



2012 Citizen's Guide

to the Windsor Town Budget

Managing our town budget in increasingly difficult times

As we begin preparation of Windsor's 2013 town budget, once again we will have to make some difficult choices. Our budget will have to account for the fact that the cost of maintaining services is still increasing and the revenue we'll need will decrease.

We know that health insurance and pension and retirement costs for town employees will increase. We'll also have to honor wage and salary increases under certain collective bargaining agreements. Our 2013 budget will have to provide for increased costs for MDC and utilities such as electricity as well as gasoline and heating oil.

Once again, we'll have to be cautious regarding what money we can expect to take in. State aid to education, which this year accounted for almost 14% of our revenue, will almost certainly not increase. Certain other state grants that we'd normally expect simply can't be counted on.

Over the years, we have been very careful to control our costs and that's a good starting point for us now. As in previous years, I will be out in the community often, discussing our budget and asking for your ideas.

This "Citizen's Guide to the Windsor Town Budget" explains the process. I hope you will find it a useful introduction and accept it as an invitation to participate in creating a budget that maintains the services that we as Windsor residents expect.

Peter Souza
Town Manager

In Windsor, the method we use to determine our town budget is an open process. Every adult citizen who is registered to vote – property owners and those who rent – is welcome to participate in determining the town budget.

This is where your involvement is really important because your vote really does count. What you think makes a difference, right here in your home town. Please take the time to vote on your town's budget.

This guide provides basic information about the budget process and, while understanding the process may not change how you feel about taxes, it can help you take part in the ongoing conversation about taxes and the services they pay for.

How our town budget works

Beginning in December each year, town employees begin to review programs and services to estimate how much it will cost to operate the town in the 12 months beginning July 1. That money comes from property taxes, Federal and state grants and from town agencies that collect fees.

At the same time, the town makes an estimate of how much it will have to spend to maintain and/or enhance the services that residents and businesses expect.

Also during this period, the Board of Education and the Windsor school's administrative staff estimate how much it will cost to operate the schools and school-related services for the next year.

The Town Manager then takes the estimate of the income the town expects along with the estimates of spending from town departments and the Board of Education and presents them to the Town Council. This is called the **Town Manager's Proposed Budget** and it is really just a starting point.

Next, the Town Council examines the budget and conducts budget hearings with all town departments throughout the month of April to discuss and suggest changes. When the Town Council approves the final budget, it is put up for a vote at what is called an Adjourned Town Meeting Referendum, more commonly known as the **"budget referendum."**

The voters in Windsor are then asked to approve – or disapprove the budget. If voters don't approve the budget, town staff and the Board of Education, through the Town Manager, modify and resubmit their proposals to the Town Council and then once again, to the voters. Only after the voters have approved the budget can it become the income and spending plan for the town.

Seniors and Veterans

You may be eligible for reduced taxes ...

A Guide to Tax Reductions and Benefits available to qualified Windsor residents is a pamphlet that describes a variety of exemptions and benefits available to individuals meeting the income and/or age guidelines as determined by State of Connecticut regulations. To get your copy or to learn more, visit the town's website at townofwindsorct.com or call the town assessor's office at 860-285-1816.

The budget is about choices

In making budget choices, the Town Council has to face certain realities. There are many new services that we would all like the town to provide but that we simply can't afford. In fact, we may not be able to afford some things that we have enjoyed in the past.

There are certain expenses that must be included in the budget at some level. For instance, we must have police services and schools. This is a question of the level of service delivery that our residents have a right to expect.

If we choose to reduce what we are willing to pay for these and other essential services too far, our town will change in ways that none of us want.

There are other "fixed" costs in the town's budget that continue to rise, and that the town is obligated to absorb. High on the list are fuel costs, the MDC's fees for sewer service, debt service, Worker's Compensation, utilities, salaries that are mandated by collective bargaining agreements, and health insurance costs for town and school employees.

The budget is about fiscal responsibility and looking ahead

The reality is that the choices we make as to how much income we can expect and how much we can spend this year, have an affect on future years as well. If, for instance, we elected to reduce the size of our Public Works Department to the point where we could no longer maintain one or more of our parks or town buildings, we would be placing the extra cost of reclaiming those facilities on some future year's budget.

The Mill Rate: Calculating your taxes

One "mill" produces one dollar for each \$1,000 of property assessment. For example:

If your house has a current fair market value of \$200,000. (The assessment" is 70% of its current market value: \$140,000) The current Mill Rate is 28.03. Therefore $140 \times 28.03 = \$3,924$ in tax.

The reverse is also true. If we include a new service of some kind in our budget now, we could be obligating ourselves as a community to continue it in future years.

The taxes we pay on real estate, automobiles and other personal property have a long-term influence on our town.



We must be aware of our residents' ability and willingness to pay for services. If our tax rate is perceived as being too high, residents living on fixed incomes will move away and those shopping for new homes will avoid us. Businesses, that now pay approximately 40% of all town taxes, may relocate to areas that are cheaper. The vitality and diversity that make our town such a good place to live will quickly disappear.

Like any household or business, we have to be careful about what we borrow. We must repay money that we, as a community, made a decision to borrow in the past. The money used to renovate Windsor High School and the Windsor Public Library are good examples of this.

Also like any family, we need to maintain a savings account. For the town, that's called our **Fund Balance** and it represents revenues that we have collected over the years that have not been spent. It is tempting to dip into those savings to cover our ongoing expenses but that may not be fiscally responsible because the size of our Fund Balance is closely watched by the financial community and various government agencies. If our Fund Balance gets too low, our credit rating will be affected and it may cost us more to borrow in the future.

Our challenge then, is to figure out just how much, if anything, we can spend on each service the town provides.

The Town's Household Budget

Your Household	The Town
Mortgage or rent	Debt service
Taxes	Mandates, required services
Utilities, food, gas	Utilities, gas, salaries, benefits
Savings account	Fund balance, reserves
Maintenance projects	Capital Improvement Plan (CIP)
Phone, Cable, Internet	Technology, replacement equipment
"Nice-to-have" items	"Nice-to-have" items

The town's expenses

Our expenditure budget for fiscal year 2012 (July 1, 2011 to June 30, 2012) is \$97,339,890 and that is broken down as follows:

Board of Education: \$61,829,030 (63.5% of the budget)

– This amount was allocated directly to the Windsor Public Schools to operate our school system.

Safety Services: \$8,678,100 (8.9% of the budget) – Police, Volunteer Fire and Ambulance services.

General Services: \$8,675,530 (8.9% of the budget) – This is the cost for sewer services, insurance, retirement services, revaluation, recycling and it includes the town's, but not Board of Education's, debt service payments.

Public Works: \$4,950,460 (5.1% of the budget) – This pays for maintenance of the town's roads and parks, snow plowing, town facilities and traffic safety.

Town Support for Education: \$4,219,650 (4.3% of the budget) – These are funds allocated to meet mandated assistance to private schools, property maintenance, insurance, debt service and administrative services for our school system.

Administrative Services: \$1,917,610 (2.0% of the budget) – Internal operation of the town's organization including the Finance, Information Technology, Risk Management, Human Resources, Assessing and Tax Departments.

Development Services: \$1,697,180 (1.7% of the budget) – This includes the cost of guiding the public and private development of land through departments such as Planning, Building, Fire Marshal's Office, Economic Development and the Town Engineer.

Library: \$1,494,380 (1.5% of the budget) – This is what the town spends to operate the Windsor Public Library and the Wilson Branch Library.

Recreation and Leisure Services: \$1,310,160 (1.4% of the budget) – Leisure, cultural and educational programs and services offered by the Recreation Department, Northwest Park and the Youth Service Bureau.

General Government: \$883,330 (0.9% of the budget) – This includes the cost of operating the activities of the town's elected officials, boards and commissions, Town Manager's Office, community contributions, Town Attorney, Town Treasurer, Probate Court and the Independent Auditor.

Human Services: \$746,620 (0.8% of the budget) – This department includes the Senior Center, Social Services and transportation and services for adults with disabilities.

Health: \$489,700 (0.5% of the budget) – This amount is provided for the town's Health Department.

Information Services: \$423,140 (0.4% of the budget) – Operation of the Town Clerk's Office and Public Relations.

Community Development: \$25,000 (0.03% of the budget) – This department is funded through the Small Cities Block Grant, but performs functions for the town that are outside the scope of the grant. Those programs are funded through this appropriation.

The town's income

Since our revenues must balance against our expenses, our revenue budget for fiscal year 2012 (July 1, 2011 to June 30, 2012) is also \$97,339,890 and that is broken down as follows:

Property Taxes: \$79,215,030 (81.4% of the budget) – This is the amount the town collects from taxes on real estate, automobiles and personal property.

State School Aid: \$13,186,750 (13.6% of the budget) – Education cost sharing, transportation, funds for adult education and special education and the blind and handicapped.

State Grants In Lieu of Taxes: \$1,435,892 (1.5% of the budget) – Revenue received from the state in a number of categories including partial compensation for taxes not collected on state property.

Opening Cash: \$900,000 (0.9% of the budget) – The amount determined by the Town Council to be taken from Fund Balance and used to reduce the tax rate for the year.

Charges For Current Services: \$817,020 (0.8% of the budget) – Covers 18 sources of revenue, the largest of which are recording of legal documents, conveyance fees and special education tuition from other towns.

Revenue From Use of Assets: \$617,950 (0.6% of the budget) – Includes revenue from earned interest, rental of town property and income from cell tower leases.

Licenses & Permits: \$591,430 (0.6% of the budget) – Revenue received from the five types of licenses and the seven types of permits the town issues.

Other State Grants: \$366,095 (0.4% of the budget) – Grants and subsidies concerning school buildings, libraries and bond interest.

Revenues From Other Agencies: \$122,773 (0.1% of the budget) – Includes income from the Windsor Housing Authority, certain in-lieu of tax payments and the telecommunications property tax.

Fines & Penalties: \$35,000 (0.04% of the budget) – Revenue from court and parking fines.

Other Revenue: \$40,600 (0.04% of the budget) – Mainly miscellaneous revenue not categorized elsewhere.

Federal Grants: \$11,350 (0.01% of the budget) – Grants for elderly transportation and emergency preparedness.

The Budget Development Process

October-December

Citizen outreach; Town Council reviews strategic goals; Board of Education establishes budget assumptions.

January

Departments submit proposed budgets to Finance Department; Superintendent submits proposed budget to BOE; Finance prepares revenue estimates; Town Council approves budget parameters and calendar.

February

Public hearing on the budget held; Board of Education reviews superintendent's proposed budget; Town Manager's office reviews departments' budgets.

March

Town Manager finalizes proposed budget; Town Manager presents preliminary budget to Town Council's Finance Committee; Town Manager conducts budget workshops.

April

Proposed budget submitted to Town Council; Council holds public hearing and departmental budget reviews; Council adopts budget, sets referendum date.

May

Budget referendum held; Mill rate set following passage of budget.

How you can keep up with the process

After the Town Manager presents his budget to the Town Council in late March, the council will begin evening meetings with various town departments. The public is always welcome at these meetings, which are televised on WGTV, Channel 96. Once the Town Council votes on a final budget, it sets the date of the referendum.

The town's website, townofwindsorct.com is also a great resource for learning more about the budget. You can view a videocast of budget meetings live or view archived meetings and stay updated on meeting schedules to keep pace with the process.

Windsor has worked to keep tax increases low

Annual Tax Increase (not including revaluation)

2010 – 0.94%

2011 – 2.62%

2012 – 2.17%

Over the past three years, Windsor's average tax increase has been just 1.3%. On average, inflation over the same period was approximately 2% per year.

How you can get involved

As you can see, creating a budget that maintains important services, provides a good education for our children and doesn't raise taxes to unacceptably high levels is not an easy thing to do and it simply can't be done without citizen input. The Town Manager and the Town Council want to know what you think as they prepare our town budget.

You don't need a background in accounting or a degree in public policy. You do need to have enough interest in Windsor's future to come out and voice your concerns, needs and opinions.

You can do that in a number of ways. First, you can attend any town council meeting and make yourself heard. If you aren't comfortable with speaking before a group, you can send a note or email the Town Manager or any member of the Town Council outlining your ideas and concerns. What's most important is to be heard.

Windsor Town Council

c/o Windsor Town Hall

275 Broad Street

Windsor, CT 06095

towncouncil@townofwindsorct.com

Peter Souza, Town Manager

Windsor Town Hall

275 Broad Street

Windsor, CT 06095

townmanager@townofwindsorct.com

860-285-1800

Every comment and communication is appreciated and will be considered.

Remember, everyone has a stake in this process. If you don't pay real estate taxes because you rent, your landlord does pay taxes and that will eventually affect you. If you don't have children in the Windsor School system, you should still have an interest in the quality of our schools because good schools are part of the foundation of every successful community and have a positive affect on the value of your home.

Budget Workshops for Windsor Residents Windsor Town Hall Council Chambers 7:00 PM to 9:00 PM

January 25 – Meet with Town Manager Peter Souza to learn "what lies ahead" for the town's fiscal year 2013 budget and participate in group discussions with other residents to offer your thoughts on how to prioritize spending while meeting the needs of the community.

February 22 – As the budget season gets into full swing and new information regarding the impact of the State of Connecticut's budget on our town becomes clearer, join in a conversation with the town manager and fellow Windsor residents to help shape Windsor's fiscal year 2013 budget.

March 29 – Hear a preview of the town manager's proposed FY13 budget that will be formally presented to the town council on April 2.