



ANNUAL BUDGET

Transmittal Letter

FISCAL YEAR
July 1, 2016- June 30, 2017



TRANSMITTAL LETTER

To the Citizens of Plainville Connecticut,

The 2016 – 2017 budget for the Town of Plainville, CT was adopted by referendum vote on April 26, 2016. 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 \$57,642,463, an increase of \$1,137,782 or 2.01% more than the comparative Fiscal Year 2015 - 2016 appropriated budget of \$56,504,681. The 2017 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 2016, priorities included several projects and initiatives, with most projects in progress. The priorities of FY 2017 are continuous projects and initiatives from FY 2016 since the projects are large and costly. Some of those projects are economic development and 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.



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REVENUE AND EXPENDITURES

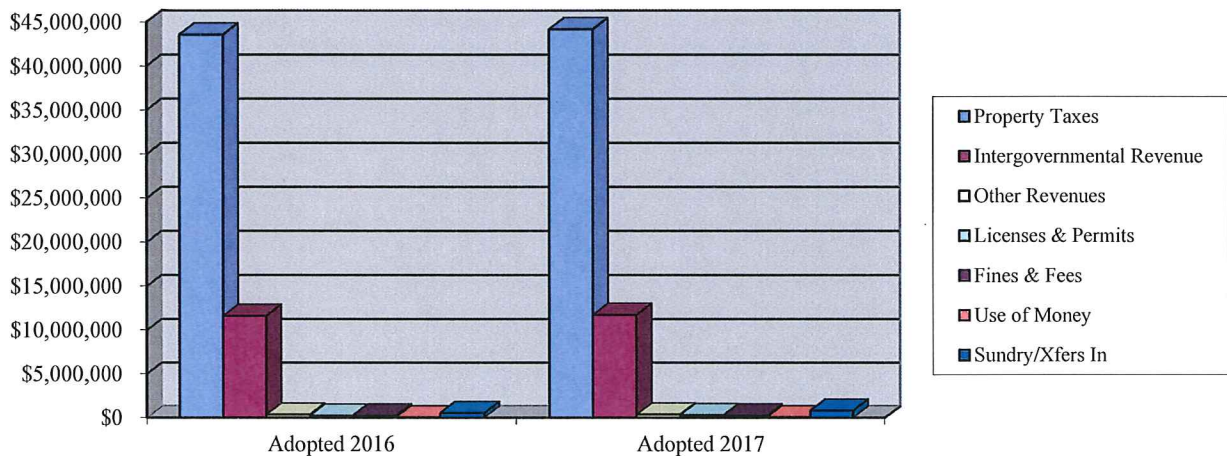
The annual budget is the most important policy document handled by Town Council members. It is important to remember that a good budget is one that shows a reasonable, responsible, and balanced relationship between expenditures and the ability to pay. This is a balanced budget where total revenue equals 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 2016 to FY 2017.

| | Adopted FY 2016 | Adopted FY 2017 | Adopted Budget Inc (Dec) | |
|---------------------------|----------------------|----------------------|-----------------------------|--------------|
| Property Taxes | \$ 43,543,448 | \$ 44,153,414 | \$ 609,966 | 1.40% |
| Licenses & Permits | 206,600 | 282,100 | 75,500 | 36.54% |
| Fines & Fees | 235,950 | 256,700 | 20,750 | 8.79% |
| Use of Money | 25,500 | 40,500 | 15,000 | 58.82% |
| Intergovernmental Revenue | 11,643,847 | 11,767,484 | 123,637 | 1.06% |
| Other Revenues | 334,496 | 349,496 | 15,000 | 4.48% |
| Sundry & Xfers In | 514,840 | 792,769 | 277,929 | 53.98% |
| TOTALS | \$ 56,504,681 | \$ 57,642,463 | \$ 1,137,782 | 2.01% |

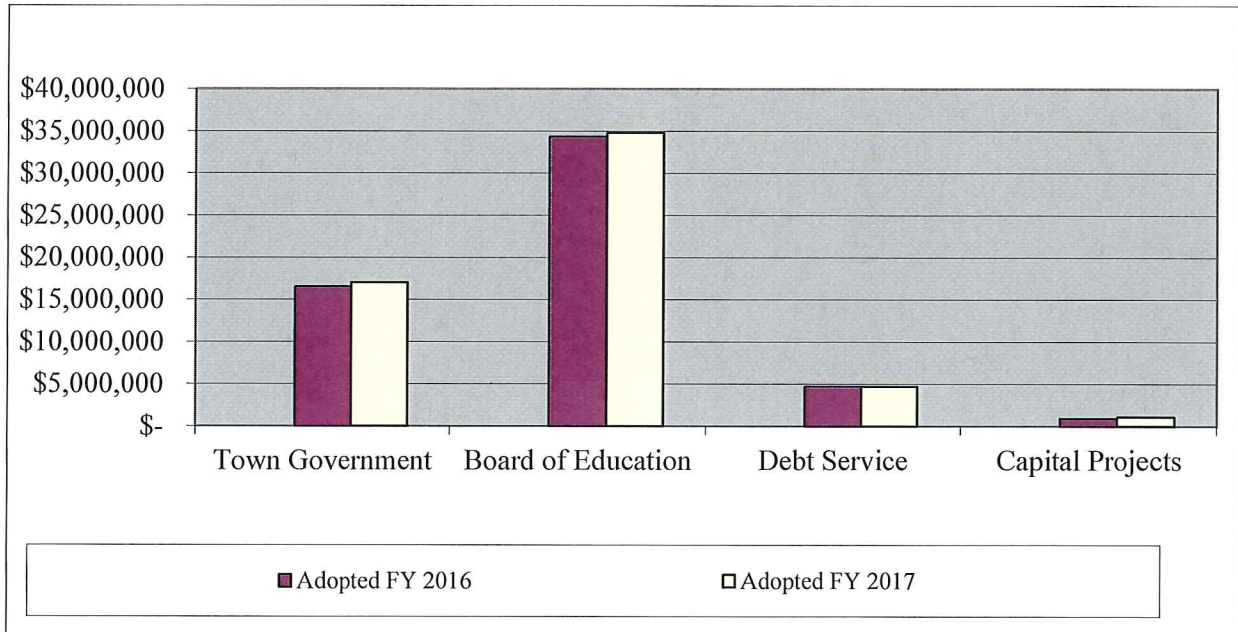
Comparison of Revenues for FY 2016 and FY 2017



SUMMARY OF EXPENDITURES

| | Adopted FY 2016 | Adopted FY 2017 | Adopted Budget Inc (Dec) | |
|--------------------|----------------------|----------------------|-----------------------------|--------------|
| Town Government | \$ 16,525,651 | \$ 17,005,802 | \$ 480,151 | 2.91% |
| Board of Education | 34,366,736 | 34,824,367 | 457,631 | 1.33% |
| Debt Service | 4,712,294 | 4,712,294 | - | 0.00% |
| Capital Projects | 900,000 | 1,100,000 | 200,000 | 22.22% |
| TOTALS | \$ 56,504,681 | \$ 57,642,463 | \$ 1,137,782 | 2.01% |

Comparison of Expenditures for FY 2016 and FY 2017



The mill rate is **31.99, a 0.16 mill increase, or 0.50% 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 and an additional \$270,059 due to the State of CT revenue reductions adopted after the Town passed our budget. The mill rate is calculated as follows:

| Expenditure Budget Change | | Revenue Budget Change | |
|---------------------------|---------------------|-----------------------|---------------------|
| Town Government | \$ 480,151 | Sundry & Xfers In | \$ 277,929 |
| Board of Education | 457,631 | Intergovernmental | 123,637 |
| Capital Projects | 200,000 | Licenses & Permits | 75,500 |
| Debt Service | - | Fines & Fees | 20,750 |
| | | Use of Money | 15,000 |
| | | Other Revenues | 15,000 |
| | | Subtotal Direct Rev | 527,816 |
| | | Current Taxes | 609,966 |
| Total Expenditure | \$ 1,137,782 | Total Revenue | \$ 1,137,782 |

| | |
|---|--------------------------------|
| Gross expenditures | \$ 57,642,463 |
| Less direct revenue estimates | (14,224,490) |
| Net budget | 43,417,973 |
| Use of fund balance | (200,000) |
| Expenditure reduction due to State of CT rev reductions | (270,059) |
| Adjustment for uncollected taxes @ 2.6% | 1,146,454 |
| Amount to be raised | 44,094,368 |
| Value of 1 mill at 97.4% collection rate | \$ 1,378,372 |
| | 44,094,368 |
| Calculated mill rate | 1,378,372 = 31.99 mills |

TOWN GOVERNMENT, DEBT SERVICE, & CAPITAL EXPENDITURES

The Town Government operating budget is **\$17,005,802**. This is an increase of \$480,151 or 2.91% from the prior FY 2016. The major changes to the Town Government budget are as follows:

- All personnel costs, including overtime, are budgeted at a 2.50% increase, with the exception of the AFSCME (Town Hall) and Public Works unions whose contracts expire on June 30, 2016 and are currently in negotiations. Payroll increases in total dollars, including overtime, of \$349,399 or 4.68% of the Town Government budget are in this adopted budget.
- The Police budget increase of \$224,611 is primarily related to personnel costs increasing due to the requested addition of one (1) Patrol Officer (completion of partially funded position in FY 2016) and one (1) full-time Dispatcher, in addition to union contractual increases.
- The cost to provide property/liability insurance and workers compensation is estimated to increase by \$36,272 or 6.12% over the current year, primarily due to higher workers' compensation claims. 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 \$30,062 or 1.93% due to lower costs and conversion to LED streetlights.
- Roadways and Building & Grounds overtime budgets have increased \$22,208 due to a requested increase to reflect actual costs incurred.
- Employee Benefits increased \$81,270 due to DC & DB pension cost increases.
- Most individual line items and departments have been kept to the FY 2016 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 2016. \$164,300 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**. This is an increase of \$200,000.

Summary of Expenditures (By Budget Function Except BOE)

| | Adopted FY 2016 | Adopted FY 2017 | Adopted Budget Increase/(Decrease) | |
|---------------------------------|----------------------|----------------------|---------------------------------------|---------------|
| General Government | \$ 2,218,297 | \$ 2,305,035 | \$ 86,738 | 3.91% |
| Public Safety | 4,302,209 | 4,523,630 | 221,421 | 5.15% |
| Public Works | 4,153,329 | 4,215,456 | 62,127 | 1.50% |
| Health & Human Services | 1,748,583 | 1,752,104 | 3,521 | 0.20% |
| Civic & Cultural | 149,080 | 152,310 | 3,230 | 2.17% |
| Employee Fringe Benefits | 3,148,785 | 3,230,055 | 81,270 | 2.58% |
| Sundry (includes Xfers Out) | 805,368 | 827,212 | 21,844 | 2.71% |
| Total Town Government | 16,525,651 | 17,005,802 | 480,151 | 2.91% |
| Debt Service | 4,712,294 | 4,712,294 | - | - |
| Capital | 900,000 | 1,100,000 | 200,000 | 22.22% |
| Total General Government | \$ 22,137,945 | \$ 22,818,096 | \$ 680,151 | 3.07% |

REVENUE HIGHLIGHTS

The Federal and State revenue estimates are based upon the Governor's adopted budget, as amended. That budget would result in an increase of revenue of \$123,637 from what was budgeted in the prior FY 2016. However, that is \$310,059 lower than the Governor's proposed budget. The proposed budget amounts were used by the Town Council when sending the budget out to referendum. The Governor's amended budget resulted in the Town Council increasing direct revenues by \$40,000 and using an additional \$270,059 of fund balance to keep the mill rate at a rate they estimated when the budget went to referendum. Local revenues have been increased slightly due to an upward trend increase in building permits, police fees, and interest income.

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

| | FY 2016 | FY 2017 | Difference |
|--|----------------------|----------------------|-------------------|
| MRSA Sales Tax Sharing | \$ - | \$ 363,176 | \$ 363,176 |
| Expenditure reduction due to State rev reduction | - | 270,059 | 270,059 |
| Building Permits | 200,000 | 275,000 | 75,000 |
| Police Fees | 32,000 | 50,000 | 18,000 |
| Investment Income | 25,000 | 40,000 | 15,000 |
| Miscellaneous - Other | 165,000 | 180,000 | 15,000 |
| Interfund Transfer In – WPCF | 314,840 | 322,710 | 7,870 |
| Telecommunications | 55,000 | 50,000 | (5,000) |
| PILOT – State Property | 16,382 | 388 | (15,994) |
| Pequot Grant | 89,305 | 72,491 | (16,814) |
| Education Cost Sharing | 10,405,528 | 10,368,696 | (36,832) |
| School Transportation Grant | 164,937 | - | (164,937) |
| TOTALS | \$ 11,467,992 | \$ 11,992,520 | \$ 524,528 |
| Total Changes Listed Above | | | \$ 524,528 |
| All Other Line Items (including current taxes) | | | 613,254 |
| Total Revenue Changes (including current taxes) | | | 1,137,782 |

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 | \$ 150,000 |
| 2. | Data Processing | Upgrades and Equipment | 25,000 |
| | | Municipal Fiber Network | 75,000 |
| 3. | Police | Patrol Cruisers Ford Interceptors – 2 | 61,000 |
| | | Patrol Cruisers Outfitting – 2 | 20,500 |
| | | Dispatch Communication Equipment Payment 3 of 5 | 155,328 |
| | | Defibrillators in Patrol Cruisers - 2 | 6,400 |
| | | Video Cameras in Patrol Cruisers – 2 | 14,000 |
| 4. | Fire | Personal Protective Equipment | 10,000 |
| | | Replace Rescue Apparatus Lease Payment 4 of 5 | 103,418 |
| | | SCBA Bottle Replacements | 10,000 |
| | | Diesel Powered Portable Lighting/Generator | 8,500 |
| | | Dispatch Communication Equipment Payment 2 of 3 | 27,924 |
| 5. | Roadways | 5 Ton Dump Truck with Plow | 62,500 |
| | | Mack Computer Diagnostic Analyzer | 5,000 |
| 6. | Bldgs & Grounds | 4 WD 1 Ton Pickup with Plow #48 | 33,000 |
| | | Library Window Trim Repair & Paint | 10,000 |
| | | Police Department AC Design | 5,000 |
| 7. | Tech Services | Study of Paderewski Park Pond | 10,000 |
| | | Roadway Sign Replacement Program | 10,000 |
| 8. | Recreation | Park Improvements at Norton/Paderewski Parks | 790,000 |
| 9. | BOE | Districtwide Cleaning Equipment | 15,000 |
| | | Districtwide Phone System Upgrade | 70,000 |
| | | Upgrade ADA Accessibility to Tennis Courts - PHS | 25,000 |
| | | Repair & Resurface Kitchen Floor – PHS | 87,000 |
| | | Turf Field Maintenance – PHS | 50,000 |
| Total Gross Town of Plainville Capital & Non-Recurring Expenditures | | | 1,839,570 |
| Less: Use of Grant Funds | | | (592,500) |
| Less: Use of Capital Fund/Supplemental Appropriation | | | (147,070) |
| Total Net Town of Plainville Capital & Non-Recurring Expenditures | | | \$ 1,100,000 |

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. As part of the \$310,059 reduced Governor’s adopted budget, the Town Council has instructed Town Administration to NOT spend \$145,000 of the above capital items. These projects are shown in **bolded, yellow** text.

BOARD OF EDUCATION

The FY 2017 Board of Education (BOE) operating budget is adopted at \$34,824,367, an increase of \$457,631, or 1.33% over the prior FY 2016 budget. The BOE requested \$580,000 in capital expenditures for FY 2017 with \$247,000 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 2016 | Adopted FY 2017 | Adopted Budget Increase/(Decrease) | |
|--------------------------------|----------------------|----------------------|---------------------------------------|--------------|
| Salaries | \$ 22,735,908 | \$ 23,086,051 | \$ 350,143 | 1.54% |
| Employee Benefits | 5,437,093 | 5,567,501 | 130,408 | 2.40% |
| Purchased Prof Services | 445,610 | 638,570 | 192,960 | 43.30% |
| Purchased Property Services | 582,843 | 616,162 | 33,319 | 5.72% |
| Other Purchased Services | 1,700,177 | 1,763,149 | 62,972 | 3.70% |
| Other Purchased Serv - Ins | 240,682 | 262,020 | 21,338 | 8.87% |
| Other Purchased Serv - Tuition | 1,140,998 | 988,900 | (152,098) | (13.33%) |
| Supplies | 1,906,994 | 1,736,695 | (170,299) | (8.93%) |
| Property | 117,927 | 106,815 | (11,112) | (9.42%) |
| Dues & Fees | 58,504 | 58,504 | - | 0.00% |
| Total BOE | \$ 34,366,736 | \$ 34,824,367 | \$ 457,631 | 1.33% |

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