



# **Town Manager's Proposed ANNUAL BUDGET**

## **Transmittal Letter**

**FISCAL YEAR**  
**July 1, 2018- June 30, 2019**



**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 2018 - 2019. 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 Operating, Board of Education Operating (BOE), Debt Service, Capital Projects, and Health Insurance. Health insurance has been separated from both operating budgets to show the magnitude of the line item.

**SUMMARY OF EXPENDITURES**

	<b>Appropriated FY 2018</b>	<b>Requested FY 2019</b>	<b>Proposed Budget Increase/(Decrease)</b>	
Town Government Oper	\$ 15,715,851	\$ 15,915,371	\$ 199,520	1.27%
BOE Operating	31,578,448	32,071,703	493,255	1.56%
Debt Service	4,712,294	4,400,000	(312,294)	(6.63%)
Capital Projects	1,100,000	800,000	(300,000)	(27.27%)
<b>Subtotal</b>	<b>53,106,593</b>	<b>53,187,074</b>	<b>80,481</b>	<b>0.15%</b>
Town Health Insurance	1,493,950	1,617,775	123,825	8.29%
BOE Health Insurance	3,924,648	5,251,209	1,326,561	33.80%
<b>Subtotal Health Ins</b>	<b>5,418,598</b>	<b>6,868,984</b>	<b>1,450,386</b>	<b>26.77%</b>
<b>Total</b>	<b>\$ 58,525,191</b>	<b>\$ 60,056,058</b>	<b>\$ 1,530,867</b>	<b>2.62%</b>

The budget totals \$60,056,058. This is an increase of \$1,530,867 or 2.62%. If adopted as presented, the estimated mill rate would be 33.84 or 0.41 mills (1.24%) higher than the adopted FY 2018 mill rate of 33.43, which includes the supplemental tax assessment of 0.75 mills. This assumes the revenues as proposed in the Legislature's approved budget remain the same. The mill rate is calculated as follows:

<b>Expenditure Budget Change</b>		<b>Revenue Budget Change</b>	
BOE Health Insurance	\$ 1,326,561	Sundry & Xfers In	\$ 306,586
BOE Operating	493,255	Fines & Fees	15,000
Town Government Operating	199,520	Use of Money	(10,000)
Town Health Insurance	123,825	Intergovernmental	(610,277)
Capital Projects	(300,000)	Grand List Increase @ 33.84	195,000
Debt Service		Supplemental Tax Levy	981,528
	(312,294)	Amount to be Raised by Mill	
<b>Total Expenditure Change</b>	<b>\$ 1,530,867</b>	Rate increase	653,030
		<b>Total Revenue Change</b>	<b>\$ 1,530,867</b>

**Amount to be Raised by Mill Rate increase is \$653,030 (0.41 mills) or 1.23%**

**Overall Mill Rate increase from July 1, 2017 to July 1, 2018 is 1.16 mills (0.41+0.75) or 3.5%  
(32.68 to 33.84)**



Gross expenditures	\$	60,056,058	
Less direct revenue estimates		(14,073,580)	
Net budget		45,982,478	
Use of fund balance		(200,000)	
Adjustment for uncollected taxes @ 2.60%		1,222,120	
Amount to be raised		47,004,598	
Value of 1 mill at 97.4% collection rate	\$	1,388,895	
Calculated mill rate		$\frac{47,004,598}{1,388,895} =$	33.84 mills

### REVENUE HIGHLIGHTS

The Intergovernmental revenue estimates are based on the Legislature's proposed budget. The Governor's purposed revisions released on February 5, 2018 is actually lower than the adopted budget from the State of Connecticut Legislature by \$1,179,999. If necessary this proposed reduction could not occur unless approved by the State Legislature. These amounts can be adjusted as our budget process continues.

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

	FY 2018	FY 2019	Difference
Xfer In – Debt Management Fund	\$ -	\$ 300,000	\$ 300,000
Grants for municipal projects/MRSF sales tax sharing **	522,783	541,936	19,153
Police fees	50,000	62,500	12,500
Interfund transfers in - WPCF	329,161	335,747	6,586
PILOT – State property **	10,310	8,596	(1,714)
Investment income	40,000	30,000	(10,000)
Pequot grant **	74,491	27,635	(46,856)
LoCIP **	228,244	145,246	(82,998)
PILOT – elderly circuit breaker **	150,000	-	(150,000)
Education cost sharing /Special education grant**	10,717,086	10,372,724	(344,362)
<b>Subtotal Direct Revenue</b>	<b>12,122,075</b>	<b>11,824,384</b>	<b>(297,691)</b>
All other direct revenue – not incl current taxes	2,250,196	2,249,196	(1,000)
<b>Total Direct Revenue</b>	<b>\$ 14,372,271</b>	<b>\$ 14,073,580</b>	<b>\$ (298,691)</b>

\*\* Intergovernmental revenue line items



## **TOWN GENERAL GOVERNMENT, DEBT SERVICE, & CAPITAL EXPENDITURES**

The Town General Government operating budget is recommended at **\$15,915,371** plus Town health insurance of **\$1,617,775** for a total of **\$17,533,146**. This is an overall increase of \$323,345 or 1.88% from the current fiscal year 2018. This is detailed as \$199,520 for the Town General Government and \$123,825 for Town health insurance. The health insurance recommended line item accounts for 38% of the purposed increase in the Town General Government with all other line items combined account for the remaining 62%. The major changes to the Town General Government budget are as follows:

- All personnel costs, including overtime, are budgeted between a 1.50% to 2.0% increases depending upon negotiated union contracts. Payroll increases in total dollars, including overtime, of \$187,860 or 2.37% are in this budget request.
- The Police budget increase of \$125,801 is primarily related to personnel costs increasing due to potential funding of a School Resource Officer (SRO) and filling a vacant dispatcher position. The School Resource Officer increase is partially offset by a reduction in the Data Processing department #155 of funding the shared BOE IT position. If approved, the BOE budget will pick up this cost, the Police budget will pick up the school resource officer position cost.
- The Buildings & Grounds department increase of \$43,962 is primarily due to filling a vacant HVAC position. The FY 2018 budget included an approval to fill their position in January of 2018. This was deferred because of the state aid reduction. This position has been vacant for over a year. Required building maintenance is currently falling behind and/or being contracted at higher rates.
- The cost to provide property/liability insurance and workers compensation is estimated to increase by \$30,815 or 4.61% 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 \$12,220 or 0.81% due to lower fuel costs and conversion to LED streetlights.
- Employee Benefits, which includes health insurance, increased \$155,161, of which health insurance alone is \$123,825. The Town is looking at many options as to how to control health insurance costs.
- Most individual line items and departments have been kept to the FY 2018 budget level.

The Town Debt Service budget is recommended at **\$4,400,000** based on current outstanding bond obligations. This reflects a reduction of \$312,294 from the current fiscal year 2018 budget of \$4,712,294.

The General Fund contribution to capital is recommended at **\$800,000**, a reduction of \$300,000.



**Summary of Expenditures (By Budget Function Except BOE)**

	<b>Appropriated FY 2018</b>	<b>Proposed FY 2019</b>	<b>Proposed Budget Increase/(Decrease)</b>	
General Government	\$ 2,489,607	\$ 2,506,769	\$ 17,162	0.69%
Public Safety	4,569,799	4,698,220	128,421	2.81%
Public Works	4,110,158	4,140,078	29,920	0.73%
Health & Human Services	1,723,358	1,730,045	6,687	0.39%
Civic & Cultural	155,162	156,755	1,593	1.03%
Employee Benefits	3,354,505	3,509,666	155,161	4.63%
Sundry (includes Xfers Out)	807,212	791,613	(15,599)	(2.01%)
<b>Total General Government</b>	<b>17,209,801</b>	<b>17,533,146</b>	<b>323,345</b>	<b>1.88%</b>
<b>Debt Service</b>	<b>4,712,294</b>	<b>4,400,000</b>	<b>(312,294)</b>	<b>(6.63%)</b>
<b>Capital</b>	<b>1,100,000</b>	<b>800,000</b>	<b>(300,000)</b>	<b>(27.27%)</b>
<b>Total Town Government</b>	<b>\$ 23,022,095</b>	<b>\$ 22,733,146</b>	<b>\$ (288,949)</b>	<b>(1.26%)</b>

**BOARD OF EDUCATION**

The FY 2019 Board of Education operating budget is recommended at **\$32,071,703** plus BOE health insurance of **\$5,251,209** for a total of **\$37,322,912**. This is an overall increase of \$1,819,816 or 5.13% from the current fiscal year 2018. This is detailed as \$493,255 for the BOE operating budget and \$1,326,561 for BOE health insurance. The increase in the health insurance line item accounts for 73% of the overall BOE budget increase with all remaining line items accounting for 37% of the increase. 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)**

	<b>Appropriated FY 2018</b>	<b>Proposed FY 2019</b>	<b>Proposed Budget Increase/(Decrease)</b>	
Salaries	\$ 23,496,346	\$ 24,058,177	\$ 561,831	2.39%
Employee Benefits	5,757,619	7,252,509	1,494,890	25.96%
Purchased Prof Services	686,476	658,007	(28,469)	(4.15%)
Purchased Property Services	607,693	618,648	10,955	1.80%
Other Purch Serv	1,812,517	1,671,578	(140,939)	(7.78%)
Other Purch Serv – Ins	242,519	275,117	32,598	13.44%
Other Purch Serv - Tuition	1,052,852	989,800	(63,052)	(5.99%)
Supplies	1,731,684	1,680,956	(50,728)	(2.93%)
Property	43,015	43,595	580	1.35%
Dues & Fees	72,375	74,525	2,150	2.97%
<b>Total Board of Education</b>	<b>\$ 35,503,096</b>	<b>\$ 37,322,912</b>	<b>\$ 1,819,816</b>	<b>5.22%</b>

**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 \$2,183,258 covering forty-three (43) projects. The Town Manager reduced those requests by \$1,608,158 while recommending \$575,100 covering fifteen (15) projects. The BOE requested \$341,218 covering nine (9) projects. The Town Manager reduced those requests by \$116,318



while recommending \$224,900 covering four (4) projects. A summary of the capital and equipment recommendations for next year are as follows:

<b>Projects &amp; Major Equipment</b>		<b>Town Manager Recommended</b>
<b>Town Government</b>		
<b>1. Data Processing Department</b>		
Green Wi-Fi - aggregate	\$	10,800
Upgrades & Equipment - aggregate		30,000
<b>2. Economic &amp; Community Development Department</b>		
10 Year Plan of Conservation & Development		50,000
<b>3. Police Department</b>		
Patrol Cruisers Ford Interceptors – 1 - aggregate		29,500
Patrol Cruiser Outfitting – 1 - aggregate		10,250
Dispatch Communication Equipment (5 <sup>th</sup> of 5 annual lease payments)		157,848
Video Cameras in Patrol Cruisers – 2 – aggregate		7,000
Computer Aided Dispatch & Records – aggregate		117,500
Equipment - aggregate		7,940
Computer Replacement – aggregate		11,762
<b>4. Fire Department</b>		
Personal Protective Equipment – aggregate		24,500
SCBA Bottle Replacements - aggregate		10,000
Utility 2 Replacement, Outfitted		75,000
<b>5. Buildings &amp; Grounds Department</b>		
4WD Pickup Truck #45		26,000
<b>6. Library Department</b>		
Replace Computer Workstations		7,000
<b>Total Gross Town Government Recommended</b>		<b>575,100</b>
<b>Board of Education</b>		
<b>1. District Wide</b>		
Network Upgrade - aggregate	\$	22,500
Replace Chromebooks		110,000
<b>2. Middle School of Plainville (MSP)</b>		
Cases for Grade 6 Chromebooks		4,900
<b>3. Plainville High School (PHS)</b>		
Projectors Replacement		87,500
<b>Total Gross Board of Education Recommended</b>		<b>224,900</b>
<b>Total Town of Plainville Capital Recommended</b>	\$	<b>800,000</b>

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**

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The Town Government and Board of Education budgets are being recommended to maintain the current levels of service to the citizens in Plainville. The budget climate at the State of Connecticut level is very uncertain and our health care rates have increased dramatically. For this reason, we have detailed the proposed budgets into operating and non-operating for both the Town and BOE budgets. While health insurance is part of the operating budgets, we feel it is important to detail these costs separately. It is important to note, that, if not for the increase in health insurance, the overall expenditure increase would be \$80,481 or 0.15%. The proposed revenue budget is subject to change but due to timing of our budget process and the State of Connecticut 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**