

Milford 2012 Operating Budget Key Factors – 1/27/12 update

The 2012 budget of \$11,767,325 is an increase of 1.8% or \$207,051 over the 2011 budget of \$11,560,274. The default budget for the 2012 year is \$11,727,859 or \$39,466 under the proposed budget. Listed below are the significant changes to this year's budget.

- Ambulance Service expense increase of \$75,201 --- This increase in expense is more than offset by a corresponding increase in revenue of \$130,000.
- DPW -- South Street drainage problem at RR crossing - \$75,000
- Welfare direct support increase - \$36,000.
- MACC Base increase of 4.6% or \$18,161.
- Planned performance based salary increase of 3% for non union employees or \$71,900. No raises have been given for the previous two years; the Town of Milford does not have cost of living adjustments or automatic step increase as is the case in some locations.
- Diesel and gas increase of \$8,677 or 5.9% due to higher per gallon cost. We purchase fuel off of the state contract; estimate for next year is \$3.27 per gallon for diesel and \$3.13 for gasoline.
- Most service and software maintenance contracts are increasing by approximately 5% and postage is going up by 2.3%
- Reduction in Debt Service - \$46,101
- Planning Dept. increase is a result of budget consolidation of GIS and Storm Water management from the IT and DPW budget – net neutral impact.
- Note: Two Police cruisers are planned to be replaced in 2012 at a cost of \$63,660. We currently have three cruisers at or over 100,000 miles.

The overall town operating budget increases per year over the previous five years have been 1%, (-1.4%), 0.6%, 0.2%, and a 1.2%. or an average of 0.3% for each year, significantly under the inflation rate as shown in the table below.

<u>CPI Nation Wide</u>	<u>CPI North East Region</u>
2009 was 2.7%	2009 was 2.8%
2010 was 1.5%	2010 was 1.6%
2011 was 3.0%	2011 was 2.9%

The 2011 COLA for Social Security Benefits increased by 3.6%.

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