

Citizens Guide
to

The Town Budget



We are pleased to present the Town's "Guide to the 2014-2015 Old Saybrook Town Budget". This brief overview of the budget process is a new resource to make Old Saybrook's annual budget easier to understand and increase citizen and taxpayer participation in the budget process.

The proposed budget for next fiscal year (July 1, 2014 - June 30, 2015) will reflect the effects of the 2013 Revaluation in property assessments on the Grand List and in the mill rate. Changes in assessments make it difficult to compare tax rates year over year. As many property owners saw the value of their properties drop after Revaluation, there will be a rise in the mill rate to ensure that the amount of tax revenue remains at the level necessary to maintain town services. An increase in the mill rate does not mean that the amount of taxes you pay will automatically go up. In July, some property owners will see an increase in their tax bills, while others may see a decrease. More information on the Revaluation process and its impact on the budget and mill rate can be found at the Assessor's office.

Another change for the 2014-2015 budget is the additional debt service costs from the \$15.6 million in bonding approved in 2013 for several school projects and our new police facility. The principal and interest payments on those bonds will increase our debt service expenditure by \$1.2 million over what was paid in the 2013-2014 budget. (While that is a large amount of money to take on in one year, the Board of Finance chose a payment schedule where it would cost more in the early years, but ultimately will save money on interest costs.) The amount of debt service cost will decrease in years to come as older debt is paid off.

While you might only think about the budget when we hold the annual Town Meeting and Referendum in May or when you receive your tax bill in June, it takes an entire year of dedicated effort by many people to

develop, refine, adopt and then monitor a budget to make it work. Department heads, the Board of Selectmen, the Board of Education, the Board of Finance and ultimately Town taxpayers each have a role to play. For more detail on the various steps in the budget process see page 3. The Boards of Selectmen, Education and Finance count on input from residents and property owners as we go through the annual budget process. Please take the time to attend the Town Meeting on May 5th and participate in the referendum on May 13th. Also feel free to review the detailed budget online (http://www.oldsaybrookct.org/Pages/OldSaybrookCT_FinanceDept/budgetdocs). Copies are also available at the Acton Public Library, 60 Old Boston Post Road or at the Town Clerk's office at Town Hall, 302 Main Street.

We hope you find Old Saybrook's first "Guide to the Town Budget" helpful and we look forward to your feedback as we continue to monitor and safeguard our Town's finances.

Important Budget Dates

Monday, May 5th
7:00 pm

Annual Budget Town
Meeting at Old Saybrook
High School auditorium.

Tuesday, May 13th
12:00 – 8:00 pm

Town Budget Referendum
Old Saybrook High School
gymnasium.

(Residents and property
owners)



Budgeting

The Town Budget is comprised of two major categories, **Revenues** and **Expenditures**. The overall goal of the Town Budget is to provide a high level of services to the town. These services are enjoyed by residents and include education, maintenance of roads and parks, police services and fire services.

You and the Budget

Preparing the town budget is a transparent process and community members are encouraged to attend budget meetings, workshops and ultimately the referendum. Community input is a valuable part of the budget making process and positively affects the final product, as the community will determine if a budget is passed at referendum. For a vote to take place at the Town Referendum there needs to be at least 100 voters. Because of this, community input is not just a valuable source of information, but a needed part of the highly democratic budget process.

Budget Vocabulary

Appropriation: Money set aside by formal action for a specific use.

Bond: A promise to pay a sum of money (face value) at a specific date, together with specified interest.

Capital Asset: Tangible and intangible assets used in operations.

Revaluation: the process to establish the present value of all real property in a town at a specific assessment date

Revenue: Additions to assets which do not represent recovery of expenditures or contributions of fund capital.

Surplus: The amount in which revenues exceed expenditures in a given year.

Contingency: a budget reserve set aside for emergencies or unforeseen expenditures.

Debt Service: Repayment on Town debt.

Fund Balance: The difference between assets and liabilities at a point in time, such as end of the fiscal year.

General Fund: The fund that accounts for most of the towns operations.

Grand List: The property tax base determined by real estate valued by the town assessor to levy tax.

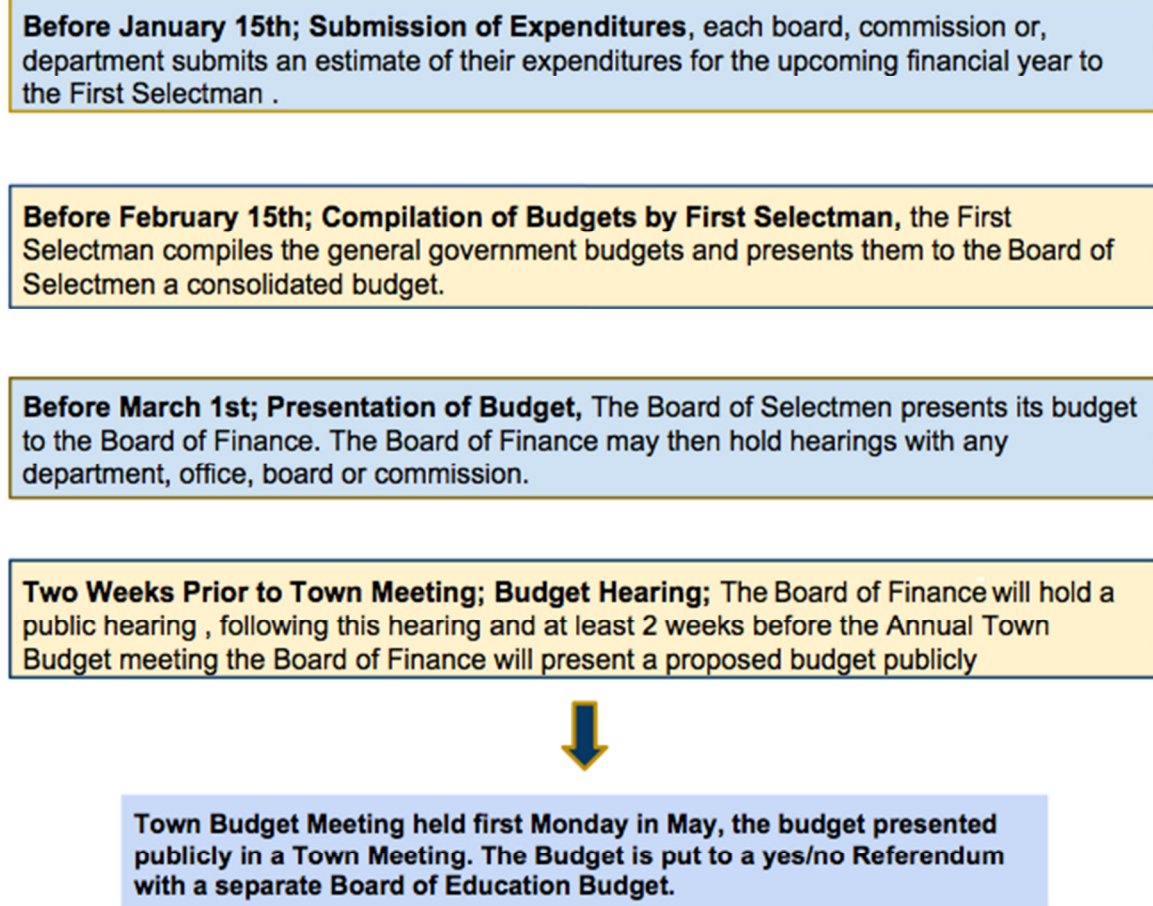
Reserve: An account which records a portion of fund balance which is legally segregated for some future use.



Budgeting Process

The budget process is laid out in the town charter and is used every year to construct the budget in a timely fashion. Below is the budget as outlined by the town charter, the dates represent deadlines for the budget.

The Old Saybrook Town Charter's Budget Process





Budget Numbers Comparison

Expenditures	Actual FY 2013	Budget FY 2014	Proposed FY 2015
General Government	\$ 13,015,582	\$ 14,379,618	\$ 14,984,556
Board of Education	\$ 22,667,000	\$ 23,559,848	\$ 24,210,061
Bond Indebtedness	\$ 2,244,919	\$ 2,010,137	\$ 3,231,324
Totals:	\$ 37,927,501	\$ 39,949,603	\$ 42,425,941

Revenues	Actual FY 2013	Budget FY 2014	Proposed FY 2015
Taxes Current Year	\$ 36,004,797	\$ 37,390,157	\$ 39,993,640
State of Ct.	\$ 1,089,327	\$ 1,120,296	\$ 1,162,201
Local Revenues	\$ 970,381	\$ 990,100	\$ 1,010,100
Other	\$ 378,766	\$ 316,829	\$ 260,000
Totals	\$ 38,443,271	\$ 39,817,382	\$ 42,425,941