

**TOWN OF STRATFORD
PROPOSED OPERATING BUDGET
FISCAL YEAR 2009**

**01 - GENERAL FUND
201 - DEBT RETIREMENT**

ORG	OBJ	DEPARTMENT/DESCRIPTION	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 BUDGET	FY 2009 MAYOR PROPOSED	PERCENT CHANGE
DEBT RETIREMENT								
01201	6741	Transfer to Capital Improvement	\$ 345,000	\$ 200,000	\$ 587,463	\$ 382,900	\$ 552,000	44.16%
01201	6742	Transfer to Capital Equipment	\$ 1,251,800	\$ 52,400	\$ 505,400	\$ 529,100	\$ 1,099,000	107.71%
01201	6741	Restore Unreserved Fund Balance/HVAC	\$ -	\$ -	\$ -	\$ 300,000	\$ 117,000	-61.00%
01201	6902	Bond Principal Payment	\$ 8,710,046	\$ 8,150,421	\$ 8,691,000	\$ 9,956,000	\$ 6,535,000	-34.36%
01201	6921	Bond Interest Payment	\$ 3,085,705	\$ 2,488,740	\$ 3,844,656	\$ 3,320,490	\$ 3,508,965	5.68%
			\$13,392,551	\$10,891,561	\$13,628,519	\$14,488,490	\$ 11,811,965	-18.47%



PROGRAM DESCRIPTION

This program provides funds for annual debt service payments, capital improvements, and equipment purchases.

BASIC BUDGET LINE ITEM JUSTIFICATION

Department	Debt Service/Capital Purchase	2009 Proposed Budget
-------------------	--------------------------------------	-----------------------------

201-6741	Transfer to Capital Improvement Fund	\$ 552,000
-----------------	---	-------------------

Capital Improvements funded by the General Fund as identified in the Five-Year Capital Improvement Plan.

201-6742	Transfer to Capital Equipment Fund	\$ 1,099,000
-----------------	---	---------------------

Funding for highest priority capital equipment requests from departments as identified in the Five-Year Capital Equipment Plan.

201-6741	Restore Unreserved Fund Balance/HVAC	\$ 117,000
-----------------	---	-------------------

Funding has been included in the FY 2009 Operating Budget as directed by the Council in FY 2008 to cover the cost of repairs to the HVAC system at Birdseye Municipal Complex.

201-6902	Bond Principal	\$ 6,535,000
-----------------	-----------------------	---------------------

This account covers principal payments on capital improvements, such as schools, buildings, and roads, for which bonds have been issued.

201-6921	Bond Interest	\$ 3,508,965
-----------------	----------------------	---------------------

This account covers interest payments on capital improvements for which bonds have been issued.



SIGNIFICANT CHANGES AND COMMENTARY

The \$3.4 million reduction in Bond Principal payments in FY 09 is the result of bonds issued in 1998, 1999, and 2000 being retired in FY 08. Also, since the principal to be paid on School bonds in FY 09 is \$3 million lower than FY 08 reimbursement revenue budgeted in the State of Connecticut School Bond Principal, account number 4232 will be reduced by \$2.2 million as well.

The proposed budget provides sufficient funding to implement the first year of the proposed FY 09-13 Capital Improvement & Equipment Plan. In addition, as directed by the Town Council during FY 2008, \$117,000 has been set-aside in the FY 2009 Proposed Operating Budget to pay for the necessary repairs to the HVAC system at the Birdseye Municipal Complex.

