

TOWN OF



PLAINVILLE

ONE CENTRAL SQUARE, PLAINVILLE, CONNECTICUT 06062

TRANSMITTAL LETTER

To the Citizens of Plainville Connecticut,

The budget for the Town of Plainville, CT was adopted by referendum vote on April 28, 2015. 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 **\$56,504,681**, an increase of \$1,079,704 or 1.95% more than the comparative Fiscal Year 2014 - 2015 appropriated budget of \$55,424,977. The 2016 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 2015, priorities included several projects and initiatives, with most projects in progress. The priorities of FY 2016 are continuous projects and initiatives from FY 2015 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

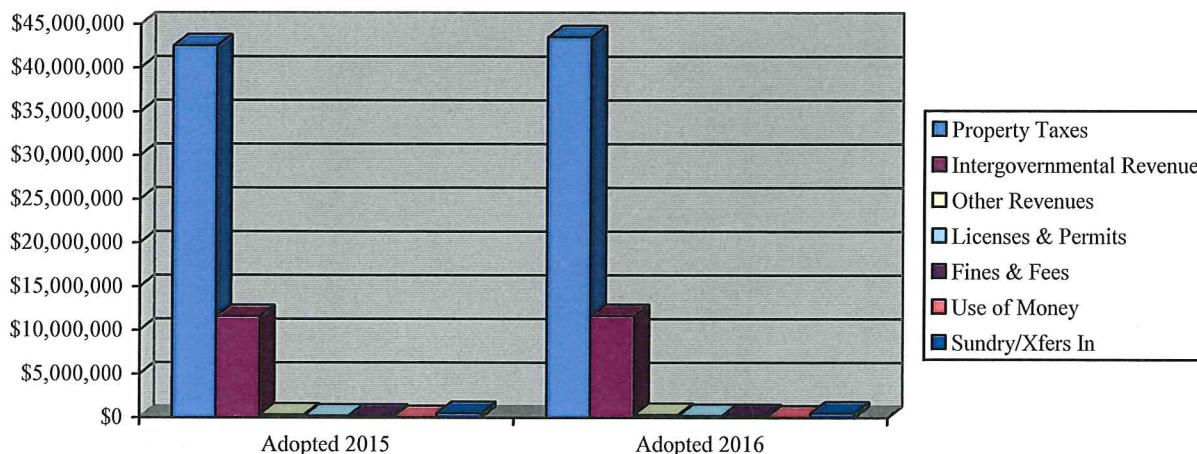
The annual budget is the most important policy document handled by Town Council members. It is important to remember that a good budget is one that shows a reasonable, responsible, and balanced relationship between expenditures and the ability to pay. This is a balanced budget where total revenue equals 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 2015 to FY 2016.

	Adopted FY 2015	Adopted FY 2016	Adopted Budget Inc (Dec)	
Property Taxes	\$ 42,555,566	\$ 43,543,448	\$ 987,882	2.32%
Licenses & Permits	206,550	206,600	50	0.02%
Fines & Fees	216,450	235,950	19,500	9.01%
Use of Money	25,500	25,500	-	0.00%
Intergovernmental Revenue	11,568,359	11,643,847	75,488	0.65%
Other Revenues	322,496	334,496	12,000	3.72%
Sundry & Xfers In	530,056	514,840	(15,216)	(2.87%)
TOTALS	\$ 55,424,977	\$ 56,504,681	\$ 1,079,704	1.95%

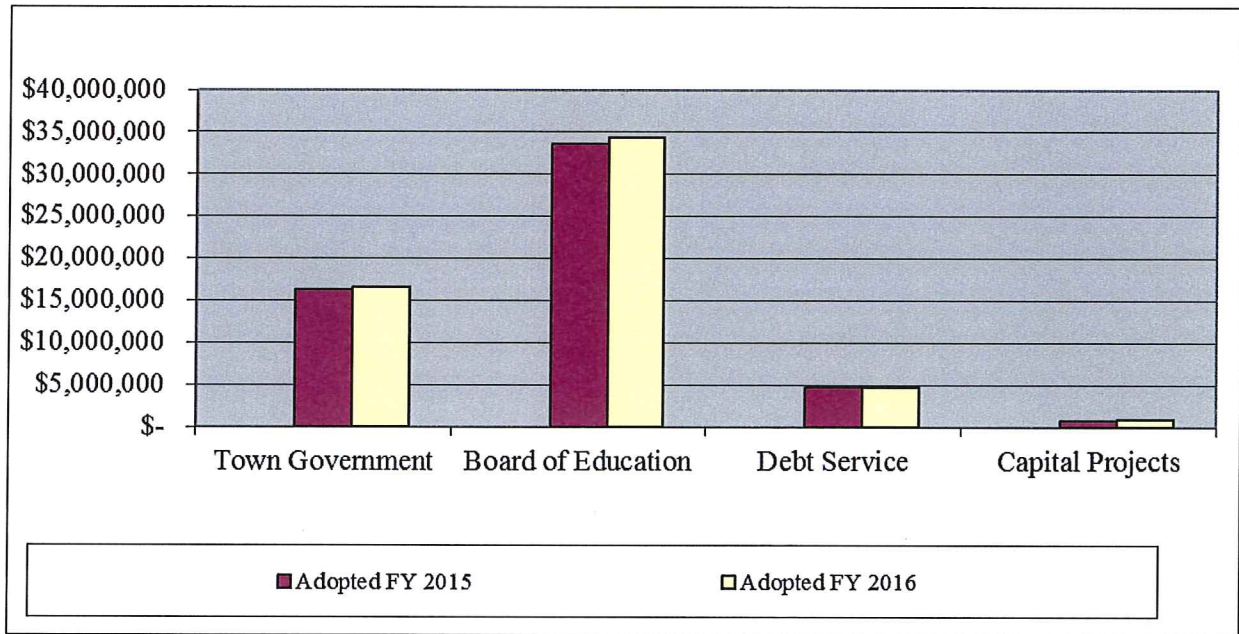
Comparison of Revenues for FY 2015 and FY 2016



SUMMARY OF EXPENDITURES

	Adopted FY 2015	Adopted FY 2016	Adopted Budget Inc (Dec)	
Town Government	\$ 16,270,884	\$ 16,525,651	\$ 254,767	1.57%
Board of Education	33,616,799	34,366,736	749,937	2.23%
Debt Service	4,712,294	4,712,294	-	0.00%
Capital Projects	825,000	900,000	75,000	9.09%
TOTALS	\$ 55,424,977	\$ 56,504,681	\$ 1,079,704	1.95%

Comparison of Expenditures for FY 2015 and FY 2016



The mill rate is **31.83, a 0.45 mill increase, or 1.42% increase**. The Town Council felt it was prudent to keep the mill rate down by utilizing \$200,000 of unassigned fund balance in light of additional, unbudgeted revenues being returned to the General Fund in past years. The mill rate is calculated as follows:

Expenditure Budget Change		Revenue Budget Change	
Board of Education	\$ 749,937	Motor Vehicle Supp	\$ 80,000
Town Government	254,767	Intergovernmental	75,488
Capital Projects	75,000	Fines & Fees	19,500
Debt Service	-	Other Revenues	12,000
		Licenses & Permits	50
		Sundry & Xfers In	(15,216)
		Subtotal Direct Rev	171,822
		Current Taxes	907,882
Total Expenditure	\$ 1,079,704	Total Revenue	\$ 1,079,704

Gross expenditures	\$ 56,504,681
Less direct revenue estimates	(13,966,733)
Net budget	42,537,948
Use of fund balance	(200,000)
Adjustment for uncollected taxes @ 2.6%	1,130,171
Amount to be raised	43,468,119
Value of 1 mill at 97.4% collection rate	\$ 1,365,356
Calculated mill rate	$\frac{43,468,119}{1,365,356} = 31.83 \text{ mills}$

TOWN GOVERNMENT, DEBT SERVICE, & CAPITAL EXPENDITURES

The Town Government operating budget is **\$16,525,651**. This is an increase of \$254,767 or 1.57% from the prior FY 2015. The major changes to the Town Government budget are as follows:

- All personnel costs, including overtime, are budgeted at a 3.00% increase. Payroll increases in total dollars, including overtime, of \$251,899 or 3.49% are in this budget.
- The Data Processing budget increase 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 \$15,247 or 2.01% 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 \$41,446 or 7.52% over the prior year FY 2015, 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.
- Utility costs for streetlights has been reduced by \$37,232 or 31.62% due to a proposal to change all streetlights to LED's.
- Gasoline & Diesel costs have been reduced by 49,250 or 19.33% due to new contracts put in place to reflect current market value prices.
- Most individual line items and departments have been kept to the FY 2015 budget level.

The Town Debt Service budget is adopted at **\$4,712,294** based on current outstanding bond obligations. This reflects a flat budget from the prior FY 2015. \$81,250 of this budget is expected to be transferred to the Debt Management fund and will be used as new bond offerings are issued. This will keep our budget amount the same while taking advantage of current market conditions for refinancing and/or issuing new debt to fund sorely needed capital projects.

The General Fund contribution to capital is recommended at **\$900,000**, an increase of \$75,000 from the prior year FY 2015.

Summary of Expenditures (By Budget Function Except BOE)

	Adopted FY 2015	Adopted FY 2016	Adopted Budget Increase/(Decrease)	
General Government	\$ 2,116,066	\$ 2,218,297	\$ 102,231	4.83%
Public Safety	4,166,367	4,302,209	135,842	3.26%
Public Works	4,134,131	4,153,329	19,198	0.46%
Health & Human Services	1,751,779	1,748,583	(3,196)	(0.18%)
Civic & Cultural	146,110	149,080	2,970	2.03%
Employee Fringe Benefits	3,166,310	3,148,785	(17,525)	(0.55%)
Sundry (includes Xfers Out)	790,121	805,368	15,247	2.01%
Total Town Government	16,270,884	16,525,651	254,767	1.57%
Debt Service	4,712,294	4,712,294	-	-
Capital	825,000	900,000	75,000	9.09%
Total General Government	\$ 21,808,178	\$ 22,137,945	\$ 329,767	1.51%

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 \$75,488 from what was budgeted in the prior FY 2015. 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 2015	FY 2016	Difference
Motor Vehicle Supplement	\$ 320,000	\$ 400,000	\$ 80,000
School Transportation Grant	121,854	164,937	43,083
Grants for Municipal Projects	509,690	541,936	32,246
Miscellaneous - Other	153,000	165,000	12,000
Senior Center Health Fees	-	12,000	12,000
Interfund Transfer In – WPCF	305,670	314,840	9,170
Motor Vehicle Delinquent Fee	12,500	17,500	5,000
Interfund Transfer In – Debt Management	24,386	-	(24,386)
TOTALS	\$ 1,447,100	\$ 1,616,213	\$ 169,113

Total Changes Listed Above	\$ 169,113
All Other Line Items (including current taxes)	910,591
Total Revenue Changes (including current taxes)	1,079,704

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	Assessor Revaluation	\$ 50,000
		Tax/Assessor Software Maintenance	12,000
2.	Data Processing	Upgrades and Equipment	100,000
3.	Police	Computer Aided Dispatch & Records	15,000
		Computer Replacements	18,000
		Patrol Cruisers Ford Interceptors – 2	61,000
		Patrol Cruisers Outfitting – 2	20,500
		Dispatch Communication Equipment Payment 2 of 5	155,328
4.	Fire	Personal Protective Equipment	20,000
		Portable Programmable Radios	5,000
		Replace Rescue Apparatus Lease Payment 3 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 Payment 1 of 3	27,871
5.	Roadways	5 Ton Dump Truck with Plow	62,500
		Hydrostatic Roller	25,000
6.	Bldgs & Grounds	4 WD Compact Pickup	25,500
		Administration Vehicle Replacement	22,000
		OSHA GHS Update	5,000
		Norton Park Activity Building Roof	15,000
		Probate Court Relocation	31,250
		Old Linden Street School Demolition	2,635,813
7.	Tech Services	Northwest Drive Bridge	140,000
		Roadway Sign Replacement Program	10,000
8.	Senior Center	Dial-A-Ride Vehicle Grant Match	5,000
		Temperature Control System	40,748
9.	Recreation	Norton Park Softball Field #4 Lights	48,000
		Norton Park Softball Field #4 Fence	8,000
10.	Library	Carpeting for Meeting Room	13,500
11.	BOE	Service Vehicle Replacement	22,000
		Repair & Resurface Kitchen Floor – PHS	75,000
		Repair & Resurface Track – PHS	225,000
Total Gross Town of Plainville Capital & Non-Recurring Expenditures			4,030,428
		Less: Use of Grant Funds	(1,542,960)
		Less: Use of Capital Fund/Supplemental Appropriation	(1,321,359)
		Less: Use of Other Funds	(266,109)
Total Net Town of Plainville Capital & Non-Recurring Expenditures			\$ 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. 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 2016 Board of Education (BOE) operating budget is adopted at \$34,366,736, an increase of \$749,937, or 2.23% over the prior FY 2015 budget. The BOE requested \$422,000 in capital expenditures for FY 2016 with \$322,000 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 2015	Adopted FY 2016	Adopted Budget Increase/(Decrease)	
Salaries	\$ 21,868,573	\$ 22,710,909	\$ 842,336	3.85%
Employee Benefits	5,419,066	5,462,092	43,026	0.79%
Purchased Prof Services	631,032	445,610	(185,422)	(29.38%)
Purchased Property Services	601,549	582,843	(18,706)	(3.11%)
Other Purchased Services	1,653,900	1,700,177	46,277	2.80%
Other Purchased Serv - Ins	234,920	240,682	5,762	2.45%
Other Purchased Serv - Tuition	1,183,498	1,140,998	(42,500)	(3.59%)
Supplies	1,882,664	1,906,994	24,330	1.29%
Property	78,055	117,927	39,872	51.08%
Dues & Fees	63,542	58,504	(5,038)	(7.93%)
Total BOE	\$ 33,616,799	\$ 34,366,736	\$ 749,937	2.23%

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