,294</u>

**Town of Thomaston, Connecticut
Existing Annual Debt Service
With \$10 Million of New School Debt Separate**



Through referendum on November 5, 2002, the citizens of Thomaston authorized the issuance of up to \$10,000,000 in bonds and an appropriation of \$16,280,000 for the purpose of funding renovations and/or additions to the Thomaston High School and Thomaston Center School.

On August 26, 2003, the Town issued \$2,300,000 towards the first phase of this project. On April 15, 2005 the Town issued the remaining \$7,700,000 to complete the High School and begin renovations on the Center School. As a result of these new bonds, the Town has an additional \$545,797 of scheduled debt service payments budgeted for fiscal 05/06. This amount equates to 1.47 mills.

Explanation of variances by line

General Government

Line 106 – Treasurer/Town Technology – Decreased \$3,168. The Town Treasurer’s salary was reduced effective for the November election to \$6,500. There were slight increases for software licensing which service the Town Hall network.

Line 118 – Assessor -The Town has tentatively budgeted for a full-time assessor and part-time clerk in this office. The assessor’s clerk position is currently vacant and the Town assessor is resigning on June 30, 2005.

Line 122 – Insurance – This budget accounts for the Town’s Liability Automobile and property insurances. This line has increased for any additional exposures, such as new vehicles, and the incremental increase for worker’s compensation, which is based on salaries.

Line 124 – Town Hall Operation – The \$5,698 increase is due to increases in Electricity and Heating Fuel.

Line 132 & 133 – Pension – This is the required contribution based on the annual actuarial report using 30 year amortization.

Line 134 & 136 – Medical / Life Insurance (Active & retirees) – The increase is driven by uncontrollable increased costs in the health care industry.

Line 142 – Contingency - \$75,000 was added for contractual wage increases associated with union negotiations. Once the contracts are settled, the town department budgets will be adjusted accordingly from this line.

Public Safety

Line 200 – Police – The \$26,506 increase is related to increase in fuel costs and several contractual items previously omitted from the salary line.

Line 206 – Communication & Dispatch – The increase of \$6,530 includes the rental/lease costs of a new voice data recorder and a slight adjustment to the Overtime line.

Public Works

Line 300 – Highway –Increase of \$5,140 is related to increases in heating fuel, gas/diesel and general supplies.

Line 304 – Snow & Ice–There is no way to predict the amount of overtime employees will work. The Superintendent of Highway proposed an average over two years. This proposal was reduced slightly by the Board of Finance.

Line 306 – Street Lights–Cost of electricity is driven by the price of oil, and an increase is expected in January 2006.

Line 310 – Solid Waste and Recycling –While the price per ton is staying at \$70/ton, our current vendor is going up to \$5 per household for curbside pickup. The Town is proposing to do away with allowing demolition material to be dropped off at the transfer station, thus reducing the tonnage and related costs.

Debt Service (see page 16)

Line 800 – Principal and Interest – This is the scheduled payments on bonds and lease-purchases. The Town issued \$7.7 million of new debt for the High School/Center School renovations on April 15, 2005 and the first interest payment is reflected in this increase. The first principal payment of \$410,000 will occur in fiscal year 2006-2007. The initial payments on the lease purchase for the new sweep/vac truck and fire truck are also included on this line.

Housing & Development

Line 602, 604, 610, 612 – The cost of a part-time clerk to serve Planning & Zoning, Inland/Wetlands, Zoning Board of Appeals and the Building Inspector has been split among these four departments.

The Building official's hours were increased to full time (35 hours) in order to properly enforce the State Building Code. The building official serves the community by performing inspections and issuing permits and protects the Town from liability. Permits generate revenue for the Town in two ways – permit fees and added assessments to the grand list. It was concluded that there is a cost benefit associated with a full-time building inspector, in that the revenues derived outweigh the costs. An additional \$12,000 was added to permit fees.

Education

The Education budget was cut \$125,000 by the Board of Finance. In addition they cut \$57,395, which was budgeted for teacher's severance, which will be funded by the Teacher's Sick Pay reserve Fund. The originally proposed detailed budget is available on the Town's website. Increases in salaries and health care are included in the Board's request.

Other Financing Uses

Line 902 and 903 – WPCA – The increase is based on the needs of the Commission. All costs of the WPCA are offset by revenue of the same amount included on Line 223 Sewer Use Fees in the revenue budget.

Line 904 – It is expected that Hillside Cemetery's operating profits can absorb the subsidy reduction of \$9,500.

Line 906 – Refer to Schedule A.

Line 910 – Opera House – The increase is based on the needs of the Commission. All costs are offset by revenue of the same amount included on Line 237 in the revenue budget.