Town Manager's Proposed
ANNUAL BUDGET

Transmittal Letter

FISCAL YEAR
July 1, 2017- June 30, 2018

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 2017 - 2018. This budget outlines the priorities and plans to provide services to the citizens and taxpayers of Plainville. The budget expenditures are separated into five main sections - Town Government, Board of Education (BOE), Debt Service, Capital Projects, and BOE Teachers' Retirement.

SUMMARY OF EXPENDITURES

	Appropriated FY 2017	Requested FY 2018	Proposed Budget Increase/(Decrease)	
Town Government	$ 17,005,802	$ 17,184,801	$ 178,999	1.05%
BOE Operating	34,824,367	35,503,099	678,732	1.95%
Debt Service	4,712,294	4,712,294	-	0.00%
Capital Projects	1,100,000	1,100,000	-	0.00%
Subtotal	**57,642,463**	**57,714,321**	**857,731**	**1.49%**
BOE Teachers' Retirement	-	1,927,428	1,927,428	100.00%
Total	**$ 57,642,463**	**$ 60,427,622**	**$ 2,785,159**	**4.83%**

The budget totals $60,427,622, including the Governor's proposal to have municipalities contribute to the Teachers' Retirement Pension Fund. This is an increase of $2,785,159 or 4.83%. **Without the State mandated Teachers' Retirement, the increase would be $857,731 or 1.49%.** If adopted as presented, the estimated mill rate would be 34.12 or 2.13 mills (6.65%) higher than the adopted FY 2017 mill rate of 31.99, assuming the revenues as proposed in the Governor's budget remain the same. The mill rate is calculated as follows:

Expenditure Budget Change		Revenue Budget Change	
BOE – Teachers' Retirement	$ 1,927,428	Intergovernmental	$ 52,506
BOE - Operating	678,732	Prior Taxes	25,000
Town Government	178,999	Taxes Interest	25,000
		Fines & Fees	500
		Licenses & Permits	(400)
		Sundry & Xfers In	(263,605)
		Grand List Increase @ 31.99	86,405
		Amount to be Raised by Mill Rate increase	2,859,753
Total Expenditure Change	**$ 2,785,159**	**Total Revenue Change**	**$ 2,785,159**

Amount to be Raised by Mill Rate increase is $2,859,753 (2.13 mills) or 6.65%
Amount to be Raised by Mill Rate increase without BOE Teachers' Retirement is $931,925 (0.69 mills) or 2.17%

Gross expenditures		$	60,427,622
Less direct revenue estimates			(14,333,550)
Net budget			46,094,072
Use of fund balance			(200,000)
Adjustment for uncollected taxes @ 2.60%			1,225,098
Amount to be raised			**47,119,170**
Value of 1 mill at 97.4% collection rate		$	**1,381,073**
Calculated mill rate	**47,119,170** / **1,381,073** =		**34.12 mills**

REVENUE HIGHLIGHTS

The Intergovernmental revenue estimates are based on the Governor's proposed budget. There is a lot of uncertainty with the Governor's proposed budget; amounts are subject to change. If that budget passes, it would result in an increase of revenue of $52,506 from what was budgeted in the current year.

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

		FY 2017		FY 2018		Difference
Special education grant **	$	-	$	2,499,215	$	2,499,215
MRSA sales tax sharing **		363,176		522,783		159,607
LoCIP **		124,497		228,244		103,747
Prior taxes		500,000		525,000		25,000
Tax interest		275,000		300,000		25,000
PILOT – State property **		388		10,310		9,922
Interfund transfers in - WPCF		322,710		329,164		6,454
Exp reduction due to State		270,059		-		(270,059)
Grants for municipal projects **		541,936		-		(541,936)
Education cost sharing **		10,368,696		8,188,647		(2,180,049)
Subtotal Direct Revenue		**12,766,462**		**12,603,363**		**(163,099)**
All other direct revenue – not incl current taxes		1,928,087		1,931,087		3,000
Total Direct Revenue	$	**14,694,549**	$	**14,533,550**	$	**(160,999)**

** Intergovernmental revenue line items

TOWN GENERAL GOVERNMENT, DEBT SERVICE, & CAPITAL EXPENDITURES

The Town General Government operating budget is recommended at **$17,184,801**. This is an increase of $178,999 or 1.05% from the current fiscal year 2017. The major changes to the Town General Government budget are as follows:

- All personnel costs, including overtime, are budgeted at a 2.00% increase. Payroll increases in total dollars, including overtime, of $75,034 or 0.96% are in this budget request. Several vacant positions are not being funded, lowering the overall request.

- The Town Managers budget increase of $56,682 is primarily related to personnel costs increasing due to the elimination of department #301 Physical Services Administration. The personnel previously funded in department #301 are now being fund in the Town Manager's department #131 and Technical Services department #325. Department #301 decrease amounts to $112,700.

- The cost to provide property/liability insurance and workers compensation is estimated to increase by $39,675 or 6.31% over the current year, primarily due to higher workers' compensation costs. This increase is part of a three-year fixed rate not to exceed 3.00% contract for the LAP policy effective July 1, 2016 through June 30, 2019. The WC policy, due to high claims, is on a year-to-year basis.

- Utility costs, including streetlights, heating oil, and gasoline & diesel, have decreased by $31,058 or 2.03% due to lower fuel costs and conversion to LED streetlights.

- Employee Benefits increased $124,450 due to defined contribution and defined benefit pension cost increases as well as increases in medical premiums.

- Most individual line items and departments have been kept to the FY 2017 budget level.

The Town Debt Service budget is recommended at **$4,712,294** based on current outstanding bond obligations. This reflects a flat budget from the current fiscal year 2017. Approximately $230,000 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 **$1,100,000**.

Summary of Expenditures (By Budget Function Except BOE)

	Appropriated FY 2017	Proposed FY 2018	Proposed Budget Increase/(Decrease)	
General Government	$ 2,305,035	$ 2,489,607	$ 184,572	8.01%
Public Safety	4,523,630	4,569,799	46,169	1.02%
Public Works	4,215,456	4,085,158	(130,298)	(3.09%)
Health & Human Services	1,752,104	1,723,358	(28,746)	(1.64%)
Civic & Cultural	152,310	155,162	2,852	1.87%
Employee Fringe Benefits	3,230,055	3,354,505	124,450	3.85%
Sundry (includes Xfers Out)	827,212	807,212	(20,000)	(2.42%)
Total General Government	**17,005,802**	**17,184,801**	**178,999**	**1.05%**
Debt Service	**4,712,294**	**4,712,294**	**-**	**0.00%**
Capital	**1,100,000**	**1,100,000**	**-**	**0.00%**
Total Town Government	**$ 22,818,096**	**$ 22,997,095**	**$ 178,999**	**1.05%**

BOARD OF EDUCATION

The FY 2018 Board of Education operating budget is recommended at $35,503,099 while the total budget, including the State mandated Teachers' Retirement of $1,927,428 be recommended at $37,430,527. This is an increase of $2,606,160 or 7.48% from the current fiscal year 2017. **It is important to point out the BOE operating budget increase is $678,732 or 1.95% higher than the current fiscal year 2017.** The table below summarizes the Board of Education budget by budget function. Under the Town Charter, the Town Manager is required to include the Board of Education's proposed budget as recommended by the Board of Education.

Summary of Expenditures (By Budget Function)

	Appropriated FY 2017	Proposed FY 2018	Proposed Budget Increase/(Decrease)	
Salaries	$ 23,086,051	$ 23,496,349	$ 410,298	1.78%
Employee Benefits	5,567,501	5,757,619	190,118	3.41%
Purchased Prof Services	638,570	686,476	47,906	7.50%
Purchased Property Services	616,162	608,193	(7,969)	(1.29%)
Other Purch Serv	1,763,149	1,812,517	49,368	2.80%
Other Purch Serv – Ins	262,020	250,919	(11,101)	(4.24%)
Other Purch Serv - Tuition	988,900	1,052,852	63,952	6.47%
Supplies	1,736,695	1,722,784	(13,912)	(0.80%)
Property	106,815	43,015	(63,800)	(59.73%)
Dues & Fees	58,504	72,375	13,872	23.71%
Subtotal BOE Operating	**34,824,367**	**35,503,099**	**678,732**	**1.95%**
State Teachers' Retirement	-	1,927,428	1,927,428	100.00%
Total BOE	**$ 34,824,367**	**$ 37,430,527**	**$ 2,606,160**	**7.63%**

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 (over 5 years), 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.

Town departments requested $2,699,328 covering forty (40) projects. The Town Manager reduced those requests by $881,000 while recommending $1,818,328 covering twenty-three (23) projects. The BOE requested $925,050 covering eighteen (18) projects. The Town Manager reduced those requests by $538,000 while recommending $387,050 covering twelve (12) projects. A summary of the capital and equipment recommendations for next year are as follows:

Projects & Major Equipment	Town Manager Recommended
Town Government	
1. Finance Departments	
Assessor Revaluation	$ 50,000
2. Data Processing Department	
Upgrades & Equipment - aggregate	30,000
Green Wi-Fi - aggregate	9,435

Projects & Major Equipment		Town Manager Recommended
Town Government *(Continued)*		
3. Economic & Community Development Department		
10 Year Plan of Conservation & Development	$	20,000
4. Police Department		
Patrol Cruisers Ford Interceptors – 3 - aggregate		84,000
Patrol Cruiser Outfitting – 3 - aggregate		30,750
Dispatch Communication Equipment (4th of 5 annual lease payments)		157,848
Defibrillator in Patrol Cruisers – 2 – aggregate		6,400
Video Cameras in Patrol Cruisers – 2 – aggregate		14,000
Computer Aided Dispatch & Records – aggregate		15,000
Equipment - aggregate		7,500
Computer Replacement – aggregate		18,000
Animal Control Ford Transit Connect Van		33,000
5. Fire Department		
Personal Protective Equipment – aggregate		24,500
Rescue Apparatus - (5th of 5 annual lease payments) - aggregate		103,418
SCBA Bottle Replacements - aggregate		10,000
Hurst Tool Power Unit (Jaws of Life) - aggregate		10,500
Dispatch Communication Equipment (3rd of 3 annual lease payments)		27,977
6. Roadways Department		
JCB Loader/Backhoe		115,000
7. Buildings & Grounds Department		
4WD Pickup Truck #45		26,000
Library Window Trim Repair & Paint		10,000
8. Technical Services Department		
Northwest Drive Pavement Restoration		1,000,000
Roadway Sign Replacement Program - aggregate		15,000
Total Gross Town Government Recommended		**1,818,328**
Board of Education		
1. District Wide		
Security Improvements - aggregate	$	25,000
Cleaning Equipment - aggregate		15,000
Server Placement for Town & BOE Cluster		24,000
Chromebook Upgrades for Grades 3 – 5		148,500
Administrative Laptop Replacement		16,500
2. Middle School of Plainville (MSP)		
Upgrade Fire Annunciation System		50,000
Cases for Grades 6 & 8 Chromebooks		10,500
Teacher Laptop Replacement		61,600

Projects & Major Equipment	Town Manager Recommended
Board of Education *(Continued)*	
3. Plainville High School (PHS)	
Repair & Replace Kitchen Floor	4,200
Partition Doors in Tech-Ed Hallway	7,500
2 Entrances for Automatic Handicap Access	6,750
Core Switch	17,500
Total Gross Board of Education Recommended	**387,050**
Total Gross Town of Plainville Capital Recommended	**2,205,378**
Less: Use of Grant Funds	**(1,000,000)**
Less: Use of Capital Fund/Supplemental Appropriation	**(105,378)**
Total Net Town of Plainville Capital Recommended	**$ 1,100,000**

In the past ten years, the Capital Improvement Plan has not kept pace with the needs of 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.

CONCLUSION

The Town Government budget is recommended to keep the current levels of service to the citizens in Plainville. The budget climate at the State of Connecticut level is very uncertain. For this reason, we have detailed the proposed budgets into operating and non-operating for the BOE. It is important to note, the majority of the budget increases are mandated by the State of CT as of this time. This is subject to change but due to timing of our budget process and the State of CT budget process, we have to include these estimates as "the best information we know today." 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.

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