

Dear Members of the Town Council:

Pursuant to Chapter VII, Section 4 of the Plainville Town Charter, we are pleased to present the Annual Budget for Fiscal Year 2010-2011. This budget outlines the priorities and plans to provide services to the citizens and taxpayers of Plainville. The budget expenditures are separated into four main sections - Town Government, Board of Education, Capital Projects and Equipment, and Debt Service.

Summary of Expenditures

	APPROPRIATED FY 2010	REQUESTED FY 2011	PROPOSED BUDGET INCREASE (DECREASE)	
Town Government	\$14,525,725	\$14,883,243	\$357,518	2.46%
Board of Education	32,446,447	33,254,942	808,495	2.49%
Capital Projects & Equipment	900,000	900,000	-	0.00%
Debt Service	4,484,120	4,464,033	(20,087)	(0.45%)
TOTALS	\$52,356,292	\$53,502,218	\$1,145,926	2.19%

The budget totals \$53,502,218. This is an increase of \$1,145,926 or 2.19%. If adopted as presented the mill rate would be 28.58 or 2.25 mills (8.56%) higher than the current mill rate, assuming the revenues as currently estimated remain the same. The mill rate is calculated as follows:

Expenditure Change		Revenue Change	
Town Government	\$357,518	Investment Income	\$(200,000)
Board of Education	808,495	Local Revenues	6,800
Capital Projects & Equipment	-	Federal & State Grants	(152,864)
Debt Service – Principal	125,000	Fund Balance	(1,000,000)
Debt Service – Interest	(145,087)	Prior Taxes/Interest, Liens	(125,000)
		Transfers In	(508,148)
		Grand List Revenues (new)	9,712
		Tax Rate Increase	3,115,426
Total	\$1,145,926	Total	\$1,145,926

The amount of tax that needs to be raised is \$3,125,138. The value of one mill is \$1,390,764 (97.4% collection rate). Dividing the amount of tax that needs to be raised (\$3,175,138) by the value of a mill (\$1,390,764) results in a mill increase of 2.25. This is an increase of 8.56% based upon the current rate of 26.33 mills.

REVENUES

The growth in the grand list (.1828%) will result in additional revenue of \$9,712 for FY 2011.

The Federal and State revenue estimates are based upon the Governor's proposed budget. That budget would result in a decrease of revenue of (\$152,864) from what was budgeted in the current year. Local revenues include an increase in most building department fees **including the implementation of the Fire Marshall Fee Ordinance.**

The amount of fund balance recommended this year is \$-0- or \$1,000,000 less than last year. This recommendation is being made to ensure that the total undesignated fund balance gets back to and stays above 5% of the total Town Budget.

Major Changes (Increases / (Decreases) Over \$5,000

	FY 2010	FY 2011	Difference
Prior taxes/interest, lien fees	\$1,150,000	\$1,025,000	\$(125,000)
Motor vehicle supplement	275,000	250,000	(25,000)
Suspense	-	25,000	25,000
Fire Marshal Fees	-	30,000	30,000
Condo fees	60,000	65,000	5,000
Planning & Zoning fees	10,000	5,000	(5,000)
Investment income	400,000	200,000	(200,000)
Special education excess cost grant	200,000	100,000	(100,000)
School transportation grant	390,036	344,713	(45,323)
School construction grant – interest	40,473	19,125	(21,348)
Education services for the blind	23,000	10,000	(13,000)
Miscellaneous State grants	10,000	30,000	20,000
Telecommunications	50,000	63,000	13,000
Conveyance tax	170,000	150,000	(20,000)
Use of fund balance	1,000,000	-	(1,000,000)
Interfund transfers in	790,448	282,300	(508,148)
Total changes listed above	4,568,957	2,609,138	(1,969,819)
Total direct revenue changes			(1,979,212)
Difference all other revenue line items			\$9,393

TOWN GOVERNMENT EXPENDITURES
(Operating & Personnel Services)

The Town Government operating budget is recommended in the amount of \$14,883,243. This is an increase of \$357,518 or 2.46% from the current fiscal year 2010. The major changes to the Town Government budget are as follows:

- Payroll costs, both full-time and part-time, are budgeted at a 2% increase (except police @ 3%). The Town has reduced positions netting payroll increases in total dollars of \$111,301 or 1.72% in this budget request.
- Employee benefits increased by \$261,554 or 10.34%. This reflects increases in healthcare and payroll related items such as pension.
- The cost to provide property/liability insurance and workers compensation is estimated to decrease by \$17,345 or 3.66% over the current year, primarily due to fixed rate contracts for both types of insurances.
- Most line items and departments in total have been kept to the FY 2010 budget level.
- Debt – Principal has increased \$125,000, net, due to the 2007 General Obligation Bonds for the High School and TIF refunding bonds repayments beginning while Debt – Interest has decreased \$145,087, net, primarily due to the Water Pollution Control Facility debt being budgeted directly in the WPCF fund.

The items listed above have a total proposed increase of \$335,423. *The sum of all the other changes in the proposed budget (plus and minus) total \$2,008.*

Summary of Expenditures (by budget function)

	APPROPRIATED FY 2010	PROPOSED FY 2011	PROPOSED BUDGET INCREASE (DECREASE)	
General Government	\$1,922,688	\$1,919,682	\$(3,006)	(0.16%)
Public Safety	3,446,585	3,553,683	107,098	3.11%
Public Works	3,882,876	3,862,263	(20,613)	(0.53%)
Health & Human Services	1,897,633	1,899,817	2,184	0.12%
Civic & Cultural	824,101	826,698	2,597	0.32%
Debt Service	4,484,120	4,464,033	(20,087)	(0.45%)
Capital	900,000	900,000	-	0.00%
Other (incl. employee benefits)	2,551,842	2,821,100	269,258	10.55%
Total	\$19,909,845	\$20,247,276	\$337,431	1.69%

1CAPITAL IMPROVEMENT PROGRAM

Each year the Town sets aside funds for capital and non-recurring expenditures in the Five Year Capital Plan all departments for including the Board of Education. Any expenditure item with an aggregate cost of more than \$50,000, or a project life greater than a year, is budgeted in the Capital Budget. Also included is any recurring equipment replacement that will cost more than \$5,000. A summary of the capital and equipment recommendations for next year are as follows:

Capital & Non-Recurring Expenditures

Projects and Major Equipment	Manager Proposed
1. Fire Department: Replace Engine 2/Utility PU (Combo vehicle)	\$25,000
Equipment Replacement (Radios, PPE, Pagers, Etc)	\$21,500
Rescue Apparatus Replacement	\$100,000
2. Police Department: 1 Patrol Cruiser	\$23,000
Equipment (CAD/RMS Upgrade, Computers, etc.)	\$14,000
3. Finance: Revaluation	\$150,000
New Tax/Assessor Software	\$40,000
4. Data Processing: Upgrades & Equipment	\$25,000
5. Technical Services: Environmental Compliance	\$20,000
Stillwell Drive Bridge	\$125,000
Paving Program	\$200,000
Street & Storm Repair	\$30,000
6. Physical Services: Snowplow for Mack Truck	\$7,000
Loader Aside Bucket Dump Body	\$15,000
Boiler Replacements	\$10,000
Library Retaining Wall	\$7,000
7. Senior Services: New Parking Lot	\$16,000
8. Education: Old Linden Oil Tank	\$56,500
District Wide EMS Upgrade	\$15,000
TOTAL	\$900,000

In the past ten years, the Capital Improvement Plan has not kept pace with the growth in the community. Consequently, many capital projects and equipment purchases have been backlogged. Less than 50% of the requested projects can be accomplished in the next five years.

BOARD OF EDUCATION

The FY 2011 Board of Education operating budget is recommended at \$33,254,942. This is an increase of \$808,495 or 2.49% from the current year amount. The Board of Education requested \$1,998,000 in capital expenditures for next year. The capital requests have been included in the Capital Improvement Plan. The recommendation is to fund \$56,500 towards the Old Linden Oil Tank and \$15,000 towards the District Wide EMS Upgrade.

CONCLUSION

The Town Government budget is recommended with some decreases in the current levels of service to the citizens in Plainville. The Capital Improvement Plan recommendation is supposed to address the long-term needs of the community in an orderly and planned fashion. However, the current plan is only partially meeting this goal. The Board of Education budget is proposed according to the Charter requirements.

The budget process still has a long way to go before it is finalized. I look forward to working with the Town Council to put forth a budget that will be acceptable to the citizens of Plainville.

I would like to thank all of the staff members who have assisted in putting together this budget document.

Respectfully Submitted,

**Robert E. Lee
Town Manager**