

# **Town of Thomaston, CT**

## **Proposed Budget**



### **Fiscal Year 2011-2012**

## **Town of Thomaston 2011-2012 Budget in Brief**

This document is a brief look at the proposed budget for fiscal year ending June 30, 2012. We hope it will enhance your understanding of how the Town is organized, the services it provides, and the funding sources used to provide those services. Our purpose is to deliver to the citizens of Thomaston the very highest quality of services as efficiently and economically as possible. Thank you for the opportunity to serve you and to be able to make the Town of Thomaston government the best it can be.

### **Board of Selectmen**

Edmond V. Mone, First Selectman

John Scheppard

Bruce Barrett

### **Board of Finance**

David Colavecchio, Chairman

Marie Galbraith

Kristin Mosimann O'Sullivan

George Seabourne

Frank Treglia

Stephen Turner

### **Finance Director**

Tracy A. Decker, C.P.A.

# Town of Thomaston Facts

## General Information

The Town of Thomaston, Connecticut (the "Town"), located in Litchfield County, is a suburb consisting of 12.0 square miles and originated in 1674 as part of the Mattatuck Plantation, now the City of Waterbury.

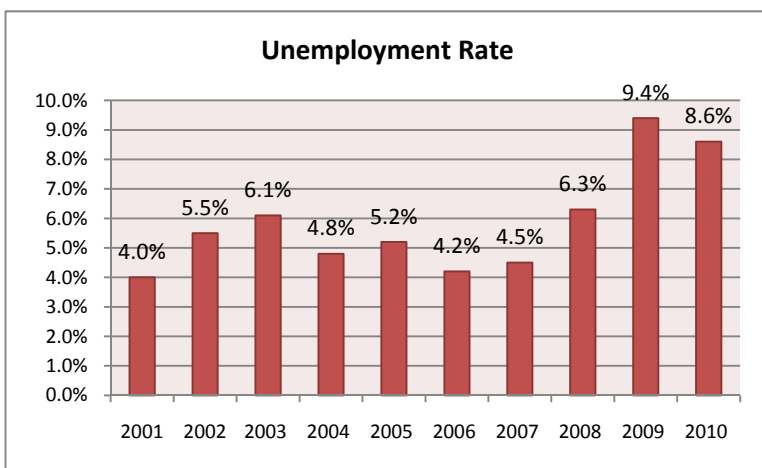
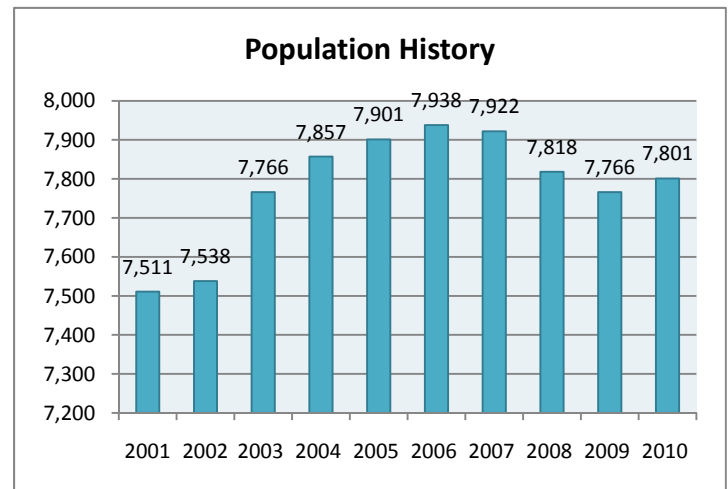
The Town was incorporated July 6, 1875 and operates under the provision of the General Statutes of the State of Connecticut. The legislative power of the Town is vested in a Board of Selectmen and the Town Meeting. The Town meeting is the legislative body of the Town and must approve the annual budget and all bond and note authorizations, except for refunding bonds which only need to be approved by the Board of selectmen.

The annual budget serves as the foundation for the Town's financial planning and control. All agencies of the Town are required to submit requests for appropriations to the Board of Finance. The Board of Finance uses these requests as the starting point for developing a proposed budget for presentation to the public. The general fund is the only fund for which a legal budget is adopted.

The Town provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, curbside solid waste disposal and recycling, health and welfare, education and recreational activities.

## The Economy

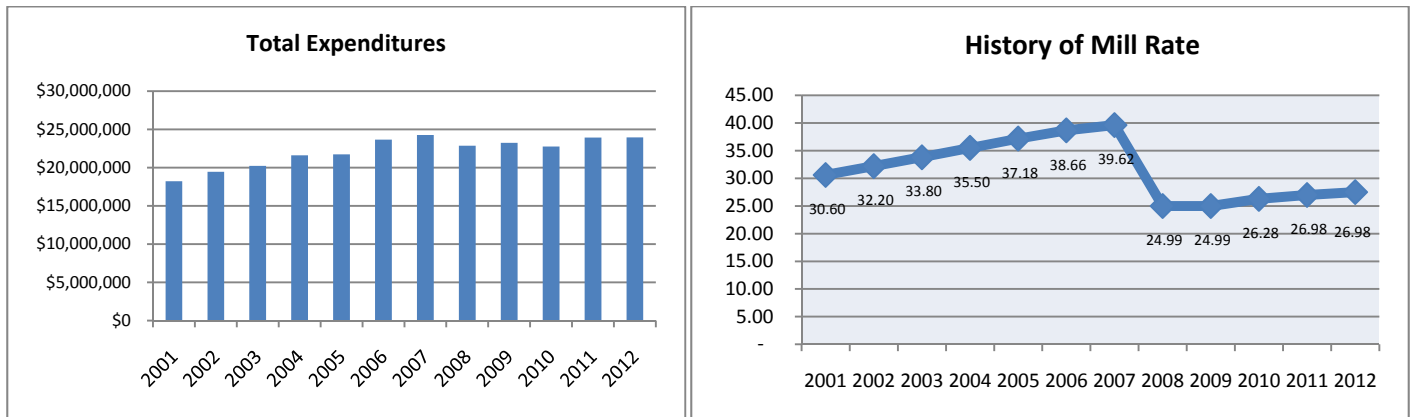
Thomaston is a residential community with a diversified manufacturing economic base. The proximity to the Naugatuck River continues to be a major factor in its natural appeal to the development of certain types of industries. Thomaston's grand list, which is the value of all real and personal property, remains stable with little growth.



The unemployment rate for the Town as of June 2010 was 8.6% compared to 9.3% a year ago and is comparable to the State rate of 9.6%. While Connecticut's unemployment rate has remained at or around 9%, other economic indicators have shown improvement in that time. Overall, as the national and state economies recover, volatility in monthly numbers can be expected. Jobs estimates are best understood in the context of their movement over several months rather than observed changes in a single month's estimate.

## The Proposed Budget

The proposed operating budget of \$23,979,292 represents a \$53,191 (0.22%) increase in spending from the previous year's budget of \$23,926,101. To help offset increases in taxes, the Board of Finance allocated the use of \$153,207 in fund balance reserves, reduced the reserves for debt service by \$140,000 and eliminated OPEB liability funding by \$234,000. The mill rate has remained at 26.98 resulting in no increase in taxes (0.00%) to its residents.



The chart on the left shows a history of total spending and one can see that the spending levels have remained relatively flat for the past several years. Voter opposition has forced the Town to cut badly needed infrastructure improvements and maintenance as well as loss of personnel. Although the Town has held steady in spending levels the mill rate has seen historic increases, reflected in the chart on the right, due to decreases in other revenue sources such as state aid, investment income and charges for services.

## Impact of Governor's Budget on Thomaston

Thomaston's budget process was delayed this year due to the uncertainties of our new Governor's proposed budget. The Payment in Lieu of Taxes grant ("PILOT") for Manufacturing Machinery & Equipment ("MME") was originally targeted for elimination which would have been a revenue shortfall for Thomaston in the amount of \$331,381. In recent days the State restored this grant and estimated reimbursement will be \$315,229.

Overall the Governor has held fast to his commitment to financial support of local governments.

**Conveyance Tax** – Since 2003, the legislature has approved a temporary increase in the municipal real estate conveyance tax, from 0.11 to 0.25 percent. Since then it has been re-authorized three more times, but never for more than two years at a time, with town leaders calling for it to be made permanent and realtors seeking its expiration. Malloy's adopted budget would make the current rate of 0.25 percent permanent.

**Property Tax Relief Grant** – The new property tax relief grant would be funded from remaining revenue in the Municipal Sharing Account after PILOT MME grants are paid. The amount is estimated at about \$44 million and would be distributed to cities and towns through a combination of Local Property Tax Relief Fund formula (50%) and the population in each town (50%). Thomaston's share is estimated at \$84,956.

**Retail sales tax** – The Governor increased the sales tax from 6.0% to 6.25%. His plan also includes an additional .10 percent surcharge on top of the proposed 6.25 percent sales tax which would go to the municipalities in which the sales took place. Thomaston's share is included in the Property Tax Relief Grant.

**Governor's Plan B** - The General Assembly gave final passage to the budget, but it didn't include the \$2 billion in labor concessions Governor Malloy was negotiating with state employee unions. With layoff notices going out to

more than 4,000 state employees and talks continuing with the unions, Governor Malloy is working on his 'Plan B' that will include large-scale programmatic spending cuts to the budget. Such cuts could include layoffs, cuts in vital public services and cuts in aid to towns and cities. Depending on the final outcome of the concessions from the unions and the final Plan B, it may be necessary for the Town Board of Selectmen and Board of Finance to make adjustments to the budget after its passage.

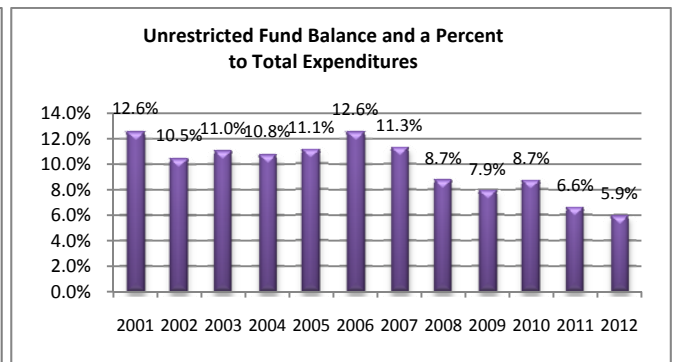
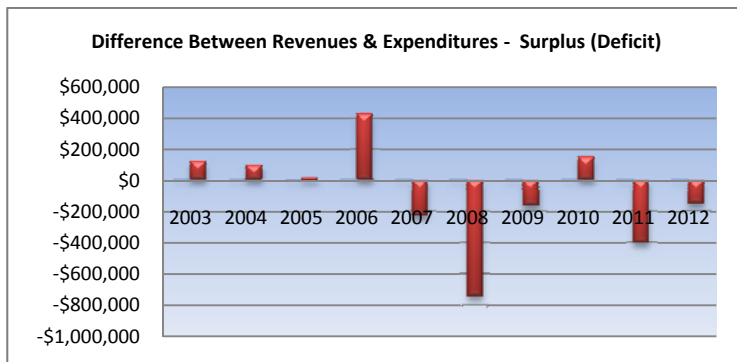
## Fund Balance

One measure of a Town's financial strength is the level of its fund balances (the amount in which revenues have exceeded expenditures cumulatively). A positive fund balance serves three important functions:

1. Eliminates the need for short term borrowing to handle cash flow between the start of the fiscal year and receipt of revenue from taxes;
2. Can be periodically used to lower taxes to smooth out major fluctuations in the property tax rates;
3. Serves as a contingency fund that enables the Town to respond to unanticipated emergencies or opportunities.

Credit rating agencies determine the adequacy of the unreserved fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the Town's rating. Other important factors are the reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body. Moody's bond rating agencies consider a 5-10% ratio of fund balance to general fund expenditures to be deemed a healthy financial cushion allowing the Town to be in a position to adequately address potential fiscal emergencies.

The Town's audited unrestricted general fund balance at June 30, 2010 was \$1,976,920. \$403,000 of this reserve was used to balance the 2010-2011 budget reducing the reserve to \$1,573,120 (6.6 percent of total general fund revenues). The Town is using \$153,207 of fund balance for the 2011-2012 budget reducing the fund balance levels to 5.9%.



The chart on the left represents the operating results or change in fund balance for each fiscal year. The deficits shown in 2007 through 2012 are a result of using fund balance to offset operating expenditures. The chart at the right shows the decline in fund balance reserves as a percentage of total expenditures as a result of using prior year surplus to balance budgets.

## Revenue

A Summary of the 2012 revenues, with a comparison to the current year, is shown below:

GENERAL FUND REVENUE SUMMARY					
	ACTUAL 2009-2010	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	Percent Change
Property Taxes.....	\$ 16,525,756	\$ 16,644,376	\$ 16,937,501	\$ 293,125	1.76%
Charges for services.....	244,335	196,005	134,020	\$ (61,985)	-31.62%
Intergovernmental.....	5,815,608	6,548,720	6,608,293	\$ 59,573	0.91%
Investment Income.....	47,939	42,500	25,000	\$ (17,500)	-41.18%
Other income.....	88,418	69,000	86,842	\$ 17,842	25.86%
Prior fund balance.....	-	403,000	153,207	\$ (249,793)	-61.98%
Other financing sources.....	27,500	22,500	34,429	\$ 11,929	53.02%
<b>TOTAL REVENUE</b>	<b>\$ 22,749,556</b>	<b>\$ 23,926,101</b>	<b>\$ 23,979,292</b>	<b>\$ 53,191</b>	<b>0.22%</b>

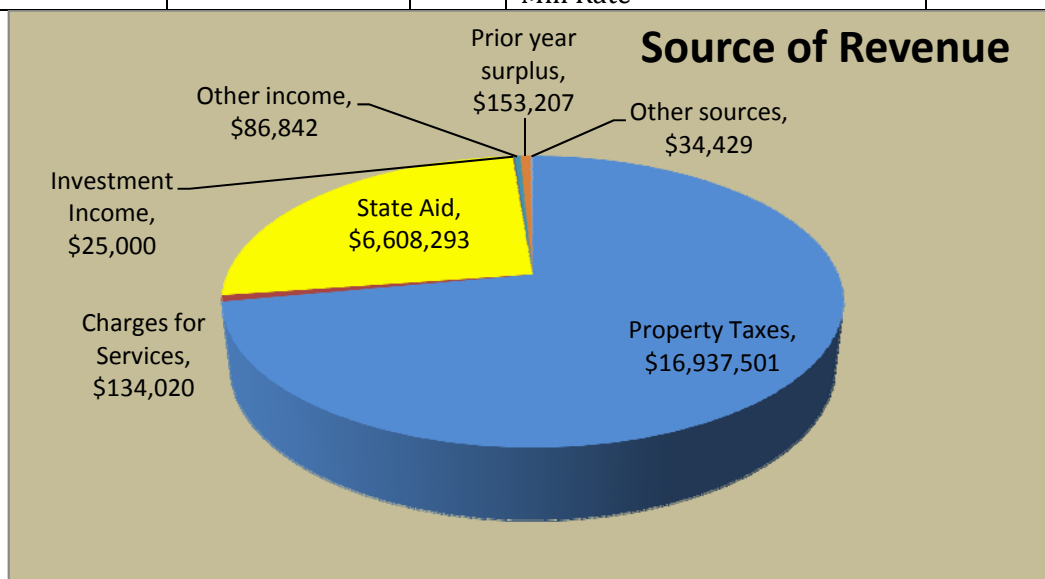
Charges for services are down by 31.62% due to declining building permits and the transfer of recreation program revenue to a new special revenue fund and use of prior fund balance has decreased due to minimum fund balance requirements.

Property taxes make up nearly 71% of budgeted revenues. The Board of Finance used a collection rate of 97.0% for taxes based on past collection rate experience. The value of 1 mill equals \$596,301 based on this collection rate. Also included in the property tax revenue is an estimated \$115,000 for motor vehicle supplement and \$12,312 for commercial motor vehicle as proposed by the Governor's office.

The Value of one mill is as follows:

The mill rate is calculated as follows:

Net Grand List	\$614,868,113	Total Revenue other than taxes	\$ 7,763,791
Less Assessment Appeals	(124,246)	Less total expenditures	(23,979,292)
Adjusted net assessment	\$614,743,867	Adjustment for Motor Vehicle	115,000
Collection Rate	97.0%	Adjustment for Comm'l MV	12,313
Collectible assessment	\$596,301,551	Total Tax levy needed	\$ 16,088,188
Value of one mill	\$ 596,301	Divide by Value of one mill	596,301
		Mill Rate	26.98



## Expenditures

The Thomaston Board of Education proposed budget of \$14,042,746 represents a \$107,413 increase (0.77%) over the prior year. The spending on non-education functions of \$7,082,766 represents an increase of \$58,959 (0.84%). Capital expenditures were increased by \$26,216 for a total budget of \$193,780. The total increase in spending is \$53,191 or .22%.

GENERAL FUND EXPENDITURE SUMMARY					
	ACTUAL	BUDGETED	PROPOSED	Increase	Percent
	2009-2010	2010-2011	2011-2012	(Decrease)	Change
Town Government.....	\$ 6,864,792	\$ 7,067,074	\$ 7,082,766	\$ 15,692	0.22%
Education.....	12,937,868	13,935,333	14,042,746	\$ 107,413	0.77%
Debt Service.....	2,656,245	2,799,394	2,660,000	\$ (139,394)	-4.98%
Capital Expenditures.....	141,599	124,300	193,780	\$ 69,480	55.90%
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,600,504</b>	<b>\$ 23,926,101</b>	<b>\$ 23,979,292</b>	<b>\$ 53,191</b>	<b>0.22%</b>

The goal of the budget was to maintain existing service levels for those which directly impact services to citizens. Significant factors and modifications related to the crafting of this budget are as follows:

- The Public Work's mechanic who services town fleet vehicles was reinstated.
- An open maintainer position in public works was not filled.
- A part-time building official was eliminated.
- Health insurance was expected to increase 6.4%, but due to a change in carriers we were able to keep costs flat. This savings was also reflected in the Board of Education budget. Total savings as a result of changing carriers was \$185,632 (\$151,967 Board of Ed and \$33,665 Town).
- Other Post Employment Benefit (OPEB) contributions were defunded in the amount of \$234,000.
- Debt smoothing was reduced by \$140,000. The debt smoothing is a method to prefund debt service payments to avoid spikes in taxes when bond issuances come due.
- A catch-up for the pay down of Net Pension Obligation was decreased from \$100,000 to \$50,000.
- A new department for unemployment compensation was created under general government.
- Contingency was reduced from \$120,000 to \$106,500.
- A scheduled police vehicle was eliminated from the police budget.
- A proposed treatment for contaminated soil at the town garage was postponed and cut \$63,000. If it becomes apparent during the year that this treatment is necessary, the Town will seek an appropriation from the voters.
- The proposal to reinstate a part-time social services director was not approved.
- The Sick pay reserve fund will help pay for severance expenses for the Board of Education and the Police in the amounts of \$36,626 and \$13,000 respectively.
- The Town entered into a three-year "rate lock" agreement with CIRMA, the Town's insurance carrier for liability, automobile and property insurance and worker's compensation. The Town will receive a dividend rebate in the amount of \$14,405 in addition no increase in premiums.

A summary of union wage increases and benefits are as follows:

- Teachers will receive an average of 2.45% wage increase with no step.
- Board of Education clerical, secretaries, nurses and custodians are currently in negotiations.
- Education administrators received no wage increase.
- Police will receive a \$1,500 increase.
- White collar, sewer workers, public works and dispatchers will receive 2.7%.
- All Town unions will pay another percentage more for health care.

BOARD OF EDUCATION EXPENDITURES BY CLASSIFICATION					
	ACTUAL 2009-2010 (*)	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	Percent Change
Salaries.....	\$ 8,130,962	\$ 8,123,404	\$ 8,180,949	\$ 57,545	0.71%
Employee benefits.....	2,659,157	2,997,894	3,008,302	\$ 10,408	0.35%
Purchased services.....	2,046,520	1,942,982	1,919,622	\$ (23,360)	-1.20%
Supplies.....	328,409	304,340	310,026	\$ 5,686	1.87%
Property.....	98,942	106,478	103,377	\$ (3,101)	-2.91%
Dues and Fees.....	20,560	25,684	27,048	\$ 1,364	5.31%
Capital.....	-	1,736	4,936	\$ 3,200	184.33%
Tuition.....	456,202	432,815	488,486	\$ 55,671	12.86%
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,740,752</b>	<b>\$ 13,935,333</b>	<b>\$ 14,042,746</b>	<b>\$ 107,413</b>	<b>0.77%</b>

(\*) ARRA funds in the amount of \$802,884 is included for comparison purposes.

## Debt Service

The Town's scheduled principal and interest payments for bonds, notes and leases of \$2,609,445 represent 10.9% of total spending. Annual net debt service, as a percentage of annual general fund revenues, should not exceed 10 percent per year with fluctuations in any three-year period not to exceed 12 percent. Net debt service is defined as "annual gross debt service less school construction reimbursements". The Town's net debt service of \$2,437,147 represents 10.2% of annual general fund revenues.

Name of Loan	Interest Rate	Original Debt	Outstanding Principal	-----Scheduled Payment-----				Ending Balance
				Principal	Interest	Other	Total	
Clean Water 1997 - 2016	2%	1,077,413	298,288	59,374	5,424		64,798	238,914
Clean Water 2001 - 2021	2%	9,091,656	4,839,914	454,134	92,650		546,784	4,385,780
Genl Oblig Bond 2005-2025 (THS/TCS)	4.21%	1,210,000	1,210,000	410,000	53,225		463,225	800,000
Genl Oblig Bond Ser A 2010-2025 (Roads)	2-4%	7,520,000	7,110,000	405,000	240,300		645,300	6,705,000
Genl Oblig Bond Ser B 2010-2019 (Refunding)	1.5 -3.0%	2,820,000	2,520,000	355,000	50,738		405,738	2,165,000
Genl Oblig Bond Ser C 2011-2023 (Refunding)		6,945,000	6,585,000	255,000	228,600		483,600	6,330,000
Reserve for future debt						40,555	40,555	
Bank Administration						10,000	10,000	
<b>TOTAL TRANSFER TO DEBT SERVICE FUND</b>			<b>22,563,202</b>	<b>1,938,508</b>	<b>670,937</b>	<b>50,555</b>	<b>2,660,000</b>	<b>20,624,694</b>

Over the past decade, the Town has made major commitments to school construction and road projects. The Thomaston High School and Center School projects are completed. The Town's total outstanding debt on July 1, 2011 is \$22,563,202.

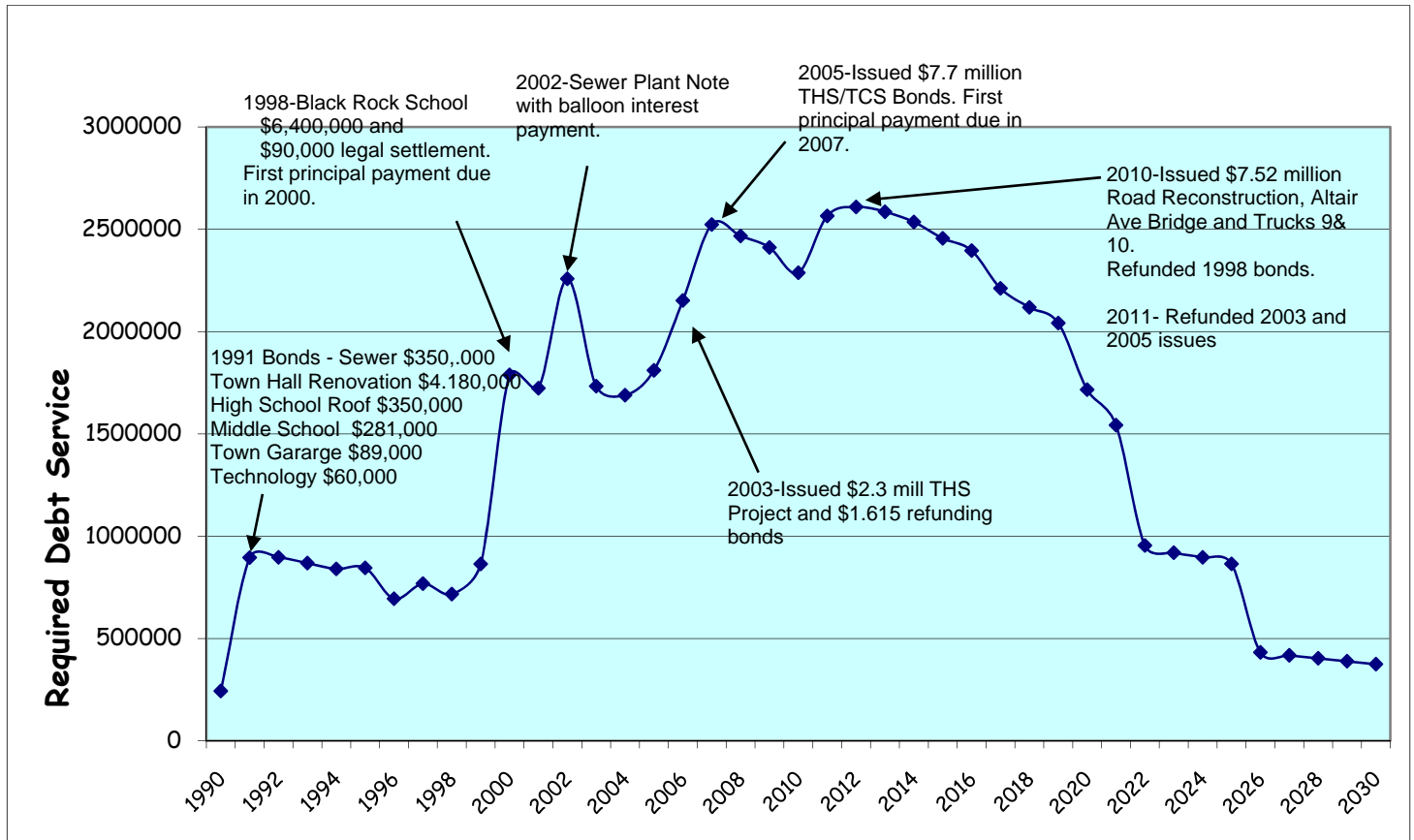
For debt planning purposes, the capital improvement committee must analyze:

- Debt burden – The ratio of total debt to fair market value of taxable property helps assess an issuer's wealth. The concept reflects the use of property taxes to pay debt service on general obligation bonds.
- Debt service as a percent of general fund expenditures. Debt service divided by general fund expenditures show the amount of expenditures used to pay debt service and show budget flexibility.
- Other measures the Town deems appropriate including but not limited to debt per capita, debt to income, and Market Value per capita.

A schedule of the Town's authorized and unissued debt is as follows:

PROJECT	BONDING AUTHORIZATION	PREVIOUSLY BONDED	AUTHORIZED BUT UNISSUED
Wastewater treatment plant system upgrade.....	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovation .....	6,530,000	6,400,000	130,000
High School/Center School renovations.....	10,000,000	10,000,000	
Altair Avenue bridge project.....	220,000	106,572	113,428
Seven year road program.....	10,674,500	7,104,112	3,570,388
Public works trucks.....	324,460	309,316	15,144
Refunding Bonds.....	<u>10,000,000</u>	<u>2,820,000</u>	<u>7,180,000</u>
TOTAL.....	<u>\$ 51,040,567</u>	<u>\$ 39,857,462</u>	<u>\$ 11,183,105</u>

The Wastewater Treatment plant, Black Rock School Renovations, Altair Ave Bridge project and public works trucks are completed, and the Town does not intend to issue any bonds for the amounts authorized and unissued. Below is an illustration of debt service over the years and history of debt transactions and authorizations.



## Capital Improvements

One of the primary responsibilities of local government officials is to preserve, maintain, and improve the community's buildings, roads, parks, sewer facilities, and equipment. Planning for capital improvements is a matter of prudent financial management as well as sound development practice.

This Capital Improvement Program (CIP) for the Town of Thomaston is a community plan for short- and long-range physical development. It is intended to link the community's comprehensive plan with a fiscal plan and

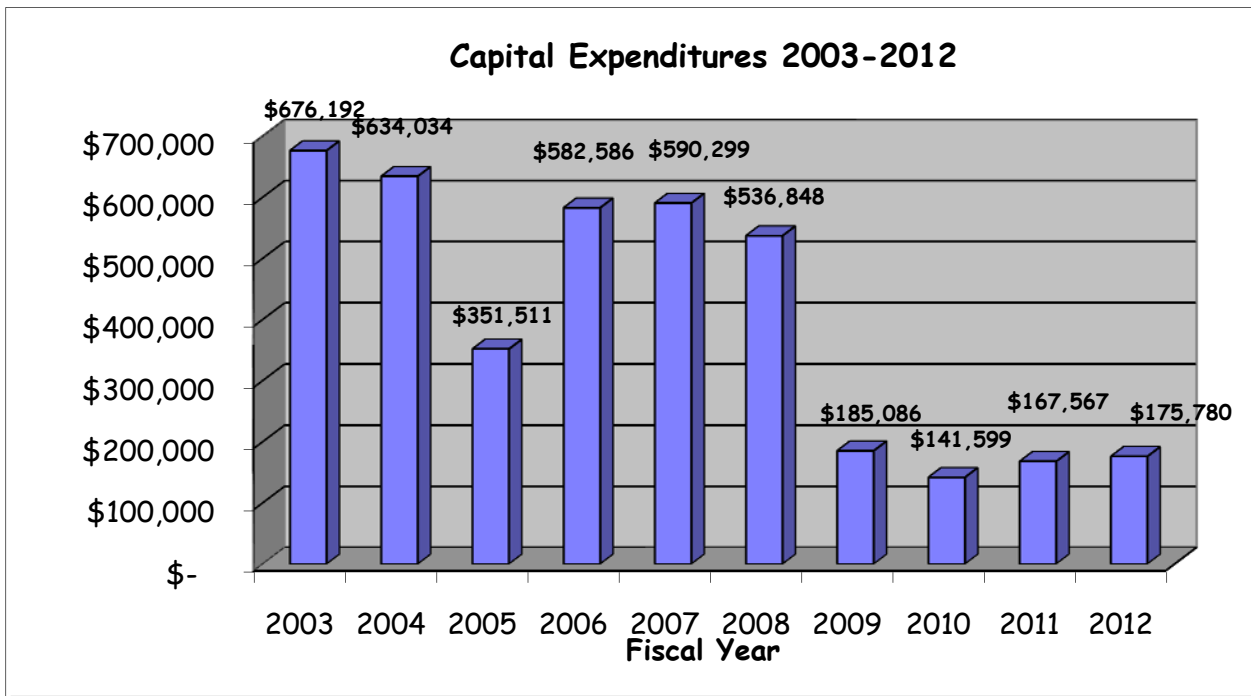
provide a mechanism for estimating capital requirements; planning, prioritizing, scheduling, and implementing projects; developing revenue policies for proposed improvements; budgeting high priority projects and keeping the public informed.

Whenever possible, the Town will first attempt to fund capital projects with grants as part of its broader capital improvement plan. When such funds are insufficient or unavailable, the Town will use dedicated revenues such as transfer of funds and general fund revenues to fund projects. If these are not available, the Town will use bond financing.

- The Town has established a debt service fund and the amount of appropriation to that fund shall remain flat at \$2,800,000, regardless of the schedule of debt pay-downs needed. The excess shall be invested and excess reserves shall be used to fund future finance arrangements. The proposed budget, however, has reduced the debt smoothing plan by \$140,000.
- Capital funding provided by transfers from another fund will be programmed to specific capital projects or programs.
- Audited unrestricted fund balances in excess of 7% at the end of each fiscal year shall be transferred into the capital fund.
- The Town acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project. At a minimum, the Town shall appropriate no less than \$150,000 annually towards pay-as-you-go projects when sufficient reserves are unavailable.

Below is a history of the pay-as you-go amounts. Historically the first cuts made to the budget are in this area. Funding levels in the past three years are 71% below the average funding levels in 2003 through 2008.

Deferred maintenance issues grow, minor repairs become major repairs and necessary borrowing, through the issuance of debt, results in more costs to citizens.



This year there were 68 projects submitted with a total cost of \$25,334,288. The capital improvement committee took into consideration many factors to complete its analysis to come up with a manageable program.

The Committee recommended an independent property condition assessment be performed for all Town owned buildings, including all three schools, Town Hall, Town Garage, Public Library, Fire House, Ambulance garage, Town Hall, Sewer plant, and various outbuildings. An appropriation is included in the 2011/12 funding plan for \$50,000. If the result of the bid process exceeds \$50,000 the committee recommends further appropriations in future years to obtain the adequate studies.

It has also come to our attention that the original appropriation for the Seven Year Road Program has exceeded original estimates. A current study is underway and once the study is complete the Town elector shall decide if the project should continue as planned or scope of the project be revised.

Below represents the suggested capital improvement appropriations over the next five years.

Town of Thomaston Capital Improvement Program FYE 2012-2016 Summary By Rating						
	Estimated Cost	FYE2012	FYE2013	FYE2014	FYE2015	FYE2016
Code 1 & 2- Committed and Urgent	\$ 590,850	\$ 195,780	\$ 124,745	\$ 105,850	\$ 94,405	\$ 70,070
Code 3 - Needed	\$ 147,675	\$ -	\$ 122,675	\$ 25,000	\$ -	\$ -
Code 4 - Deferrable	\$ 295,955	\$ -	\$ 212,125	\$ 70,830	\$ 11,000	\$ 2,000
Subtotal by Year	\$ 1,034,480	\$ 195,780	\$ 459,545	\$ 201,680	\$ 105,405	\$ 72,070
Less cuts made and deferred to 2013		\$ (20,000)	\$ 5,000			
Total Funding - Pay as you go		\$ 175,780	\$ 464,545	\$ 201,680	\$ 105,405	\$ 72,070
Code 5-Bond Projects-Prioritized	\$ 14,344,008	\$ 4,714,937	\$ 2,884,148	\$ 837,900	\$ 1,482,600	\$ 4,424,423

### Budget Process

- The Board of Selectmen initially receives budgets from the departments as early as December. The Board meets with department heads to review the budgets and makes suggested adjustments to the Board of Finance. The Board of Finance also meets with department heads and finalizes the budget.
- The Public hearing is usually held no later than the 3<sup>rd</sup> week of April, however due to uncertainties in the Governor's proposed budget and union negotiations, this process was postponed this year. Following the public hearing the Board of finance meets and makes adjustments to the budget if necessary.
- The Annual Town budget meeting is held two weeks after the public hearing. If the budget is to be voted on by referendum, the meeting may only discuss but not amend or act on the budget. The referendum must be held within 7 – 14 days after the budget meeting at a date and time to be determined by the meeting, but if not, by the Board of Selectmen (C.G.S. Section 7-7). The Board of Finance meets immediately after the adoption of the budget to set the mill rate (C.G. S. Section 7-344).
- If the budget is defeated, the process reverts to the point where the Board of Finance holds a special meeting to revise the budget and to send it back to the budget meeting. There is no budget hearing or budget publication requirement at this stage.
- The subsequent budget meeting is then called a reconvened budget meeting.

**Efficiencies in Government** - The Town has and continues to look for ways to be more efficient and cut costs. Some of the Town's accomplishments are as follows:

- Successfully reduced health care costs by negotiating a change in health carriers and increasing premium share to its employees;
- Negotiated the phase out of post-employment health benefits for new hires for some unions;
- Implemented a new special revenue fund for the transfer station and new fee schedules so as to allow the facility to be self-sustaining;
- Implemented a new special revenue fund for park programs and a new fee tracking system so as to allow the programs to be self-sustaining. Some of the revenue will be transferred to the general fund to help offset other operating costs of the parks;
- Coordinates with the Board of Education on regional bidding and procurement for office supplies and electricity. The Town has locked in rates for electricity through December 2014 and natural gas through December 2012;
- Saved money on health care, liability, auto and worker's compensation insurances due to Town policies on bidding and procurement and regularly evaluates self-insurance options;
- Certain street lights were shut off and energy retrofits utilizing grant money produced significant annual savings and utilities;
- The Town has implemented a 457(b) defined contribution plan for all non-union new hires. In addition, the Town negotiated higher pension contributions of it's employees which significantly reduced the employer's annual pension contribution to the plan;
- Management supports its revenue generating departments by providing adequate staffing to insure proper permitting, enforcement of regulations and equitable assessments to all its residents and businesses.
- The Town has taken advantage of lower interest rates on its outstanding debt.

MILL RATE BY FUNCTION						
	Revenue	Expense	Net Expense	Mill Rate		
General Government.....	\$ 1,629,340	\$ 3,528,614	\$ 1,899,274	3.16	11.71%	
Public Safety.....	75,753	1,399,955	1,324,202	2.20	8.17%	
Public Works.....	121,684	1,546,316	1,424,632	2.37	8.79%	
Health & Welfare.....	700	66,209	65,509	0.11	0.40%	
Culture and recreation.....	5,500	382,412	376,912	0.63	2.32%	
Housing & Development.....	30,500	125,916	95,416	0.16	59.00%	
Education.....	5,693,588	14,042,746	8,349,158	13.89	51.49%	
Debt service.....	172,297	2,660,000	2,487,703	4.14	15.34%	
Operating subsidies to/from other funds.....	34,429	33,343	(1,086)	0.00	-0.01%	
Capital Expenditures.....	-	193,780	193,780	0.32	1.20%	
	\$ 7,763,791	\$ 23,979,292	\$ 16,215,501	26.98	100%	

The above table represents what percentage of your taxes are utilized for certain functions of government. For example, 51.49% of your tax bill funds Education and 8.17% funds Public Safety. However, all benefits for non-education departments, such as pensions, health and retiree health are included in the General Government category.

**REVENUES AND OTHER FINANCING SOURCES**

	ACTUAL 2009-2010	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	
<b>PROPERTY TAXES:</b>					
1 Property Tax - Current.....	\$ 15,787,844	\$ 16,000,376	\$ 16,215,501	\$ 215,125	1.34%
2 Property Tax - Prior Years.....	465,128	400,000	450,000	50,000	12.50%
3 Interest and lien fees.....	226,617	185,000	226,000	41,000	22.16%
206 Taxes from Housing Authority-P.I.L.O.T.....	14,512	14,000	14,000	-	0.00%
207 Telecommunication property tax.....	31,655	45,000	32,000	(13,000)	-28.89%
<b>TOTAL PROPERTY TAXES</b>	<b>16,525,756</b>	<b>16,644,376</b>	<b>16,937,501</b>	<b>293,125</b>	<b>1.76%</b>
<b>CHARGES FOR SERVICES:</b>					
22 Building permits.....	43,853	40,000	22,000	(18,000)	-45.00%
23 Conveyance tax.....	42,360	37,000	28,000	(9,000)	-24.32%
24 Special duty police.....	59,816	40,000	36,000	(4,000)	-10.00%
25 Transfer station fees.....	875	-	-	-	#DIV/0!
26 Accident reports.....	215	400	285	(115)	-28.75%
27 Gun permits.....	1,925	1,700	2,000	300	17.65%
28 Vendor permits.....	300	300	300	-	0.00%
29 Parking meter.....	843	1,600	-	(1,600)	-100.00%
30 Zoning and land use fees.....	10,187	12,000	8,500	(3,500)	-29.17%
31 Minibus fares.....	885	800	700	(100)	-12.50%
32 Recreation commission.....	19,000	21,000	-	(21,000)	-100.00%
33 Nystrom's park.....	5,500	5,500	5,500	-	0.00%
34 CGS51-56a (d) Police ticket revenue sharing.....	2,480	3,700	2,500	(1,200)	-32.43%
35 Other fines and fees.....	1,589	1,200	200	(1,000)	-83.33%
36 Fingerprinting.....	55	50	200	150	300.00%
37 Town of Litchfield sewer upgrade.....	8,868	8,867	8,867	-	0.00%
54 Dam Patrol-Law Enforcement.....	15,388	15,388	15,388	-	0.00%
151 Alarm violations.....	4,175	2,500	80	(2,420)	-96.80%
152 Parking fines.....	703	500	-	(500)	-100.00%
153 Pay for Play.....	19,855	-	-	-	#DIV/0!
225 Dog fines & fees.....	5,463	3,500	3,500	-	0.00%
<b>TOTAL CHARGES FOR SERVICES</b>	<b>244,335</b>	<b>196,005</b>	<b>134,020</b>	<b>(61,985)</b>	<b>-31.62%</b>
<b>INTERGOVERNMENTAL REVENUE:</b>					
52 Boating Safety.....	579	-	915	915	#DIV/0!
53 Retail Sales Tax.....	-	-	84,956	84,956	#DIV/0!
59 Commitments for school construction.....	197,439	172,774	172,297	(477)	-0.28%
60 Education cost sharing.....	4,804,296	5,630,307	5,630,307	-	0.00%
65 School transportation -public.....	66,429	106,583	63,281	(43,302)	-40.63%
68 Special education excess.....	24,686	-	-	-	#DIV/0!
78 Town aid road.....	112,817	112,601	112,817	216	0.19%
79 Land authorization.....	1,408	508	508	-	0.00%
83 Local capital improvement program (LOCIP)....	109,387	54,138	55,133	995	1.84%
84 Mashantucket pequot.....	38,554	37,480	38,592	1,112	2.97%
86 PILOT-Elderly freeze.....	2,000	1,833	2,000	167	9.11%
87 PILOT-Elderly homeowner.....	59,789	58,255	66,120	7,865	13.50%
88 PILOT-Manufacturing Machinery & Equipment.....	353,142	331,381	315,229	(16,152)	-4.87%
89 PILOT-State owned property.....	31,903	29,550	29,157	(393)	-1.33%
90 PILOT-Totally disabled.....	1,143	1,064	621	(443)	-41.64%
91 PILOT-Veterans.....	12,036	12,246	10,360	(1,886)	-15.40%
100 Municipal Video Competition Trust Grant.....	-	-	26,000	26,000	#DIV/0!
<b>TOTAL INTERGOVERNMENTAL</b>	<b>5,815,608</b>	<b>6,548,720</b>	<b>6,608,293</b>	<b>59,573</b>	<b>0.91%</b>

GENERAL FUND  
REVENUES AND OTHER FINANCING SOURCES

	ACTUAL 2009-2010	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	
181 INVESTMENT INCOME.....	47,939	42,500	25,000	(17,500)	-41.18%
<b>OTHER INCOME:</b>					
208 Recyclables rebate.....	2,111	-	2,300	2,300	#DIV/0!
209 Sales of capital assets.....	-	6,000	-	(6,000)	-100.00%
214 Rent.....	66,444	58,000	69,637	11,637	20.06%
215 Miscellaneous.....	19,863	5,000	14,905	9,905	198.10%
<b>TOTAL OTHER INCOME</b>	<b>88,418</b>	<b>69,000</b>	<b>86,842</b>	<b>17,842</b>	<b>25.86%</b>
<b>OTHER FINANCING SOURCES:</b>					
new Recreation Commission.....	-	-	15,429	15,429	#DIV/0!
230 Surplus prior years.....	-	403,000	153,207	(249,793)	-61.98%
242 Thomaston EMS Fund.....	27,500	22,500	19,000	(3,500)	100.00%
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>27,500</b>	<b>425,500</b>	<b>187,636</b>	<b>(237,864)</b>	<b>-55.90%</b>
<b>TOTAL GENERAL FUND REVENUE AND OTHER FINANCING SOURCES</b>	<b>\$ 22,749,556</b>	<b>\$ 23,926,101</b>	<b>\$ 23,979,292</b>	<b>\$ 53,191</b>	<b>0.22%</b>

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCE USES**

	ACTUAL 2009-2010	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	
<b>GENERAL GOVERNMENT</b>					
100 Board of Selectmen.....	\$ 100,665	\$ 102,498	\$ 102,978	\$ 480	0.47%
102 Elections.....	16,060	19,582	19,463	(119)	-0.61%
104 Board of Finance.....	513	900	900	-	0.00%
106 Treasurer.....	179,446	177,109	181,784	4,675	2.64%
107 Computer Information systems.....	19,128	25,732	36,750	11,018	42.82%
108 Independent audit.....	57,000	48,000	47,875	(125)	-0.26%
110 Legal.....	81,594	80,000	80,000	-	0.00%
114 Tax Collector.....	99,207	93,810	102,655	8,845	9.43%
116 Property Tax Rebates.....	25,521	25,000	25,000	-	0.00%
118 Tax Assessor.....	83,374	106,814	112,309	5,495	5.14%
120 Board of Assessment Appeals.....	3,150	3,300	3,400	100	3.03%
122 Insurance.....	364,846	375,786	375,505	(281)	-0.07%
124 Town Hall operations & Maintenance.....	203,353	231,163	213,062	(18,101)	-7.83%
126 Town Clerk.....	50,093	50,044	49,844	(200)	-0.40%
128 Probate court.....	1,235	5,100	4,446	(654)	-12.82%
130 Social security.....	210,210	228,932	214,745	(14,187)	-6.20%
131 Unemployment Expense.....	-	-	15,257	15,257	#DIV/0!
132 Pension - Town Employees.....	666,708	637,381	607,901	(29,480)	-4.63%
133 Pension - Volunteer Firefighters and Ambulance.....	131,034	98,100	116,300	18,200	18.55%
134 Medical / Life insurance.....	543,937	636,008	618,824	(17,184)	-2.70%
136 Retirees Medical Insurance.....	373,906	470,092	484,939	14,847	3.16%
138 Council of governments.....	3,374	3,374	3,331	(43)	-1.27%
140 CT Conference of Municipalities.....	4,846	4,846	4,846	-	0.00%
142 Contingency.....	-	100,000	106,500	6,500	6.50%
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,219,199</b>	<b>3,523,571</b>	<b>3,528,614</b>	<b>5,043</b>	<b>0.14%</b>
<b>PUBLIC SAFETY</b>					
200 Police.....	986,773	893,811	909,832	16,021	1.79%
206 Communications & dispatch.....	213,666	229,183	232,032	2,849	1.24%
208 Fire Protection.....	135,544	115,581	123,996	8,415	7.28%
210 Fire Marshal.....	20,677	20,970	21,293	323	1.54%
212 Ambulance.....	51,819	50,000	55,765	5,765	11.53%
214 Tree Removal.....	7,977	12,000	6,000	(6,000)	-50.00%
216 K9.....	52,829	48,660	51,037	2,377	4.89%
<b>TOTAL PUBLIC SAFETY</b>	<b>1,469,285</b>	<b>1,370,205</b>	<b>1,399,955</b>	<b>29,750</b>	<b>2.17%</b>
<b>PUBLIC WORKS</b>					
300 Highways.....	526,716	480,650	488,200	7,550	1.57%
302 Town Aid Road.....	112,817	112,601	112,817	216	0.19%
304 Snow & ice removal.....	192,545	191,000	191,000	-	0.00%
306 Street lighting.....	85,115	85,000	69,000	(16,000)	-18.82%
308 Fire hydrants.....	154,153	159,000	163,299	4,299	2.70%
310 Solid Waste & Recycling.....	440,579	493,319	496,500	3,181	0.64%
314 Groundwater remediation-Town garage.....	25,646	64,000	25,500	(38,500)	-60.16%
<b>TOTAL PUBLIC WORKS</b>	<b>1,537,571</b>	<b>1,585,570</b>	<b>1,546,316</b>	<b>(39,254)</b>	<b>-2.48%</b>

**GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**

	ACTUAL 2009-2010	BUDGETED 2010-2011	PROPOSED 2011-2012	Increase (Decrease)	
<b>HEALTH AND WELFARE</b>					
402 Visiting nurse.....	-	-	7,119	7,119	#DIV/0!
404 Torrington Area Health District.....	37,292	37,044	37,211	167	0.45%
406 Northwest Regional Mental Health Board.....	860	854	858	4	0.47%
408 Social Services.....	8,372	720	720	-	0.00%
410 Elderly Nutrition.....	3,254	3,279	3,271	(8)	-0.25%
412 Susan B Anthony Project.....	2,000	1,000	1,000	-	0.00%
416 Minibus.....	14,494	20,551	15,030	(5,521)	-26.86%
418 Veterans Administration.....	1,000	1,000	1,000	-	0.00%
<b>TOTAL HEALTH AND WELFARE</b>	<b>67,272</b>	<b>64,448</b>	<b>66,209</b>	<b>1,761</b>	<b>2.73%</b>
<b>CULTURE AND RECREATION</b>					
500 Park Maintenance.....	113,241	89,176	79,139	(10,037)	-11.26%
502 Memorial Day.....	1,500	1,500	1,500	-	0.00%
504 Nystroms Park.....	9,212	12,500	12,500	-	0.00%
508 Public Library.....	290,364	284,256	289,273	5,017	1.76%
<b>TOTAL CULTURE AND RECREATION</b>	<b>414,317</b>	<b>387,432</b>	<b>382,412</b>	<b>(5,020)</b>	<b>-1.30%</b>
<b>HOUSING &amp; DEVELOPMENT</b>					
600 Conservation Commission.....	1,725	1,725	1,725	-	0.00%
614 Economic Development.....	473	600	400	(200)	-33.33%
616 Housing, Land Use & Development.....	137,249	133,523	123,791	(9,732)	-7.29%
<b>TOTAL HOUSING &amp; DEVELOPMENT</b>	<b>139,447</b>	<b>135,848</b>	<b>125,916</b>	<b>(9,932)</b>	<b>-7.31%</b>
<b>EDUCATION</b>					
700 EDUCATION.....	<b>12,937,868</b>	<b>13,935,333</b>	<b>14,042,746</b>	107,413	0.77%
<b>DEBT SERVICE (See Schedule D)</b>					
800 DEBT SERVICE FUND	2,656,245	2,799,394	2,660,000	(139,394)	-4.98%
<b>OTHER FINANCING USES</b>					
904 Hillside Cemetery.....	10,000	10,000	26,000	16,000	160.00%
908 Capital or Nonrecurring (See Schedule B).....	141,599	106,600	193,780	87,180	81.78%
910 Opera House.....	-	-	1,660	1,660	#DIV/0!
914 Seth Thomas/Bradstreet House.....	7,700	7,700	5,683	(2,017)	-26.19%
<b>TOTAL OTHER FINANCING USES</b>	<b>159,299</b>	<b>124,300</b>	<b>227,123</b>	<b>102,823</b>	<b>82.72%</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 22,600,504</b>	<b>\$ 23,926,101</b>	<b>\$ 23,979,292</b>	<b>\$ 53,191</b>	<b>0.22%</b>
<b>Total Town Expenditures</b>	<b>9,662,636</b>	<b>9,990,768</b>	<b>9,936,546</b>	<b>\$ (54,222)</b>	<b>-0.54%</b>
<b>Total Board of Education Expenditures</b>	<b>12,937,868</b>	<b>13,935,333</b>	<b>14,042,746</b>	<b>107,413</b>	<b>0.77%</b>
	<b>\$ 22,600,504</b>	<b>\$ 23,926,101</b>	<b>\$ 23,979,292</b>	<b>\$ 53,191</b>	<b>0.22%</b>

**SEWER DEPARTMENT  
Special Revenue Fund 202**

		ACTUAL	BUDGETED	PROPOSED	Increase	
		2009-2010	2010-2011	2011-2012	(Decrease)	Percent
<b><u>REVENUE</u></b>						
320-021	SEWER USE FEES	\$ 977,366	\$ 1,144,391	\$ 1,156,505	\$ 12,114	1.1%
320-035	INTEREST	38,466	-	-	-	#DIV/0!
320-036	LIENS	39,976	-	-	-	#DIV/0!
		<b>1,055,808</b>	<b>1,144,391</b>	<b>1,156,505</b>	<b>12,114</b>	<b>1.1%</b>
<b><u>SALARIES &amp; BENEFITS:</u></b>						
510-250	SALARIES & WAGES-REGULAR	354,256	369,170	<b>383,710</b>	14,540	3.9%
510-252	SALARIES & WAGES -OVERTIME	10,341	13,000	<b>13,000</b>	-	0.0%
515-277	CLOTHING ALLOWANCE	3,939	4,000	<b>4,592</b>	592	14.8%
515-281	FRINGE-SOCIAL SECURITY	26,191	29,193	<b>29,755</b>	562	1.9%
515-282	FRINGE-HEALTH INSURANCE	167,402	188,389	<b>188,523</b>	134	0.1%
515-289	FRINGE-PENSION	95,107	77,244	<b>80,768</b>	3,524	4.6%
		<b>657,236</b>	<b>680,996</b>	<b>700,348</b>	<b>19,352</b>	<b>2.8%</b>
<b><u>PURCHASED/CONTRACTED SERVICES:</u></b>						
520-300	DATA PROCESSING	4,200	4,175	<b>4,400</b>	225	5.4%
520-305	PROF & TECH SVC-LEGAL	4,000	4,000	<b>4,000</b>	-	0.0%
520-310	PROF & TECH SVC-OTHER	3,750	4,750	<b>4,950</b>	200	4.2%
520-320	EDUCATION & TRAINING	1,074	1,500	<b>1,200</b>	(300)	-20.0%
520-411	WATER/SEWER CHARGES	14,974	16,000	<b>16,500</b>	500	3.1%
520-414	SLUDGE REMOVAL	79,421	85,000	<b>85,000</b>	-	0.0%
520-415	TOXICITY TESTING	4,867	4,300	<b>4,951</b>	651	15.1%
520-416	DEP-NITROGEN TESTING	9,506	11,300	<b>11,300</b>	-	0.0%
520-430	CONTRACTED REP & MAINT-VEHICLE	1,193	1,000	<b>1,500</b>	500	50.0%
520-432	CONTRACTED REP & MAINT-SEWER	24,226	25,000	<b>25,000</b>	-	0.0%
520-434	REPAIRS & MAINTENANCE-OTHER	-	670	<b>670</b>	-	0.0%
520-530	TELEPHONE	13,575	13,000	<b>15,336</b>	2,336	18.0%
520-540	ADVERTISING	399	400	<b>400</b>	-	0.0%
520-555	ASSOCIATION DUES FEES PERMITS	2,243	3,600	<b>2,500</b>	(1,100)	-30.6%
520-580	TRAVEL	186	500	<b>250</b>	(250)	-50.0%
		<b>163,614</b>	<b>175,195</b>	<b>177,957</b>	<b>2,762</b>	<b>1.6%</b>
<b><u>SUPPLIES:</u></b>						
530-610	GENERAL SUPPLIES	5,092	5,000	<b>5,000</b>	-	0.0%
530-612	POSTAGE & FREIGHT	1,625	1,700	<b>1,700</b>	-	0.0%
530-622	ELECTRICITY	160,371	154,000	<b>154,000</b>	-	0.0%
530-624	HEATING FUEL	23,787	35,000	<b>35,000</b>	-	0.0%
530-626	GASOLINE/DIESEL & OIL	4,489	4,500	<b>4,500</b>	-	0.0%
530-630	MATERIAL	13,211	13,000	<b>13,000</b>	-	0.0%
530-642	REPAIRS & MAINT - SEWER LINES	13,830	10,000	<b>10,000</b>	-	0.0%
		<b>222,405</b>	<b>223,200</b>	<b>223,200</b>	<b>-</b>	<b>0.0%</b>
<b><u>CAPITAL:</u></b>						
540-730	MACHINERY & EQUIPMENT	4,122	5,000	<b>5,000</b>	-	0.0%
610-957	TRANSFER TO REPAIR REPLACEMENT	10,000	10,000	-	(10,000)	-100.0%
610-954	TRANSFER TO CAPITAL RESERVE	-	50,000	<b>50,000</b>	-	
610-955	TRANSFER TO R&R FOR PRIOR YR SURPL	16,401	-	-	-	#DIV/0!
		<b>30,523</b>	<b>65,000</b>	<b>55,000</b>	<b>(10,000)</b>	<b>-15.4%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,073,778</b>	<b>\$ 1,144,391</b>	<b>\$ 1,156,505</b>	<b>\$ 12,114</b>	<b>1.1%</b>

The Water Pollution Control Authority revenue is generated from user fees. These fees are set by the W.P.C.A. following an annual review of operating and capital costs.

	2009-2010	2010-2011	2011-2012
<b>TRANSFER TO CAPITAL OR NONRECURRING FUND</b>			
1 Assessor/Tax Collector Software Upgrade.....	\$ -	\$ -	\$ -
2 Assessors revaluation.....	21,400	13,600	-
3 BOE: District wide Technology.....	-	-	20,000
4 BOE: BRS Roof Leaks.....	-	20,000	-
5 BOE: TCS Gutter replacement.....	21,200	-	-
6 BOE: TCS Insulation of pipe.....	-	-	10,000
7 BOE: TCS Soffit repair.....	8,000	-	-
8 BOE: TCS/BRS Grease trap disposal.....	20,000	-	-
9 BOE: TCS Underground oil tank retrofit.....	-	15,000	-
10 BOE: THS Boilers.....	-	-	18,000
11 BOE: THS Fire Door Closure.....	19,138	-	-
12 BOE: THS Stair treads.....	-	-	13,780
13 CIP: Property Condition Assessment.....	-	-	50,000
(*) 14 CIP: District wide phone system assessment.....	-	-	-
15 Fire: Turnout Gear.....	-	-	17,000
16 K-9 Vehicle.....	10,000	-	-
17 Minibus Repair.....	-	-	-
(*) 18 PD: Vehicle replacement program.....	25,000	-	-
19 PWD: Guiderail installation .....	10,000	-	-
(*) 20 PWD: Leigh Avenue Retaining Wall.....	-	53,000	-
21 Town Hall Building: Flooring & Carpet Replacement	-	-	10,000
22 Town Hall Building: HVAC Water Source Heat pumps.....	10,000	-	15,000
23 Town Hall Building: Paint, rotted wood and railing.....	30,000	-	30,000
24 Town Hall Technology .....	5,000	5,000	10,000
<b>SUBTOTAL</b>	<b>179,738</b>	<b>106,600</b>	<b>193,780</b>
Less other funding sources:			
High Street Water Main Fund	(19,000)	-	-
Performance bond	(11,450)	-	-
Public Act 05-228 proceeds	(19,770)	-	-
Reallocation of CNR closed projects	(22,489)	-	-

**General Fund appropriation to CNR Fund** \$ 107,029 \$ 106,600 \$ 193,780

(\*) 2010-2011 Appropriations were made during the fiscal year from General Fund contingency account.

FISCAL YEAR ENDED JUNE 30

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005
<b><u>GENERAL GOVERNMENT</u></b>						
<b>PUBLIC SAFETY:</b>						
Fire:						
Emergency responses.....	268	240	338	360	335	269
Fires extinguished.....	27	40	57	29	146	116
Police:						
Incidents.....	33,299	34,946	35,162	35,191	35,641	N/A
Accidents.....	206	248	216	262	232	N/A
Physical arrests.....	165	257	155	198	115	N/A
Traffic violations.....	1,001	867	922	742	878	N/A
<b>PUBLIC WORKS:</b>						
Street resurfacing (miles).....		2.38	5.00		0.73	N/A
Streets rebuilt (miles).....	3.12	0.66	1.14	1.14	2.16	N/A
<b>PARKS AND RECREATION:</b>						
Athletic field permits issued.....	44	55	55	76	66	N/A
No. of recreation programs.....	27	26	25	27	29	29
<b>HEALTH AND WELFARE:</b>						
Number of elderly serviced.....	N/A	N/A	1,012	1,410	3,639	N/A
Number of families serviced.....	N/A	N/A	2,612	2,650	5,477	N/A
Number of disabled serviced.....	N/A	N/A	626	672	1,410	N/A
<b>LIBRARY:</b>						
Total print items.....	42,804	44,541	46,260	46,533	47,769	50,184
Total non-print items.....	6,366	11,578	8,221	7,652	5,407	4,862
Circulation.....	95,354	93,826	89,305	92,997	95,145	89,382
Interlibrary borrows.....	3,429	3,432	2,408	1,984	1,841	924
Interlibrary loans.....	3,298	3,289	2,392	2,308	1,675	1,018
<b>EDUCATION:</b>						
Enrollment:						
High School.....	559	547	582	600	593	598
Middle School.....	267	278	296	298	300	320
Elementary Schools.....	360	391	381	397	413	394
Total.....	1,186	1,216	1,259	1,295	1,306	1,312
<b>SEWER FUND:</b>						
Average daily sewage treatment						
(million gallons).....	0.992	0.982	0.864	1.067	1.001	N/A
Residential customers.....	2,600	2,600	2,594	2,587	2,169	N/A
Commercial & Industrial Customers.....	134	131	136	130	136	N/A
Manhole repair as part of I/I reduction.....	80	62	6	8	11	N/A
<b>SOLID WASTE &amp; RECYCLING:</b>						
CRRRA tonnage (annual).....	4,284	4,724	4,961	5,024	5,140	5,580

SOURCES: Various Town Departments

(1) Data prior to 2005 is not available

N/A - Data not available