



CITY OF DANBURY

OFFICE OF THE MAYOR

DANBURY, CONNECTICUT 06810

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MAYOR**

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July 1, 2007

The Members of the Common Council
The Citizens of the City of Danbury

I am pleased to present the adopted budget for the fiscal year commencing July 1, 2007 and ending on June 30, 2008.

INTRODUCTION

The citizens of Danbury can take pride in our City's accomplishments and remain confident that the future of our City is bright. Danbury is widely recognized throughout the country as a City on the rise. Danbury's success is attributable to a number of factors, but ultimately what sustains our success is the quality of life we enjoy in Danbury. Quality of life means providing a first rate educational system for our students; providing comprehensive recreational opportunities to our citizens; and promoting a vibrant and exciting cultural life in our community. Sustaining this quality of life also means investing in and properly maintaining the City's infrastructure, including school buildings, our transportation network, and recreational facilities; yet doing so within a framework that does not create an undue burden on our taxpayers. The operating and capital budgets for FY 2007-2008 include the necessary resources to continue prior year initiatives and limit the increase in taxes to reasonable levels.

CITYWIDE MISSION AND POLICY OBJECTIVES

Statement of Mission

The City of Danbury's mission is to ensure a superior quality of life for its citizens by providing the most cost effective municipal services while preserving the cultural, historical and natural resources of the City. We are committed to working with citizens to enhance Danbury's position as a premier place to live, work and raise a family in a traditional yet progressive community.

For the FY 2006-2007 budget process, I directed each department head to restate their individual department mission to reflect the citywide mission statement. I wanted to ensure that the citywide mission was an integral component of the budget development process and that new initiatives reflected these goals. Each department's mission incorporates the administration's goal of providing high-quality, cost-effective municipal services while educating residents about the City of Danbury and the programs and services that are offered. The budget for FY 2007-2008 continues that commitment with the introduction of performance measurement in the City's budget presentation. In a separate section of the budget document, the reader will find logic models for a program or service for each City department, which is designed to assist managers to focus on what they want to accomplish and how they will reach their goals. Future budget documents will expand on these logic models through the development of performance measures.

Public Safety

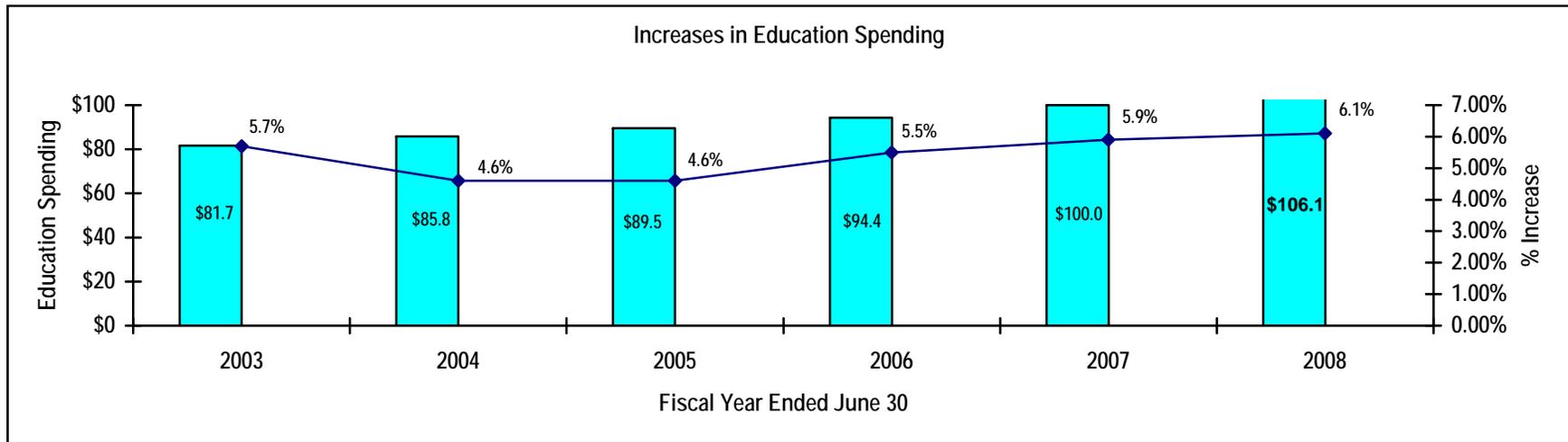
The FY 2007-2008 adopted budget continues our commitment to public safety. In October 2007, I anticipate the completion of Station 26, the City's first firehouse on the Westside of Danbury. This project has been discussed for over 25 years, and I am proud that we have finally brought the project to fruition. The FY 2007-2008 adopted budget includes funding for ten new firefighters to staff the new facility. In June 2007 we sent the new recruits to the academy to ensure they have completed their training in time for the opening of the new station. The public safety bond, approved by the voters in May 2006, includes the necessary funding to purchase the required equipment for the new facility.

We are also continuing our commitment to the City's Police Department through the funding of fifteen new vehicles and increased funding for training. The design for the new police headquarters is complete, and we expect to break ground on the project early this summer. The Police Chief's plan to reorganize the department, Vision 2009, continues to take shape, and we are poised to implement these changes with the opening of the new facility.

Finally, we continue to make improvements to the delivery of ambulance services in our City. The FY 2007-2008 adopted budget includes funding for increased staff during peak hours, as well as a new computer system for electronic ambulance call reporting. This new system will improve patient care by improving transmission of clinical data. The new system will also improve the billing and financial position of our ambulance service.

Education

Fostering a first rate education system is a key component to ensuring that Danbury is a premier place to raise a family and requires a financial commitment that takes many forms. Funding the school system at reasonable levels allows the district to achieve its educational goals for students. I am proud of the accomplishments of our school system and am confident that the budget increases over the last five years have contributed to its success. Over these years, spending on education has increased by \$18.3 million or 22.4%. I am continuing that commitment with this operating budget. The adopted budget includes an expenditure increase for the Board of Education of 6.1%, totaling \$106.1 million, approximately \$6.1 million more than the FY 2006-2007 budget.



Livable Neighborhoods & Cultural Resources

In the FY 2005-2006 operating budget, I introduced my Livable Neighborhood Plan, designed to resolve quality of life complaints from residents that stem from the inappropriate use of property inconsistent with livable neighborhoods. I introduced the Unified Neighborhood Inspection Team (UNIT) and created the position of UNIT Coordinator to manage the activities of the UNIT. The UNIT responds to quality of life complaints through enforcement and education. Enforcement actions and remediation are published on the City's website, residents are educated on the City's zoning regulations, and new property owners receive a welcome packet describing the "Do's and Don'ts" of living in our City.

In FY 2006-2007, I expanded the UNIT by permanently reassigning staff from other departments to work in the UNIT full-time. In addition to the UNIT coordinator, the UNIT now consists of a full-time Zoning Enforcement Officer, Deputy Fire Marshal, and Building/Blight Inspector. With these permanent, dedicated resources, the UNIT has had a significant impact on resolving quality of life complaints from our citizens.

For FY 2007-2008, I have increased funding to the UNIT to include resources to allow the team to perform more inspections and hold more community forums to educate our residents. In addition, earlier this year, I introduced Cityline 311. The 311 line allows residents to call a single phone number to get answers to frequently asked questions, request service and obtain other information. The budget for FY 2007-2008 includes funding for a full-time 311 operator, who works under the direction of the UNIT coordinator. Having Cityline 311, as part of the Office of Neighborhood Services, allows us to take a comprehensive approach to quality of life issues in our City.

The City's mission statement also makes reference to the importance of our cultural resources. Earlier this year, the City and Western Connecticut State University entered into a joint venture for the operation and management of the Charles Ives Center for the Performing Arts. A new authority was created, and the City and the University both have appointments to the Authority Board of Directors. The old organization will be dissolved and the result will be a stronger entity with the leadership necessary to preserve and expand this true cultural jewel in our City. Recognizing that the new Authority Board of Directors will be in a transition during its first season, I have included funding in the budget to assist them as they work through the start-up organizational hurdles while organizing their first summer concert series.

Public Works

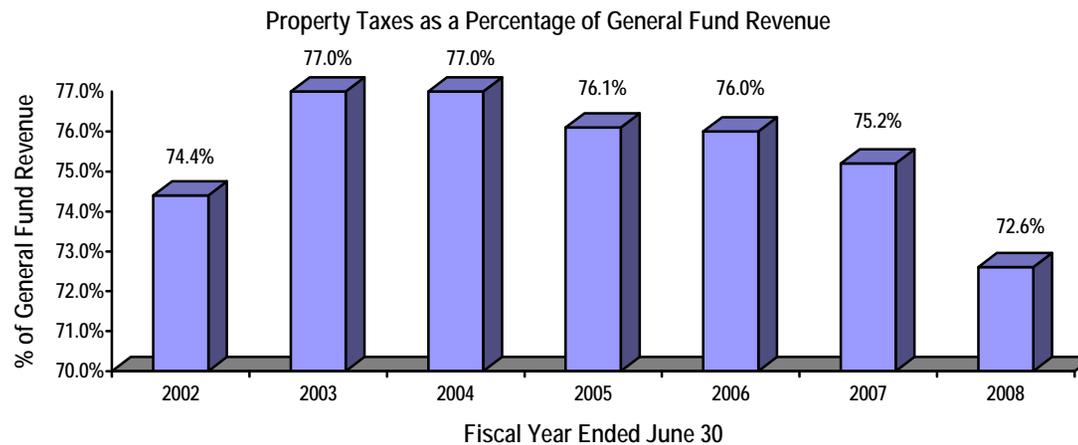
The citywide mission of providing a superior quality of life for its citizens references the delivery of cost effective municipal services. The City is always evaluating how it does business and strives to find ways to operate more efficiently. This includes the reorganization of City departments to be more nimble and responsive to the needs of our citizenry. The FY 2007-2008 adopted budget includes the most sweeping reorganization in the City's history of our Department of Public Works. The goal of the reorganization is to streamline the efforts of all of the divisions in the department and provide for the improved sharing of resources and expertise. The reorganization includes the creation of a new Public Services Division to include Park Maintenance, Forestry, Equipment Maintenance and Highways. These four divisions will be led by a Public Service Superintendent and will allow for a more coordinated approach to the delivery of these services. In addition, a new division will be created entitled, "Public Project Construction and Administration". This division will have sole responsibility for the execution of the City's capital projects and will report directly to the Director of Public Works. This would leave the Engineering Division with responsibility for permits and land use reviews, GIS mapping, public utilities engineering, public projects design and traffic engineering. By segregating project design and project management, we can ensure the most efficient execution of our capital program.

ECONOMIC CONSIDERATIONS & FINANCIAL POLICIES

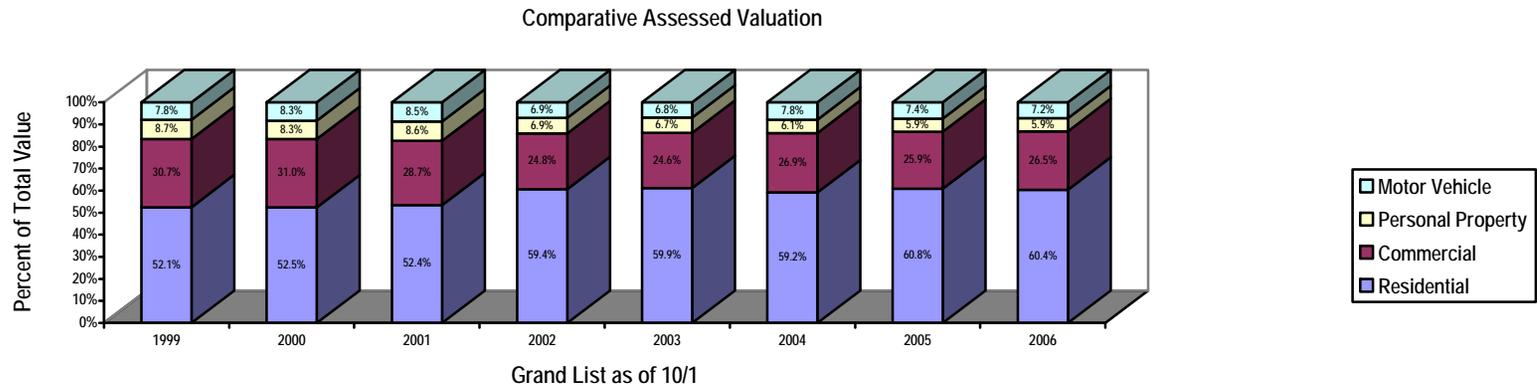
There are economic considerations and financial policies that are key drivers for the City of Danbury and the development of the budget. These factors include the City's grand list of taxable properties and the reliance on the property tax to finance city government, overall economic conditions in the City, and financial policies concerning undesignated fund balance and debt management.

Property Taxes & Grand List Growth

For FY 2007-2008, property taxes will account for 72.6% of total revenue for the City. This is consistent with prior years, as the City continually seeks opportunities to identify additional sources of new revenue in order to maintain property taxes at these levels. Over the past six years, the extent to which property taxes make up total revenue has remained relatively flat at 74.4% in FY 2001-2002 to 72.6% in FY 2007-2008. For the FY 2007-2008 adopted budget, the City is able to achieve this through increased revenue from investment income and state aid. Even as spending in certain areas of the budget are increasing more than the rate of inflation, such as education and employee benefits, the City has been able to manage its reliance on property taxes. While trends suggest that the City of Danbury will continue to rely on property taxes as its major source of revenue, I am committed to maintaining this revenue source at current levels.



The grand list of taxable properties includes residential real estate, commercial and industrial real estate, motor vehicles and business personal property. The City of Danbury has seen a significant increase in residential development, which has caused all residential property to increase in value. The property revaluation of October 2002 resulted in a significant inflation in residential property values that would have increased the tax burden beyond reasonable levels. Residential values increased by 46%, while commercial property values remained relatively flat increasing by only 3%. Implementing the revaluation in a single year would have resulted in a shift in the tax burden away from commercial and industrial taxpayers to residential taxpayers. At that time, the City decided to phase-in the revaluation over a four-year period, minimizing the impact on residential property owners and mitigating the shift away from commercial and industrial taxpayers. This strategy has allowed the City to manage the effects of revaluations and stabilize tax rates.



In addition to managing property revaluation, grand list growth is a key factor in stabilizing tax rates. The final year of the phase-in of the October 2002 revaluation was implemented with the FY 2006-2007 budget. The Grand List for October 2006 does not reflect the effects of revaluation but is an indication of true growth in the value of the tax base. The City's expanding tax base is being driven by expansion in all sectors including residential and commercial development. The Grand List for October 2006 reflects this ongoing development activity, with an overall increase of \$150.4 million or 2.4%. Real estate values increased by \$138.2 million or 2.6% and personal property assessments increased by 16.5 million or 4.6%. Motor vehicle assessment dropped by \$4.3 million or .93% due to reduction in new vehicle purchases. With a mill rate of 22.20, this new growth of \$150.4 million equates to \$3.3 million in new revenue.

CHANGES IN NET TAXABLE GRAND LIST AFTER BOARD OF ASSESSMENT APPEALS

	OCTOBER 1, 2003	OCTOBER 1, 2004	OCTOBER 1, 2005	OCTOBER 1, 2006	CHANGE 05 VS 06	% CHANGE
REAL ESTATE	4,469,003,460	4,852,267,730	5,292,235,380	5,430,336,650	138,101,270	2.61%
PERSONAL PROPERTY	329,968,950	342,432,340	357,497,870	373,994,650	16,496,780	4.61%
MOTOR VEHICLES	401,484,930	441,104,225	453,490,220	449,235,730	(4,254,490)	(0.93%)
TOTALS	5,200,457,340	5,635,804,295	6,103,223,470	6,253,567,030	150,343,560	2.40%

As discussed above, the City is experiencing growth at record rates, particularly in residential development. The City of Danbury is considered a premier place to live and raise a family, with a first rate educational system, stable tax rates and a high quality of life. There are additional residential and commercial developments in the planning stages, and the City can anticipate continued growth in the tax base. This development activity also provides the additional building permit revenue and conveyance tax revenue that has enabled us to maintain stable tax rates. In calendar year 2006, there were 1,583 building permits issued. The value of these permits was \$155.4 million, a slight decrease of \$10.9 million from the prior year. This level of activity demonstrates the investment being made in our City. The completion of these improvements adds value to real property, increasing assessments, resulting in additional property tax revenue. As we plan for future budgets, we can anticipate that this unprecedented growth will provide the additional revenue the City needs to continue to provide cost-effective municipal services to our citizens.

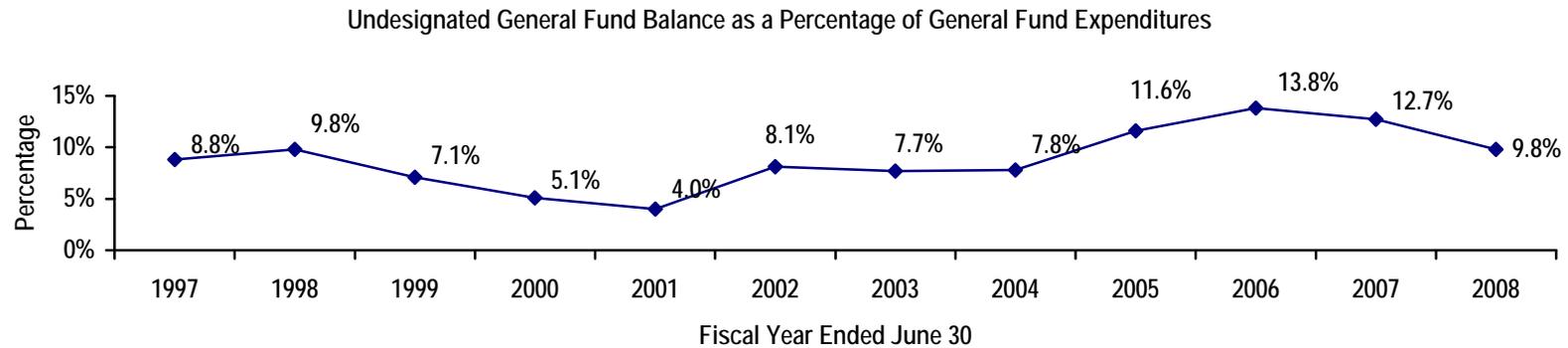
Building Permits

Calendar Year Ending 12/31	Residential		Commercial		Industrial		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2006	1,368	57,171,613	203	69,518,464	12	28,725,755	1,583	155,415,832
2005	1,441	96,350,821	177	44,660,170	4	25,324,000	1,622	166,334,991
2004	1,420	85,958,812	195	37,860,444	5	8,225,886	1,620	132,045,142
2003	1,127	40,166,000	181	24,635,638	9	3,051,936	1,317	67,853,574
2002	1,062	57,004,872	236	32,725,840	33	6,440,498	1,331	96,171,210
2001	2,160	56,853,403	582	29,916,109	13	16,853,297	2,755	103,622,809 ¹
2000	1,823	62,484,901	426	29,746,777	23	9,744,553	2,272	101,976,231 ¹
1999	802	37,221,107	227	43,087,178	--	--	1,029	80,308,285
1998	763	43,964,940	9	18,989,896	2	370,961	774	63,325,797
1997	203	19,151,324	53	18,907,047	1	500,000	257	38,558,371

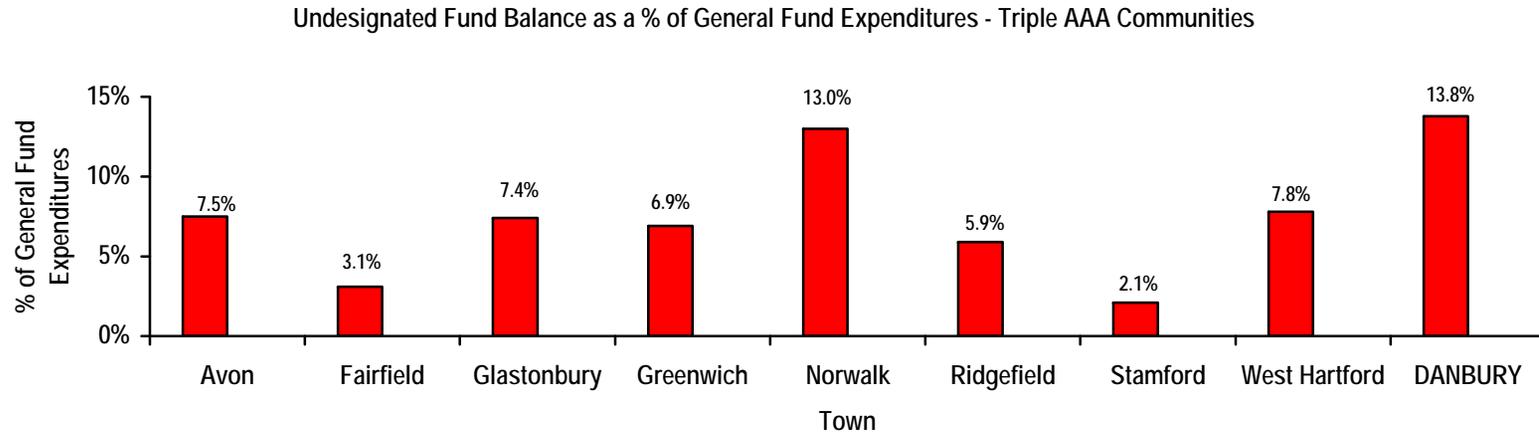
¹Note: Building permits for 2000 and 2001 include electrical and mechanical permits.

Fund Balance

The City's policy is to maintain a General Fund undesignated fund balance of between 5% and 10% of General Fund expenditures. While the City believes it is important to maintain reserves at reasonable levels, accumulating too large a fund balance is not good public policy. If fund balance as a percentage of General Fund expenditures exceeds the target of 10%, a portion of that should be returned to the taxpayers in the form of a reduced mill rate. At June 30, 2006, undesignated fund balance totaled \$23,392,755 or 13.8% of General Fund expenditures. The budget for FY 2006-2007 incorporated a planned use of fund balance of \$3.2 million, bringing the percentage of undesignated fund balance to 12.0%. Initial projections of current year financial operations indicate that all of the \$3.2 million planned use of fund balance will not be necessary, therefore maintaining the undesignated fund balance as a percentage of General Fund expenditures above the policy target of 10%. With this in mind, the FY 2007-2008 budget includes a planned use of fund balance of \$3.6 million bringing undesignated fund balance as a percentage of General Fund expenditures to 9.8%, well within the City's target of 5% to 10%.



When the City's policy regarding undesignated fund balance is compared with other communities in Connecticut, we are similarly positioned with municipalities with higher credit ratings than our own. A comparison with triple AAA rated communities in the State of Connecticut supports the City's policy of an undesignated fund balance of 5% to 10% of General Fund expenditures and reinforces our position that returning excess fund balance back to the taxpayers in the form of lower taxes is good public policy.



Sources: Comprehensive Annual Reports & State Office of Policy & Management, Municipal Fiscal Indicators, 2001-2005

Capital Financing and Debt Management

In recent years the City of Danbury has received approval from the voters for an aggressive capital improvement program geared toward upgrading the City's infrastructure and to position our City for the 21st Century. In 2004, the voters approved the 21st Century Bond package, the focus of which was to rebuild our schools. In 2005, the voters approved the Danbury Neighborhood Bond, which will upgrade our parks and playgrounds and provide our citizens with additional recreational opportunities. In May 2006, the voters approved another bond proposal, the Danbury Public Safety Bond, that will provide our City with a state-of-the-art police headquarters, improve public safety communication systems, provide needed equipment to enhance fire protection, and complete the construction of a parking garage in the City's central business district, which is vital to the economic development of our downtown.

In proposing these capital project investments, the City does so within a framework of capital financing policies designed to ensure that the debt associated with these projects does not place undue pressure on the mill rate and our taxpayers. The City's capital financing policies were developed using guidelines and best practices. The City's current capital policy standards are:

- Debt service as a percent of expenditures shall not exceed 10%.
- Debt per capita should not exceed \$1,900 and increases at 3% per year.
- Debt as a percentage of fair market value shall not exceed 1.5%.

Even with the additional bond issuance associated with the recently approved Public Safety Bond, the debt model connected with these bond issues stays within the parameters of the capital financing policy. It is anticipated that the debt associated with all of these projects will be issued by FY 2011-2012, at an average rate of approximately \$17.8 million per year. During that time, the debt ratios described above are as follows:

- Debt Service as a percentage of general fund expenditures will peak at 8.4% in FY 2012-2013 and declines to 5.3% by FY 2017-2018. This is well within the cap of 10% outlined in the policy.
- Debt per capita peaks at \$1,560 in FY 2011-2012 and declines to \$829 by FY 2017-2018; again well within the cap of \$1,900.
- Debt as a percentage of fair market value peaks at 1.42% in FY 2011-2012 and drops to .7% by FY 2017-2018. This, too, is well within our target of 1.5%.

The City will continue to increase its outstanding debt over the next six years to adequately finance all of the projects included in the current, and recently approved, bond issues. Outstanding debt is projected to peak in FY 2011-2012 at \$129.2 million when all of the debt has been issued and will decline to \$72.9 million in FY 2017-2018 as the debt is paid down. The following table illustrates the projected outstanding debt and its impact on debt service as a percentage of expenditures, debt per capita, and debt to fair market value.

Projected Bonded Debt & Debt Ratio Benchmarks

Fiscal Year	Outstanding Debt as of June 30	Debt Service as a % of Expenditures	Debt per Capita	Debt as a % of Fair Market Value
2006-2007	82,652,250	5.0%	1,049	1.01%
2007-2008	93,872,400	5.8%	1,180	1.12%
2008-2009	104,225,550	6.6%	1,297	1.22%
2009-2010	113,257,200	7.3%	1,395	1.30%
2010-2011	121,557,850	7.8%	1,483	1.37%
2011-2012	129,174,500	8.2%	1,560	1.42%
2012-2013	118,204,500	8.4%	1,413	1.28%
2013-2014	108,060,500	7.5%	1,279	1.15%
2014-2015	99,086,500	6.6%	1,162	1.03%
2015-2016	90,200,500	6.1%	1,047	.92%
2016-2017	81,522,500	5.7%	937	.81%
2017-2018	72,898,500	5.3%	829	.71%

The City continually evaluates the validity of its capital financing policy by comparing our debt ratio benchmarks with those of other cities and towns. It is evaluated against triple AAA communities in the State of Connecticut as well as the surrounding communities in western Connecticut. Using those comparisons, the City of Danbury can determine whether its debt capacity is within the guidelines that evaluate the overall financial condition of the City. Based on the table below, the City of Danbury is well positioned and can easily take on the debt associated with its aggressive capital improvement program.

Debt Ratio Benchmarks
Comparison with Triple AAA Communities and Surrounding Towns

	Debt Service as a % of GF Expenditures	Debt Per Capita	Debt as a % of FMV
Danbury	5.5%	\$ 904	.75%
Policy Target	10%	\$ 1,900	1.5%
<u>Surrounding Communities</u>			
Bethel	6.5%	\$ 1,545	1.0%
Brookfield	7.3%	\$ 1,184	0.6%
New Fairfield	5.9%	\$ 954	0.5%
New Milford	10.1%	\$ 1,904	1.3%
Newtown	9.4%	\$ 1,910	1.2%
Ridgefield	13.8%	\$ 5,820	1.6%
<u>Triple AAA Communities</u>			
Fairfield	10.2%	\$ 2,864	1.1%
Glastonbury	6.1%	\$ 2,293	1.5%
Greenwich	1.8%	\$ 766	0.1%
Norwalk	5.6%	\$ 1,889	1.5%
Stamford	11.1%	\$ 2,550	1.0%
West Hartford	8.1%	\$ 1,842	1.4%

Source: State Office of Policy & Management, Municipal Fiscal Indicators, 2001-2005

SUMMARY OF THE ADOPTED BUDGET

The total general fund spending plan for FY 2007-2008, including the Board of Education, is \$191,380,329. This represents an increase of \$13,288,347 over the current year budget. Spending by the Board of Education is projected to increase by \$6.1 million, or 6.1%, and City expenditures (excluding contingency) are expected to increase by \$6.3 million, or 8.1%. Net revenue from all sources other than current property taxes totals \$52,521,322, leaving a balance to be raised from local taxes of \$138,859,007. The grand list as filed by the Tax Assessor has grown by \$150.4 million. Based on an assumed grand list of \$6.3 billion after Board of Assessment Appeals, the mill rate needed to support the adopted budget is 22.20 mills. This represents an increase in the mill rate of .15 mills, or .68%.

On the City side of the budget, overall spending will increase by 9.2%. City Departments were instructed to submit flat budget requests that reflect only their core mission. Where possible, most departments complied with these instructions; however, budgets ultimately presented by departments would have increased spending by 11.4%. City spending had been reduced to support increases in spending for employee benefits, debt service and key policy initiatives.

OPERATING BUDGET SUMMARY - THREE-YEAR HISTORY

DEPARTMENT	ACTUAL FY 2005-2006	BUDGET FY 2006-2007	ADOPTED FY 2007-2008	\$ CHANGE 06-07 VS. 07-08
GENERAL GOVERNMENT	7,936,686	8,646,226	9,169,378	523,152
PUBLIC SAFETY	23,606,624	23,779,068	25,143,011	1,363,943
PUBLIC WORKS	8,076,709	8,048,753	8,232,954	184,201
HEALTH, HOUSING & WELFARE	858,174	1,133,718	1,138,561	4,482
SOCIAL SERVICES AGENCIES	1,852,439	1,635,471	1,703,504	68,033
EDUCATION	95,141,056	100,161,196	106,270,463	6,109,267
LIBRARIES	2,064,689	2,049,733	2,123,609	73,876
PARKS & RECREATION	813,435	850,610	905,614	55,004
RECURRING COSTS	18,609,731	20,777,083	23,219,661	2,442,578
DEBT SERVICE	8,674,279	9,465,260	10,958,000	1,492,740
CAPITAL PROJECTS	103,000	-	-	-
TRANSPORTATION	1,079,052	1,144,864	1,215,574	70,710
CONTINGENCY	-	400,000	1,300,000	900,000
MISCELLANEOUS ADJUSTMENT	(149,018)	-	-	-
GRAND TOTAL	168,666,856	178,091,982	191,380,329	13,288,347

BUDGET ASSUMPTIONS

Revenues:

- As was the case in prior years, the budget assumes that the City will collect 100% of its current tax levy by June 30, 2008. Since the City does not budget for prior year tax collections and supplemental automobile taxes, any fall-off from the 100% collection rate is offset by these unbudgeted sources of revenue.
- The budget assumes that State aid will increase by \$5.6 million. This increase is due to increases in aid for education.

- The City will realize \$12.4 million in revenue from licenses and permits, fines and penalties and charges for services, an increase of \$663,635 or 5.6 % from the FY 2006-2007 budget. Increases in these sources of revenue are primarily driven by increases in unregistered motor vehicles, false alarm fines and new revenue from the police extra duty program.
- The budget assumes revenue from investment income will total \$3.2 million. Due to historically low interest rates, revenue from this source dropped by 76.5% between FY 2000-2001 and FY 2004-2005. Higher interest rates, as well as increases in cash available for investment, will continue to increase collections from this source of revenue.
- The budget assumes the use of \$3,615,000 of fund equity for FY 2007-2008. The level of fund balance has increased by \$17.3 million since FY 2000-2001, and the City anticipates favorable operating results for the current year, which will replenish fund balance to near FY 2005-2006 levels.

Expenditures:

- For the most part, goods and services are budgeted at either current year levels or with some slight inflationary increases. The exception is electric utility costs, heating fuel and motor fuel. The cost of these commodities is increasing significantly higher than the rate of inflation. These three items are budgeted at \$2,241,041, an increase of \$205,441 or 10.9%.
- In most cases, regular wages are budgeted at 100% of a full complement of personnel based on approved collective bargaining agreements. Where no agreements exist, wages have been budgeted based on the most recent contract settlement. As was the case in the FY 2006-2007 budget, raises for non-union employees will be effective January 1, 2008.
- Employee health insurance costs for City employees and retirees are expected to increase by 2.8 million or 22.4% over the FY 2006-2007 adopted budget. Employee benefits continue to be the fastest growing portion of the City's operating budget, increasing by 172% over the last eleven years. To help contain these costs, the City participated in the Connecticut Public Sector Purchasing Coalition that reduced prescription drug costs and life insurance costs by almost 15% and 14.4% respectively. The City is also participating in the Coalition's RFP for dental insurance, and additional savings are expected.
- Pursuant to GASB43/45, the FY 2007-2008 proposed budget includes \$5.4 million as part of its annual required contribution (ARC) to fund Other Post Employment Benefits (OPEB). This new accounting standard requires governments to treat retiree medical and other benefits the same way as pension benefits. The City's is committed to reaching its total ARC of \$7.0 million within three years.
- The General Fund appropriation for debt service will increase by \$1.5 million or by 15.7%. The City's active capital improvement program will continue to drive debt service expenditures. The budget includes interest expense of \$463,000 for a \$15.0 million bond sale planned for July.
- The adopted budget includes a contingency of \$1.3 million for unsettled labor contract and unanticipated expenses throughout the year.

BUDGET OVERVIEW AND MAJOR INITIATIVES

GENERAL FUND

General Government

- The adopted budget for the Department of Information Technology will increase by \$118,707 or 11.2%. This reflects the rising costs associated with leasing hardware and software. The FY 2007-2008 adopted budget includes the leasing expense for the new automated time and attendance system, which is being implemented citywide.
- The adopted budget for the Tax Collector's Office will increase by \$49,764 or 8.6%. The increase is due to the costs associated for collection agency work. The City has assigned old motor vehicle accounts to the collection agent in an effort to improve collection of delinquent taxes.
- The adopted budget for the Purchasing Department will decline by \$44,111 or 19%. The FY 2006-2007 budget included \$50,000 for an update of the City's fixed asset inventory, which will not be repeated in FY 2007-2008.
- The adopted budget for the Office of Economic Development will increase by \$10,549 or 10.3%. The increase is due to the City's support of the Nutmeg Games, which will be held in Danbury in 2008.
- The adopted budget for the Corporation Counsel's Office will decrease by \$23,958 or 3%. The Office hired a part-time labor attorney instead of a full-time attorney, resulting in a reduction in salary expenditures.
- The adopted budget for the Department of Personnel will increase by \$20,792 or 7.2%. The increase is attributable to increased overtime expenditures, legal and public notices and the City's continued commitment to offer additional training opportunities to its employees.
- Funding for the Public Buildings Department will increase by \$93,659 or 9.4%. The increase is attributable to the ongoing costs to operate the 311 system and the addition of two positions, a foreman and a plumber.
- The budgets for building maintenance activities have been increased by \$123,973 or 12.3%. The increase is driven by higher utility costs.
- A new department has been created for the maintenance of park buildings. The total budget of \$150,280 is a transfer from the respective line items in the Park Maintenance Department.

Public Safety

- The adopted budget for the Police Department will increase by \$590,478 or 4.5%. Funding is included to lease ten new police cruisers with the necessary equipment. The capital budget also includes \$125,000 for five new vehicles for shift commanders and detectives. Additional funding has also been included for training. The remaining increase is due to rising motor fuel costs and maintenance costs for in-car computers.
- The City's contribution to the Animal Control Fund is increasing by \$14,968 or 7.3%. The increase is due to rising overtime costs and increasing cost of veterinarian services.
- The adopted budget for the Fire Department includes funding for 120.25 positions. This is an increase of ten positions that will be hired to staff the new firehouse on the Westside of Danbury. The total budget for the Fire Department will increase by \$686,103 or 7.2%. The increase is attributable to the costs associated with the salaries, benefits, uniforms and training of the ten new firefighters.
- As was the case in the FY 2006-2007 budget, the operating budget for FY 2007-2008 does not include a general fund subsidy to the Ambulance Fund. Expenditures in the Ambulance Fund will increase by \$86,612 or 4.5%. The budget includes funds for increased staffing during peak periods and to purchase new computer software for patient care reporting.
- The adopted budget enhances funding to the Unified Neighborhood Inspection Team (UNIT). The position of Public Service Representative has been added to the budget to staff Cityline 311. New line items have been added that will enable the UNIT to perform more activities in the community. Total spending in the department will increase by \$61,038 or 25.3%

Public Works

- The adopted budget for the Department of Public Works reflects the reorganization described earlier. The Highway Department budget includes funding for an additional Truck Driver in addition to contractual salary increases. The result is an increase in funding of \$189,931 or 7.9%
- The adopted budget for the Engineering Department reflects the transfer of an Engineer to the Department of Public Utilities to perform water and sewer assessment reviews. In addition, the position of Senior Engineer has been eliminated and new position titled Construction Manager has been added.
- The adopted budget for the Engineering Department also includes \$97,000 for utility expenses related to traffic signals. Historically, this line item was included in the Police Department budget; however, it more appropriately belongs with Traffic Engineering.

- Funding for snow and ice removal remains unchanged from FY 2006-2007. With the mild winter, the City anticipates that there may be excess salt and sand that can be used next year.
- The adopted budget for the Park Maintenance Department reflects a reduction in funding of \$177,754 or 12.6%. Consistent with the Public Works reorganization plan, one Park Maintainer position has been eliminated and the position of Foreman has been transferred to the Department of Public Utilities. In addition, the reduction reflects the reallocation of costs associated with the maintenance of park buildings to the Public Buildings Department.

Social Services Agencies

- The adopted budget reflects flat funding for grant agencies in most cases. The adopted budget reflects full-year funding for the Dream Homes Community Center, restores funding to the C.A.R.D. Foundation, and increases funding to the Harambee Center through a new organization titled Connecticut Institute for Communities.
- The adopted budget for the Department of Elderly Services totals \$306,958, an increase of \$21,216 or 7.4%. The increase is attributable to the funding of additional part-time hours to assist with programming at the Senior Center as well as other resources to expand programming.

Education

- The adopted budget includes funding for the Board of Education totaling \$106,270,463, an increase of \$6,109,267 or 6.1%. This amount includes \$208,575 for the City's subsidy for public and private school nurses. This component has been budgeted at FY 2006-2007 levels.

Libraries

- Funding to the Danbury Public Library will increase by \$70,660 or 3.5%. Funding has been added for additional part-time hours as well as increases to support ongoing operations at the Library.

Parks and Recreation

- The adopted budget reflects flat funding for the Recreation Department. The appropriation will enable the Department to continue the summer programming it has provided in the past.

Recurring Costs

- As discussed earlier, spending on employee health insurance is expected to increase by 2.8 million, or 22.4%. The increase is due to inflationary trends in the health care industry and negotiated increases in health insurance premiums for members of the Teamsters Union. In addition, the City has begun implementation of GASB 43/45. The budget includes \$1.2 million of new funding for this purpose.
- The City's contribution to the pension funds is budgeted at \$3,021,459, a decrease of \$407,541 or 11%. Since FY 2002-2003, the City's annual contribution to the pension funds has decreased by approximately \$1.1 million or 25%. Improved management of the funds and favorable investment returns have contributed to this decline.

Debt Service

- The adopted budget includes debt service expenses totaling \$10,958,000, an increase of \$1,492,740 or 15.7%. The City's ongoing capital improvement program will continue to drive debt service expenditures. As discussed earlier, the budget includes interest expense of \$463,000 for a \$15 million bond sale planned for July.

Transportation

- Funding for the Airport will increase by \$52,222 or 10%. The budget includes funding for needed repairs to the runway and other airport facilities.
- The adopted budget includes an increase in the City's subsidy to Housatonic Area Regional Transit (HART) of \$19,086 or 2%. The increase is due to rising operating costs, particularly motor fuel.

Contingency

- The adopted budget includes a contingency totaling \$1.3 million, an increase of \$900,000. These funds are designated for unsettled labor contracts and unanticipated expenses throughout the year.

SEWER AND WATER FUNDS

- Expenses in the Sewer Fund are expected to increase by \$217,148 or 2.3%. The increase is driven by contractual payments to Veolia Water and the requirement to purchase nitrogen credits from the State of Connecticut. After three years of significant rate increases, we are starting to see the cash position of the fund stabilize, and no additional subsidies from the General Fund have been required. That is why I have not

adopted a rate increase for FY 2007-2008. However, future rate increases should be expected as operating costs continue to rise, the payable to the General Fund is reduced, and a capital reserve is established.

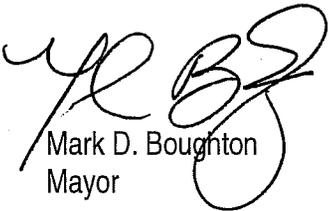
- Expenses in the Water Fund are expected to increase by \$794,060 or 11.5%. For the first time in several years, we have added a new crew in the Water Department to provide additional resources to the support ongoing activities associated with maintaining and operating the water plant. As is the case with the Sewer Fund, after three years of significant rate increases, we are starting to see the cash position of the fund stabilize. We were able to begin repaying the General Fund prior year subsidies and have been able to generate some investment income from the increase in available cash. As indicated above, I have not adopted a rate increase for FY 2007-2008. However, future rate increases should be expected as operating costs continue to rise, the payable to the General Fund is further reduced, and a capital reserve is established.

CONCLUSION

The FY 2007-2008 adopted budget is a balanced plan of operations designed to continue essential municipal services and direct additional resources into public education and selected quality of life initiatives related to the City's neighborhoods. The budget that we have crafted represents a finely tuned plan which meets the City's service needs, reorders our priorities where appropriate, and challenges all of our employees to deliver public services more efficiently. Moreover, the plan places the minimum burden possible on our taxpayers consistent with sound financial practice.

I would like to thank all of the department heads, and other City staff involved in the budget preparation process for the many long hours that they have put into developing the budget. I would also like to thank members of the Common Council who spent several weeks working diligently on the budget. And most of all, I would like to express my sincere gratitude to the citizens of Danbury who have provided me with many valuable insights and suggestions which we have incorporated into the adopted plan.

Respectfully Submitted,



Mark D. Boughton
Mayor



ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

April 3, 2007

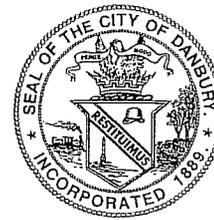
Be it ordained by the Common Council of the City of Danbury:

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2007 AND ENDING JUNE 30, 2008.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF DANBURY:

SECTION 1. That the amounts hereinafter set forth aggregating \$191,380,329 or so much as may be necessary, are hereby appropriated for the General Fund, from current revenue, for the use of the several departments of the Municipal Government and for the purpose hereinafter mentioned for the fiscal year beginning July 1, 2007 and ending June 30, 2008.

	<u>MAYOR'S</u>	<u>ADOPTED</u>
I. <u>GENERAL GOVERNMENT</u>	<u>BUDGET</u>	<u>BUDGET</u>
Common Council	\$ 32,872	\$ 32,872
Mayor's Office	344,949	344,949
City Clerk's Office	51,029	51,029
Ordinances	26,000	26,000
Probate Court	14,950	14,950
Registrars & Elections	172,456	172,456
City Treasurer	19,575	19,575
Director of Finance	796,887	796,887
Data Processing/Info Tech	1,174,296	1,174,296
Independent Audit	45,800	45,800
Bureau of Assessments	434,260	434,260
Board of Assessment & Appeals	4,600	4,600
Tax Collector	626,005	626,005
Purchasing	232,192	232,192
Corporation Counsel	812,792	812,792
Town Clerk	406,047	406,047
Annual Report	10,500	10,500
Permit Coordination	327,392	327,392
Planning Department	462,866	462,866
Office of Economic Development	113,372	113,372
Conservation Commission	10,240	10,240
Personnel Department/Civil Service	308,802	308,802
Mayor's Discretionary Fund	17,000	17,000
Fair Rent Commission	1,450	1,450
City Memberships	83,261	83,261
Lake Authority	59,829	59,829



ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

April 3, 2007

Be it ordained by the Common Council of the City of Danbury:

	<u>MAYOR'S</u>	<u>ADOPTED</u>
I. <u>GENERAL GOVERNMENT</u>	<u>BUDGET</u>	<u>BUDGET</u>
Retirement Administration	\$ 28,000	\$ 28,000
Labor Negotiations	153,000	153,000
Public Buildings	1,089,700	1,089,700
City Hall Building	469,199	469,199
Library Building	260,230	260,230
Police Station Building	253,050	253,050
Senior Center Building	87,800	87,800
Old Library Building	58,850	58,850
Park Buildings	150,280	150,280
Employee Service Benefit	<u>29,847</u>	<u>29,847</u>
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$9,169,378</u>	<u>\$9,169,378</u>
II. <u>PUBLIC SAFETY</u>		
Police Department	\$13,682,274	\$13,682,274
Animal Control	220,019	220,019
Fire Department	10,276,137	10,276,137
Building Inspector	586,756	586,756
Department of Civil Preparedness	10,200	10,200
Department of Consumer Protection	56,766	56,766
Unified Neighborhood Inspection Team	302,587	302,587
Employee Service Benefit	<u>8,272</u>	<u>8,272</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>\$25,143,011</u>	<u>\$25,143,011</u>
III. <u>PUBLIC WORKS</u>		
Highways	\$2,567,088	\$2,567,088
State Aid - Highways	305,989	305,989
Snow and Ice Removal	493,011	493,011
Street Lighting	465,000	465,000
Park Maintenance & Forestry	1,407,507	1,407,507
Public Building Maintenance and Repair	525,600	525,600
Equipment Maintenance	1,064,806	1,064,806
Recycling/Solid Waste	311,000	311,000



ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

April 3, 2007

Be it ordained by the Common Council of the City of Danbury:

	<u>MAYOR'S</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
III. <u>PUBLIC WORKS</u>		
Engineering Department	\$1,080,579	\$1,080,579
Employee Service Benefit	12,374	12,374
<u>TOTAL PUBLIC WORKS</u>	<u>\$8,232,954</u>	<u>\$8,232,954</u>
IV. <u>HEALTH, HOUSING & WELFARE</u>		
Health, Housing & Welfare	\$1,133,219	\$1,133,219
Employee Service Benefit	5,342	5,342
<u>TOTAL HEALTH & HOUSING</u>	<u>\$1,138,561</u>	<u>\$1,138,561</u>
V. <u>SOCIAL SERVICES AGENCIES</u>		
Veterans' Advisory Center	\$ 62,170	\$ 62,170
Commission on Aging	306,958	306,958
Elderly Transportation	12,000	12,000
Grants – Human Services	1,320,511	1,320,511
Employee Service Benefit	1,865	1,865
<u>TOTAL SOCIAL SERVICES AGENCIES</u>	<u>\$1,703,504</u>	<u>\$1,703,504</u>
VI. <u>SCHOOL DEPARTMENT</u>		
Schools, Regular	\$106,061,888	\$106,061,888
Schools, Health & Welfare	208,575	208,575
<u>TOTAL SCHOOL DEPARTMENT</u>	<u>\$106,270,463</u>	<u>\$106,270,463</u>
VII. <u>LIBRARIES</u>		
Danbury Public Library	\$2,114,393	\$2,114,393
Employee Service Benefit	3,216	3,216
Long Ridge Library	6,000	6,000
<u>TOTAL LIBRARIES</u>	<u>\$2,123,609</u>	<u>\$2,123,609</u>
VIII. <u>PARKS & RECREATION</u>		
Department of Recreation	\$412,654	\$412,654
Tarrywile Park Authority	315,000	315,000
Cultural Commission	105,000	105,000

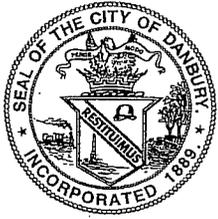


ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

April 3, 2007

Be it ordained by the Common Council of the City of Danbury:

	<u>MAYOR'S</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
VIII. <u>PARKS & RECREATION</u>		
Lake Kenosia Commission	\$ 22,000	\$ 22,000
Ives Center for the Performing Arts	50,000	50,000
Employee Service Benefit	960	960
<u>TOTAL PARKS & RECREATION</u>	<u>\$ 905,614</u>	<u>\$ 905,614</u>
IX. <u>RECURRENT COSTS</u>		
FICA	\$ 1,535,000	\$ 1,535,000
Pension Expense	3,021,459	3,021,459
Employee Service Benefit	253,236	253,236
Worker's Compensation	611,000	611,000
State Unemployment Compensation	35,000	35,000
Employee Health & Life Insurance	14,245,584	14,245,584
Union Welfare	1,055,106	1,055,106
Insurance & Official Bond Premium	2,463,276	2,463,276
<u>TOTAL RECURRENT COSTS</u>	<u>\$23,219,661</u>	<u>\$23,219,661</u>
X. <u>DEBT SERVICE</u>		
Interest on Debt	\$ 2,648,000	\$ 2,648,000
Interest on Debt – School	1,210,000	1,210,000
Redemption of Debt	4,400,000	4,400,000
Redemption of Debt – School	2,700,000	2,700,000
<u>TOTAL DEBT SERVICE</u>	<u>\$10,958,000</u>	<u>\$10,958,000</u>
XI. <u>CAPITAL PROGRAM</u>	0	0
<u>TOTAL CAPITAL PROGRAM</u>	<u>0</u>	<u>0</u>
XII. <u>TRANSPORTATION</u>		
Danbury Airport	\$ 528,499	\$ 528,499
H.A.R.T.	685,858	685,858
Employee Service Benefit	1,217	1,217
<u>TOTAL TRANSPORTATION</u>	<u>\$1,215,574</u>	<u>\$1,215,574</u>



ORDINANCE
CITY OF DANBURY, STATE OF CONNECTICUT
COMMON COUNCIL

April 3, 2007

Be it ordained by the Common Council of the City of Danbury:

	<u>MAYOR'S</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
XIII. <u>CONTINGENCY</u>	\$1,300,000	\$1,300,000
<u>TOTAL CONTINGENCY</u>	\$1,300,000	\$1,300,000
<u>TOTAL BUDGET</u>	\$191,380,329	\$191,380,329

SECTION 2. That the amount of \$2,017,127 is appropriated to the AMBULANCE FUND in the same manner as set forth in Section 1 hereof.

SECTION 3. That the amount of \$294,219 is appropriated to the ANIMAL CONTROL FUND in the same manner as set forth in Section 1 hereof.

SECTION 4. That the amount of is \$9,825,408 appropriated to the SEWER FUND in the same manner as set forth in Section 1 hereof.

SECTION 5. That the amount of is \$7,742,222 appropriated to the WATER FUND in the same manner as set forth in Section 1 hereof.

Adopted by the Common Council
Approved by Mayor Mark D. Boughton

MARK D. BOUGHTON
Mayor

ATTEST:

Joseph M. Cavo
President, Common Council



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

April 3 _____ A. D., 2007

RESOLVED by the Common Council of the City of Danbury:

A RESOLUTION LEVYING THE PROPERTY TAX FOR THE FISCAL YEAR

BEGINNING JULY 1, 2007 AND ENDING JUNE 30, 2008

SECTION 1. The sum of \$138,859,007 representing the gross appropriation for the City of Danbury of \$191,380,329 for the fiscal year of July 1, 2007 and ending June 30, 2008, minus Indirect Revenue of \$48,406,322, minus use of fund balance of \$3,615,000, minus operating transfer in of \$500,000, is hereby levied and assessed on all taxable property in the City of Danbury as set forth on the annual Grand List as of October 1, 2006.

SECTION 2. Accordingly, the General Fund Tax Rate for the fiscal year beginning July 1, 2007 and ending June 30, 2008 shall be as follows:

TAX RATE: 22.20 MILLS

SECTION 3. The taxes levied and assessed as hereinafter provided shall be payable in quarterly installments on July 1, 2007, October 1, 2007, January 1, 2008, and April 1, 2008 except for taxes levied and assessed on mobile homes, motor vehicles and where not in excess of One Hundred Dollars (\$100.00), which taxes shall be paid on July 1, 2007, in accordance with the General Statutes of the State of Connecticut, unless said dates shall have lapsed before the effective date of this resolution, in which case the Tax Collector shall fix the dates and installments as if said dates had not been fixed herein as provided by law.

SECTION 4. The Tax Collector shall cause the said taxes above levied and assessed to be inserted on the tax rolls for the fiscal year beginning July 1, 2007 and ending June 30, 2008.