



ANNUAL BUDGET

Transmittal Letter

FISCAL YEAR

July 1, 2014- June 30, 2015



PLAINVILLE

ONE CENTRAL SQUARE, PLAINVILLE, CONNECTICUT 06062-1955

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TRANSMITTAL LETTER

To the Citizens of Plainville Connecticut,

The budget for the Town of Plainville, CT was adopted by referendum vote on April 29, 2014. The 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, Debt Service, and Capital Projects. The budget totals **\$55,424,977**, an increase of \$780,217 or 1.43% more than the comparative Fiscal Year 2013 - 2014 appropriated budget of \$54,644,760. The 2015 budget focuses on issues, policies, and factors on how they affect and relate to the Town's short and long-term goals.

GOALS AND OBJECTIVES

The Town of Plainville is a municipal government that seeks to promote and support a **high quality of life for its citizens**. Through the development and contribution of all employees to the maximum of their potential, the Town will provide quality service that result in **the highest achievable levels of customer satisfaction and recognition for excellence**. Service delivery will be cost effective, based on the needs of the community and the requirements of local ordinances, and state and federal laws. Our goal is to be the best local government for our size in Connecticut and to be recognized throughout the Eastern United States for providing quality service to citizens and visitors.

The current and previous fiscal year goals and objectives are detailed in the Citizen's Guide and individual department sections. In FY 2014, priorities included several projects and initiatives, with most projects in progress. The priorities of FY 2015 are continuous projects and initiatives from FY 2014 since the projects are large and costly. Some of those projects are economic development infrastructure maintenance. As a result, it is the overall sentiment of the Town Council that the Town should attempt to limit its pursuit of additional large projects and programs and find ways of adapting to increasing operating expenses and the ever-growing cost of business.

Short-term initiatives have affected the budget process in that it has become important to attempt to limit operational expenses and certain capital expenses in order to compensate for the anticipated increases in debt service. Short and long-term goals, and the actions taken towards achieving those goals, are detailed in the Citizen's Guide.

REVENUE AND EXPENDITURES

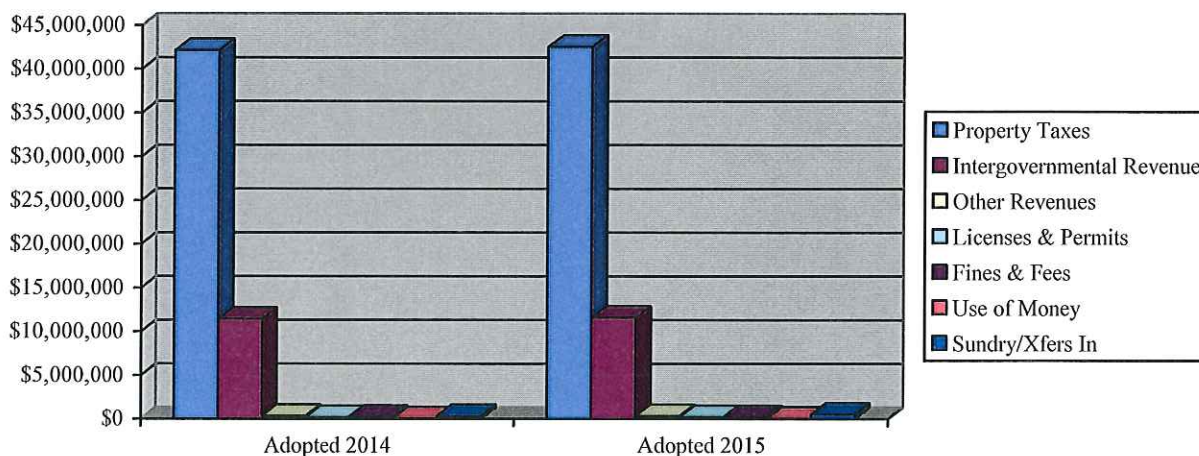
The annual budget is the most important policy document handled by Town Council members. It is important to remember that a good budget is one that shows a reasonable, responsible, and balanced relationship between expenditures and the ability to pay. This is a balanced budget where total revenue equals total expenditures. This relationship is highlighted on the following pages. Revenues and expenditures are summarized below.

SUMMARY OF REVENUES

The following tables and charts compare revenues and expenditures from FY 2014 to FY 2015.

	Adopted FY 2014	Adopted FY 2015	Adopted Budget Inc (Dec)	
Property Taxes	\$ 42,129,453	\$ 42,555,566	\$ 426,113	1.01%
Licenses & Permits	176,450	206,550	30,100	17.06%
Fines & Fees	226,450	216,450	(10,000)	(4.42%)
Use of Money	25,500	25,500	-	0.00%
Intergovernmental Revenue	11,434,845	11,568,359	133,514	1.17%
Other Revenues	328,000	322,496	(5,504)	(1.68%)
Sundry & Xfers In	324,062	530,056	205,994	63.57%
TOTALS	\$ 54,644,760	\$ 55,424,977	\$ 780,217	1.43%

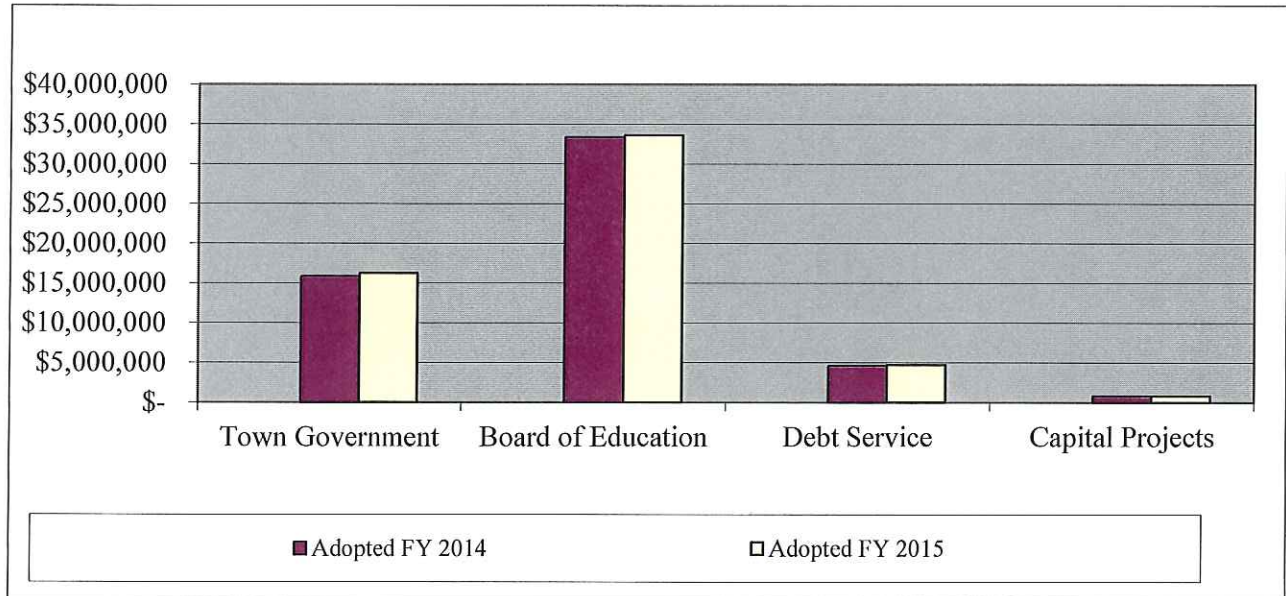
Comparison of Revenues for FY 2014 and FY 2015



SUMMARY OF EXPENDITURES

	Adopted FY 2014	Adopted FY 2015	Adopted Budget Inc (Dec)	
Town Government	\$ 15,835,503	\$ 16,270,884	\$ 435,381	2.75%
Board of Education	33,393,538	33,616,799	223,261	0.67%
Debt Service	4,615,719	4,712,294	96,575	2.09%
Capital Projects	800,000	825,000	25,000	3.13%
TOTALS	\$ 54,644,760	\$ 55,424,977	\$ 780,217	1.43%

Comparison of Expenditures for FY 2014 and FY 2015



The mill rate is **31.38, a 0.00 mill increase**. The Town Council felt it was prudent to keep the mill rate the same by utilizing \$200,000 of unassigned fund balance in light of additional, unbudgeted revenues being returned to the General Fund in the current FY 2014. The mill rate is calculated as follows:

Expenditure Budget Change		Revenue Budget Change	
Town Government	\$ 435,381	Sundry & Xfers In	\$ 205,994
Board of Education	223,261	Intergovernmental	133,514
Debt Service	96,575	Licenses & Permits	30,100
Capital Projects	25,000	Fines & Fees	(10,000)
		Other Revenues	(5,504)
		Subtotal Direct Rev	354,104
		Current Taxes	426,113
Total Expenditure	\$ 780,217	Total Revenue	\$ 780,217

Gross expenditures	\$ 55,424,977
Less direct revenue estimates	(13,794,911)
Net budget	41,630,066
Use of fund balance	(200,000)
Adjustment for uncollected taxes @ 2.6%	1,105,936
Amount to be raised	42,536,002
Value of 1 mill at 97.4% collection rate	\$ 1,355,576
Calculated mill rate	$\frac{42,536,002}{1,355,576} = 31.38 \text{ mills}$

TOWN GOVERNMENT, DEBT SERVICE, & CAPITAL EXPENDITURES

The Town Government operating budget is **\$16,270,884**. This is an increase of \$435,381 or 2.75% from the prior FY 2014. The major changes to the Town Government budget are as follows:

- All personnel costs, including overtime, are budgeted at a 2.25% increase, with the exception of the Police union salaries, currently in contract negotiations. Personnel costs increases in total dollars, including estimated overtime increases of \$94,017, total \$298,660.
- The Police Department overtime line item includes an increase of \$90,000, presenting a more realistic budget. All other overtime increases total \$4,017.
- The Data Processing budget increase of \$18,350 is primarily related to the Town changing Internet service technology and fixing technological problems/issues that have long been ignored. This budget allows the Town to become one entity technologically, have greater buying power, and offers further technological access for the public.
- Xfer Out – Library increased by \$17,000 or 2.71% to help fund the cost of Library operations.
- The cost to provide property/liability (LAP) and workers compensation (WC) insurances are estimated to increase by \$29,967 or 5.91% over the prior year FY 2014, primarily due to higher workers' compensation claims. This increase is part of a three-year fixed rate not to exceed 8.00% contract for both policies effective July 1, 2013 through June 30, 2016.
- Most individual line items and departments have been kept to the FY 2014 budget level.

The Town Debt Service budget is adopted at **\$4,712,294** based on current outstanding bond obligations. This is an increase of \$96,575 or 2.09% from the prior FY 2014. \$25,000 of this increase relates to estimated legal costs associated with a planned debt offering in FY 2016. We are proposing that \$24,386 from the Debt Management fund be utilized to offset the debt service increase.

- Debt – Principal has increased \$190,000 while Debt – Interest has decreased \$118,425.

The General Fund contribution to capital is recommended at **\$825,000**, an increase of \$25,000 from the prior year FY 2014.

Summary of Expenditures (By Budget Function Except BOE)

	Adopted FY 2014	Adopted FY 2015	Adopted Budget Increase/(Decrease)	
General Government	\$ 2,045,291	\$ 2,116,066	\$ 70,775	3.46%
Public Safety	3,927,721	4,166,367	238,646	6.08%
Public Works	4,063,551	4,134,131	70,580	1.74%
Health & Human Services	1,731,049	1,751,779	20,730	1.20%
Civic & Cultural	142,360	146,110	3,750	2.63%
Employee Fringe Benefits	3,152,410	3,166,310	13,900	0.44%
Sundry (includes Xfers Out)	773,121	790,121	17,000	2.20%
Total Town Government	15,835,503	16,270,884	435,381	2.75%
Debt Service	4,615,719	4,712,294	96,575	2.09%
Capital	800,000	825,000	25,000	3.13%
Total General Government	\$ 21,251,222	\$ 21,808,178	\$ 556,956	2.62%

REVENUE HIGHLIGHTS

The Federal and State revenue estimates are based upon the Governor's proposed budget. That budget would result in an increase of revenue of \$133,514 from what was budgeted in the prior FY 2014. Local revenues remain relatively flat in budgeted revenue due to a lack in building projects, due to the economy, and the creation of a regional health district where health permits and fee revenue goes directly.

Major Revenue Changes {Increase / (Decrease) Over \$5,000}

	FY 2014	FY 2015	Difference
Use of Fund Balance	\$ -	\$ 200,000	\$ 200,000
Municipal Revenue Sharing Grant	385,361	509,690	124,329
School Transportation Grant	-	121,854	121,854
Education Cost Sharing Grant	10,374,760	10,405,528	30,768
Building Permits	170,000	200,000	30,000
Pequot Grant	73,740	85,501	11,761
Interfund Transfer In – WPCF	299,676	305,670	5,994
PILOT – Housing Authority	40,000	34,496	(5,504)
Condo Fees	55,000	45,000	(10,000)
Town Aid Road – 50% grant	153,638	-	(153,638)
TOTALS	\$ 11,552,175	\$ 11,907,739	\$ 355,564

Total Changes Listed Above	\$ 355,564
All Other Line Items (including current taxes)	424,653
Total Revenue Changes (including current taxes)	780,217

CAPITAL IMPROVEMENT PROGRAM

Each year, the Town sets aside funds for capital and non-recurring expenditures in the five-year capital plan for all departments 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:

	Department	Project and Major Equipment	Cost
1.	Finance	Tax/Assessor Software Lease Payment 5 of 5	\$ 40,000
2.	Data Processing	Upgrades and Equipment	50,000
3.	Police	Computer Aided Dispatch & Records	15,000
		Computer Replacements	18,000
		Patrol Cruisers Ford Interceptors – 3	89,500
		Patrol Cruisers Outfitting – 3	30,500
		Dispatch Communication Equipment	140,000
		NEXGEN Software Solution	27,500
		AMMO One Year in advance	12,500
		Defibrillator in Patrol Cruisers – 2	9,600
		Video Cameras in Patrol Cruisers – 2	16,000
4.	Fire	Personal Protective Equipment	20,000
		Portable Programmable Radios	5,000
		Replace Rescue Apparatus Lease Payment 2 of 5	103,418
		SCBA Bottle Replacements	10,000
		Thermal Imaging Camera Replacements	13,000
		Hurst Power Tool Unit (Jaws of Life)	10,000
		Dispatch Communication Equipment	25,000
5.	Roadways	Pickup Trucks – 2	56,000
		Tires for 2006 Volvo Loader	5,000
6.	Bldgs & Grounds	2 WD ½ Ton Pickup	36,000
		4 WD Diesel Tractor with Seasonal Attachments	42,000
		Firehouse Door/Window	6,500
7.	Tech Services	Large Format Copier/Scanner	15,000
		Sidewalk Construction	50,000
		Paving	200,000
		Cooke Street Reconstruction	1,500,000
8.	Senior Center	Dial-A-Ride Vehicle Grant Match	5,000
		Temperature Control System	24,982
9.	Recreation	Basketball Courts at Norton Park	42,000
10.	Library	Repairs to Clock Tower and Eaves	46,000
11.	BOE	Retro Commissioning of System - PHS	123,000
Total Gross Town of Plainville Capital & Non-Recurring Expenditures			2,786,500
		Less: Grant Offset Funds	(1,500,000)
		Less: Use of Capital Fund/Supplemental Appropriation	(320,500)
		Less: Use of Debt Management Fund	(120,000)
		Less: Use of Recreation Fund	(21,000)
Total Net Town of Plainville Capital & Non-Recurring Expenditures			\$ 825,000

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. As a result, the Town is beginning to look at combining many projects into a bond offering which would allow the Town to “catch-up” with many deferred needs, take advantage of attractive interest rates later, and affect the Town budget when the debt service line item is decreasing.

BOARD OF EDUCATION

The FY 2015 Board of Education (BOE) operating budget is adopted at \$33,616,799, an increase of \$223,261, or 0.67% over the prior FY 2014 budget. The BOE requested \$218,000 in capital expenditures for next year with \$123,000 being funded as detailed above. Under the Town Charter, the Town Manager is required to include the BOE's proposed budget as recommended by the BOE.

Summary of Expenditures (By Budget Function)

	Adopted FY 2014	Adopted FY 2015	Adopted Budget Increase/(Decrease)	
Salaries	\$ 21,577,710	\$ 21,868,573	\$ 290,863	1.35%
Employee Benefits	5,180,890	5,419,066	238,176	4.60%
Purchased Prof Services	291,247	631,032	339,785	116.67%
Purchased Property Services	615,374	601,549	(13,825)	(2.25%)
Other Purchased Services	1,605,673	1,653,900	48,227	3.00%
Other Purchased Serv - Ins	230,627	234,920	4,293	1.86%
Other Purchased Serv - Tuition	1,692,687	1,183,498	(509,189)	(30.08%)
Supplies	2,082,457	1,882,664	(199,793)	(9.59%)
Property	53,801	78,055	24,254	45.08%
Dues & Fees	63,072	63,542	470	0.75%
Total BOE	\$ 33,393,538	\$ 33,616,799	\$ 223,261	0.67%

CONCLUSION

The Town Government budget is recommended at a level that maintains current levels of service to the citizens of 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.

It should be noted the Town recently received a long-term rating increase on its general obligation (GO) bonds from Standard & Poor's Rating Services from A+ to AA+. This three-step increase puts the Town one-step below AAA, the highest rating given. I feel this increase is evidence of the teamwork we strive to work for every day in Plainville along with sound financial and budgetary policies and internal controls. This rating increase will save hundreds of thousands of dollars on future GO's taken out by the Town. This is a major win for the taxpayers and employees of the Town 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