

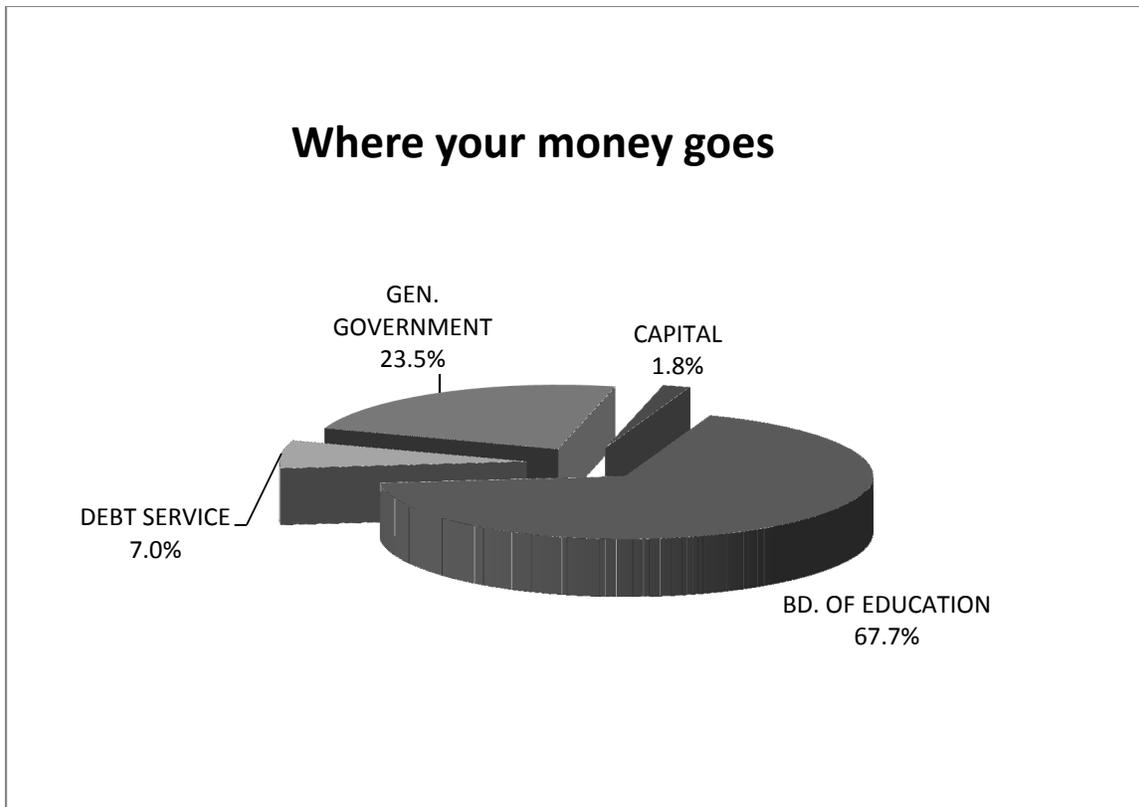
Expenditures

EXPENDITURES

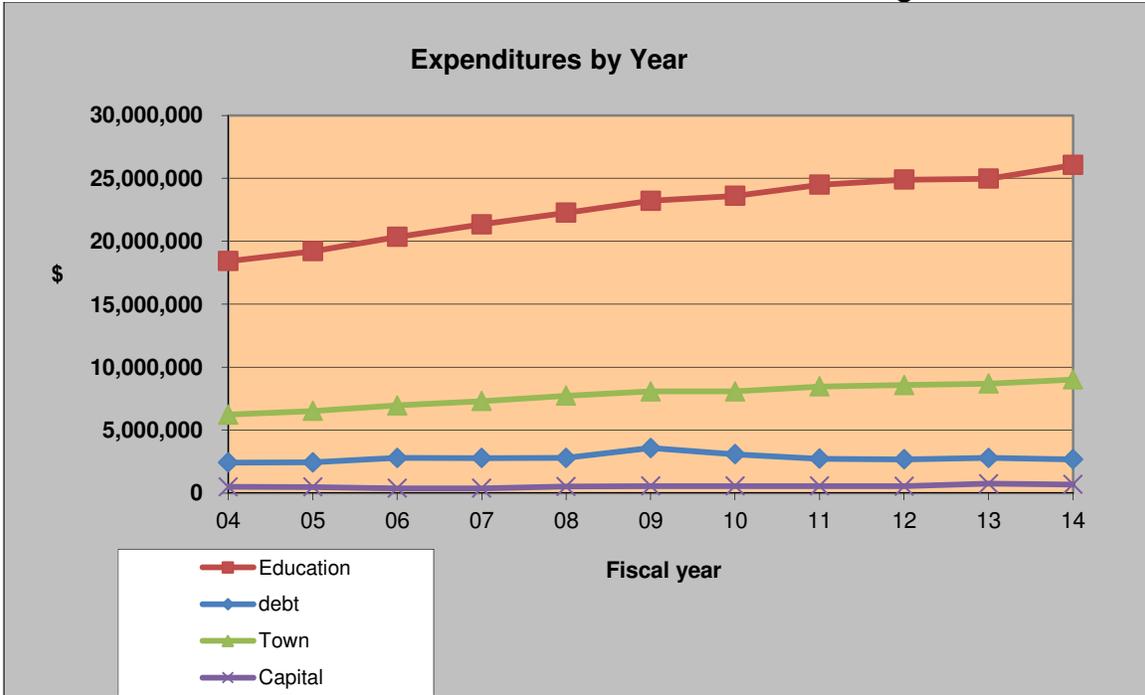
The expenditure part of the budget is broken down into the categories of General Government, Board of Education, Debt Service and Capital Expenditures which includes the Reserve for Capital & Nonrecurring Expenditures (CNREF). The requested expenditures for the fiscal year 13/14 total \$38,462,213, an increase of \$1,223,284, or 3.28% over the adopted FY 12/13 budget. A breakdown is illustrated below.

Budget Area	Adopted Budget FY 12-13	Proposed Budget FY 13-14	\$ Change	% Change
General Government	\$8,706,287	\$9,029,229	\$322,942	3.71
Board of Education	\$24,965,931	\$26,049,425	\$1,083,494	4.34
Debt Service	\$2,803,386	\$2,687,519	(\$115,867)	-4.13
Capital	\$763,325	\$696,040	(\$67,285)	-8.81
Total	\$37,238,929	\$38,462,213	\$1,223,284	3.28

The following chart shows a breakout of the various budget areas by percentage which, when combined, create the annual budget.

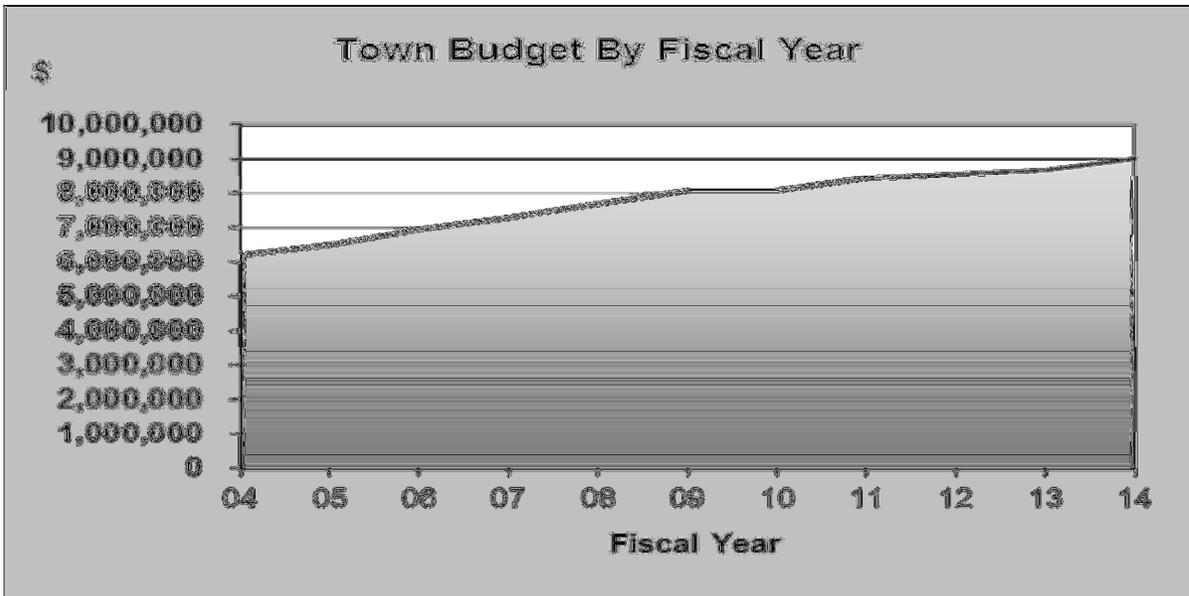


The next illustration shows historical trends for the same categories.



General Government

The Town operating budget recommended for FY 13/14 is \$9,029,229, which represents a \$ 322,942 or 3.71 percent increase compared to the current adopted budget. The Town budget makes up 23.4% of the total operating budget and 22.7% of the requested increase. Budget requests of Town agencies totaled \$9,155,387 and were reduced \$132,192 by the Town Manager. Without the Manager's reductions the increase over the budget would have been a 5.2% increase. The Council added \$6,750 back of these cuts for fire and library



The following table presents a summary of the operating budget by function.

	<u>FY 12/13</u>	<u>FY 13/14</u>	<u>Increase</u>	<u>%</u>
General Administration	\$1,438,457	\$1,431,599	\$(6,858)	(.48)
Public Safety	2,159,038	2,240,101	781,093	3.75
Public Works	2,051,428	2,109,293	57,865	2.82
Human Services	239,022	243,670	4,648	1.94
Civic & Cultural	480,468	503,128	22,660	4.7
Sundry	<u>2,337,874</u>	<u>2,501,438</u>	<u>163,564</u>	<u>7.0</u>
Total	\$8,706,287	\$9,029,229	\$322,942	3.71

Within each function the Town operating budget is composed of five major expenditure objects: Personnel Services, Contractual Services, Supplies, Capital Expenditures and Utilities. A table comparing FY 12/13 and FY 13/14 is provided below. A detailed analysis of the five expenditure objects is also provided below.

COMPARISON OF FY 12-13 AND FY 13-14 MAJOR EXPENDITURE OBJECTS

	<u>FY 13</u>	<u>FY 14</u>	<u>% Total</u>	<u>\$ Change</u>	<u>% Change</u>
Personnel	\$6,369,786	\$6,601,131	73.1%	\$231,345	3.63
Contractual	1,293,940	1,345,234	14.9	51,294	3.96
Supplies	755,224	781,230	8.7	26,006	3.44
Capital	23,750	23,150	.2	(600)	(2.53)
Utilities	<u>263,587</u>	<u>278,484</u>	<u>3.1</u>	<u>14,897</u>	<u>5.65</u>
Total	\$8,706,287	\$9,029,229	100%	\$322,924	3.71

Personnel Services

The recommended expenditures for personnel services have increased by \$231,345 or 3.63%. Personnel services include wages, overtime, pension, health insurance, and Social Security. All of the four bargaining units have contracts in place for July. Wages for non-union employees were set to reflect equity with approved contracts. The budget includes the full year salary for one full time Police Officer hired in fall of 2012. Health insurance is projected to increase by 16.4% or \$144,072. This makes up 45.6% of the requested increase. Without this the increase would be 2%. This is after increases in employee contributions. We hope that as the renewal gets closer that these preliminary rates can be reduced. Full time wages reflect a 2.26% total increase. The only increase in hours is the proposal to add six hours a week to the Library to allow them to open two additional morning per week.

Pension expenses have been held steady due to increased investment earnings. We actually are planning to contribute the same amount as last year, which is more than required based on the actuarial review, to increase our plan funding levels. While the market has significantly recovered, losses (and gains) are averaged over a five year period to lessen the volatility. Our unfunded pension liability is an area of concern and was addressed with the seven Town and Board AFSCME bargaining units who increased both contributions and raised retirement age.

Contractual Services

Contractual services increased slightly by \$51,294. A list of major changes in this category includes:

Fire department insurance	\$7,982
Legal Services	\$5,000
Service contracts (janitorial, HVAC)	\$10,186
Workers' Comp Insurance	\$20,559
Fraud audit	(\$10,000)
Legal Ads: PZC, IW, ZBA	\$7,725

Supplies

The supply area of the budget increased by \$26,006, or 3.44%. Most adjustments were minor and reflect current costs. Major changes include:

Gasoline and Diesel	\$12,250
Fire Uniforms	\$4,250

Capital Expenditures

Capital Expenditures within the General Government budget decreased by \$600. These expenses are primarily for equipment replacements.

Utilities

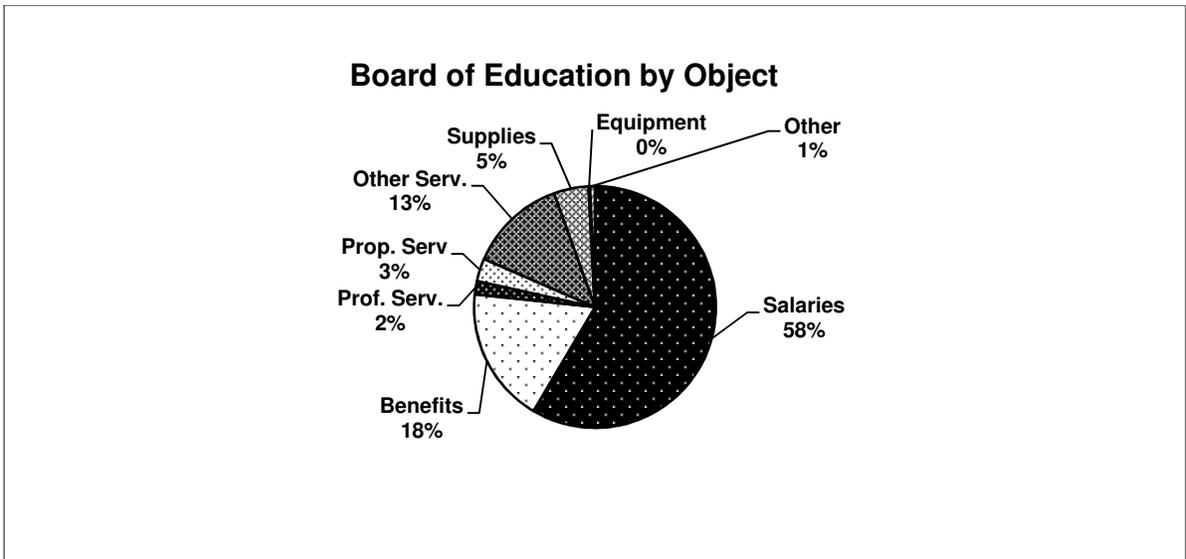
We have had to increase both electrical and heating fuel prices. Utilities have increased \$14,897. We did re-bid and reduce electric rates effective Jan 1, 2014 but new facilities and new demand charges have increased the costs. The Energy Committee established by the Town Council has helped reduce Town Hall expenses and the photo-voltaic cells have reduced electric use in the Annex and Public Works. Sewer rates are anticipated to remain constant.

**Town of Coventry
Town Council Approved Budget
FY 2013-14**

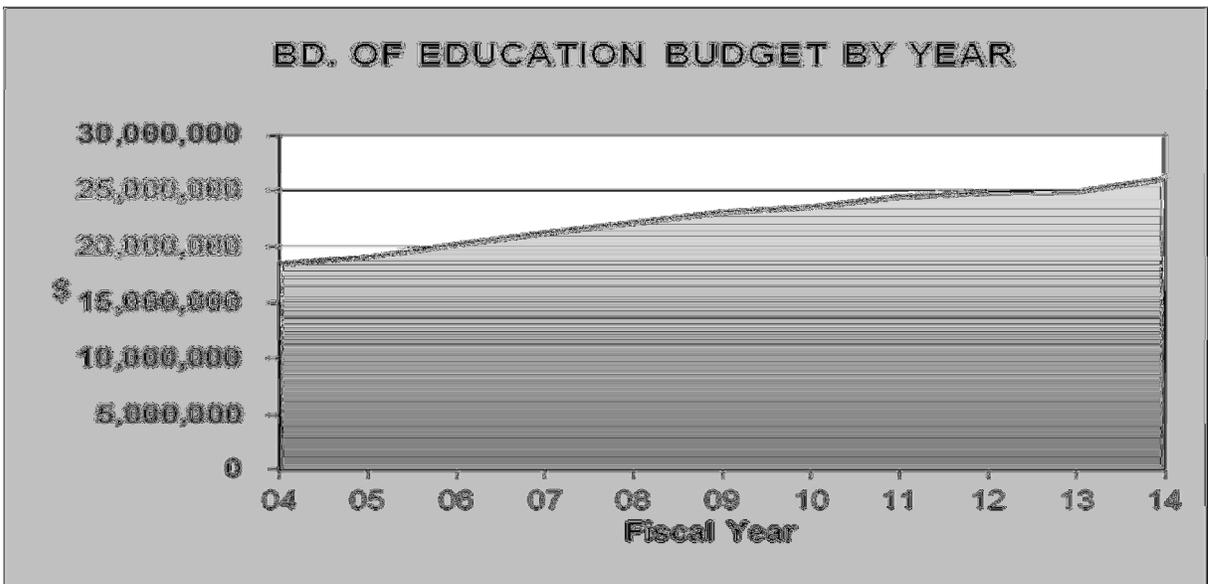
Budget Fiscal Year: 2014 to 2014

	2012 Actual	2013 Base Budget	2013 Actual YTD	2013 Est. Actual	Dept Head	Town Manager	Council	Cou/Bud Inc/Dec	%
1101 TOWN COUNCIL	21,416	21,425	19,464	22,124	22,475	22,275	22,275	850	3.97%
1201 TOWN MANAGER	184,032	187,484	137,606	188,552	197,408	196,908	196,908	9,424	5.03%
1300 FINANCE ADMINISTRATION	103,465	116,340	82,466	116,340	108,766	107,716	107,716	-8,624	-7.41%
1301 ACCOUNTING	108,286	110,382	79,109	110,382	113,706	113,706	113,706	3,324	3.01%
1302 COLLECTOR OF REVENUE	105,040	108,715	75,265	108,715	106,800	106,930	106,930	-1,785	-1.64%
1303 ASSESSOR	127,137	144,590	88,515	144,590	127,589	127,589	127,589	-17,001	-11.76%
1304 ASSESSMENT APPEALS	285	625	296	625	950	900	900	275	44.00%
1305 TREASURER	17,927	22,790	17,067	22,790	23,903	23,903	23,903	1,113	4.88%
1306 INFORMATION TECHNOLOGY	77,964	89,450	82,543	89,476	100,270	90,520	90,520	1,070	1.20%
1401 PLANNING	128,985	132,387	77,299	132,387	125,139	125,139	125,139	-7,248	-5.47%
1402 ZONING BOARD/APPEALS	21,189	22,322	11,378	22,322	21,814	21,814	21,814	-508	-2.28%
1403 CONSERVATION	292	1,260	55	1,260	3,210	1,260	1,260	0	0.00%
1404 ECONOMIC DEVELOPMENT	25,645	12,281	7,611	12,446	12,443	12,593	12,593	312	2.54%
1405 REGIONAL GRANTS	10,415	10,508	10,508	10,508	12,189	12,189	12,189	1,681	16.00%
1406 INLAND WETLANDS	41,157	41,873	27,510	41,873	41,912	41,912	41,912	39	0.09%
1407 P&Z COMMISSION	5,087	1,650	3,096	1,650	4,650	4,650	4,650	3,000	181.82%
1501 LEGAL COUNSEL	183,915	80,000	57,924	80,000	85,000	85,000	85,000	5,000	6.25%
1502 PROBATE COURT	4,243	4,407	4,406	4,407	5,009	5,009	5,009	602	13.66%
1601 RECORDING/LICENSING	148,650	150,518	108,013	150,518	155,816	155,816	155,816	5,298	3.52%
1701 ELECTIONS	35,810	46,390	23,630	46,390	43,510	41,510	41,510	-4,880	-10.52%
1801 TOWN OFFICE BLDG.	72,778	71,810	55,369	71,960	72,750	72,810	72,810	1,000	1.39%
1802 CENTRAL SERS./SUPPLY	52,168	61,250	29,249	61,250	61,450	61,450	61,450	200	0.33%
2101 POLICE ADMINISTRATION	153,319	168,634	123,196	170,817	174,813	174,813	174,813	6,179	3.66%
2102 POLICE OPERATIONS	1,053,078	1,139,283	804,043	1,139,363	1,212,781	1,170,881	1,170,881	31,598	2.77%
2103 POLICE SUPPORTIVE SERVICES	269,689	293,868	204,174	290,634	302,163	301,163	301,163	7,295	2.48%
2104 POLICE MARINE PATROL	5,299	6,600	6,972	7,600	7,200	7,200	7,200	600	9.09%
2105 POLICE STATION	50,612	57,890	44,809	57,890	57,890	57,890	57,890	0	0.00%
2201 FIRE MARSHAL	24,544	25,990	19,595	25,990	27,649	27,649	27,649	1,659	6.38%
2202 COVENTRY VOL FIRE ASSN	144,393	143,080	118,229	143,080	154,066	108,700	108,700	-34,380	-24.03%
2203 NORTH COV. VOL. FIRE DEPT	105,994	106,920	54,948	106,920	151,992	95,109	98,359	-8,561	-8.01%
2204 AMBULANCE-PARAMEDIC	9,144	9,150	9,150	9,150	0	0	0	-9,150	-100.00%
2206 NO. COV. SUB-STATION	16,254	7,900	7,836	7,900	7,900	7,900	7,900	0	0.00%
2207 JOINT FIRE BUDGET	90,875	96,881	73,454	96,881	121,936	178,733	178,733	81,852	84.49%
2208 CVFA SOUTH ST. SUBSTATION	11,065	12,330	12,565	15,440	13,210	12,990	12,990	660	5.35%
2301 EMERGENCY MANAGEMENT	24,552	23,873	16,348	23,873	25,089	25,089	25,089	1,216	5.09%
2401 ANIMAL CONTROL	62,847	66,639	40,862	66,639	68,634	68,734	68,734	2,095	3.14%
3100 ROADS & DRAINAGE	517,262	528,857	359,203	505,070	563,130	533,634	533,634	4,777	0.90%
3101 PUBLIC WORKS BUILDING	52,687	44,950	42,294	44,950	50,450	50,070	50,070	5,120	11.39%
3102 SNOW REMOVAL	156,002	252,000	187,989	252,000	252,000	252,000	252,000	0	0.00%
3103 FACILITY MAINTENANCE	187,447	233,342	157,237	235,442	240,991	243,691	243,691	10,349	4.44%
3104 PUBLIC WORKS ADMINISTRATION	208,696	232,198	166,454	233,798	238,284	238,284	238,284	6,086	2.62%
3105 FLEET MAINTENANCE	408,286	408,861	345,442	424,803	415,366	426,366	426,366	17,505	4.28%
3107 MATCHING FUNDS	1,500	1,500	1,500	1,500	1,500	1,500	1,500	0	0.00%
3108 STREET LIGHTS	41,010	41,400	27,953	41,400	41,550	41,550	41,550	150	0.36%
3109 CEMETERY COMM.	18,870	19,600	11,742	19,600	22,634	22,634	22,634	3,034	15.48%
3110 TREE WARDEN	19,788	20,000	5,100	20,000	20,000	21,000	21,000	1,000	5.00%
3201 ENGINEERING	69,848	72,399	54,579	72,404	74,593	74,593	74,593	2,194	3.03%
3301 BLDG. INSPECTION	134,108	140,116	99,409	140,116	146,806	146,806	146,806	6,690	4.77%
3302 BUILDING CODE BD. OF APPEALS	45	45	45	45	45	45	45	0	0.00%
3501 HEALTH DEPT.	55,505	56,160	42,122	56,160	57,120	57,120	57,120	960	1.71%
4102 VISITING NURSE & COMM. CARE	4,000	2,500	1,900	2,500	2,500	2,500	2,500	0	0.00%
4200 HUMAN SERVICES/GA	163,413	170,876	114,925	170,876	175,521	175,521	175,521	4,645	2.72%
4205 ELDERLY SERVICES	51,531	65,646	49,769	65,646	66,149	65,649	65,649	3	0.00%
5101 BOOTH DIMOCK/PORTER LIBRARIE	371,351	379,983	197,125	379,983	405,748	399,056	402,556	22,573	5.94%
5201 PARKS & REC SUPV/OPERATIONS	94,029	97,310	78,436	97,310	97,397	97,397	97,397	87	0.09%
5301 MEMORIAL DAY	2,349	3,175	866	3,175	3,175	3,175	3,175	0	0.00%
8101 MUNICIPAL INSURANCE	300,224	329,358	309,932	329,621	351,825	349,917	349,917	20,559	6.24%
8102 PENSION/SOCIAL SECURITY	1,108,940	1,075,305	936,477	1,075,305	1,066,157	1,066,157	1,066,157	-9,148	-0.85%
8103 HEALTH INSURANCE	787,998	889,498	724,849	889,498	1,035,364	1,035,364	1,035,364	145,866	16.40%
8301 CONTINGENCY	0	23,713	0	23,713	15,000	10,000	10,000	-13,713	-57.83%
8303 CLAIMS AND LOSSES	77,361	20,000	19,717	90,000	40,000	40,000	40,000	20,000	100.00%
Total	8,329,801.00	8,706,287.00	6,469,625.00	8,777,657.00	9,155,387.00	9,022,479	9,029,229	322,942	3.71%

Board of Education



The Coventry Public Schools prepares an independent budget utilizing the same process the Town agencies go through. The Superintendent of Schools gathers and prepares a budget, which is reviewed and modified as necessary by the Board of Education and then forwarded to the Town Council for review and modification. The Town Council, under Connecticut law, has the authority only to reduce the bottom line of the Board's budget, not specific programs. The Board of Education submitted a budget request of \$26,124,425, an increase of \$1,158,494 or 4.64% above their adopted FY 13 budget. The Town Council reduced this request by \$75,000 to \$26,049,425 or a 4.34% increase. This budget accounts for 67.7% of the total proposed budget and makes up 88.5% of the total proposed budget increase. Capital projects totaling \$150,000 for Education are also included in the Capital Budget.



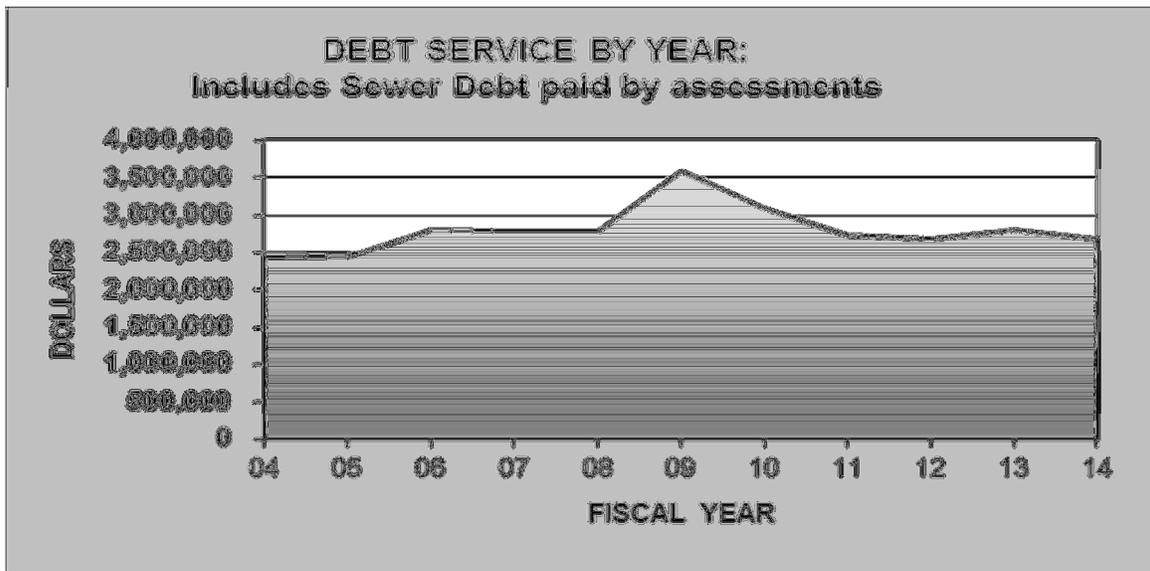
Note the following chart is prior to the Board making the \$75,000 Council reduction.

2013- 2014 OBJECT COMPARISON BUDGET - CHARTER FORMAT

	DESCRIPTION	2011-2012 ACTUAL	2012-2013 BUDGET	DEC 31, 2012 ACTUAL	2012-2013 ESTIMATED	2013-2014 BUDGET	\$ CHANGE	% CHANGE
SALARIES								
111	CERTIFIED SALARIES	\$ 11,272,021	\$ 11,753,652	\$ 4,653,708	\$ 11,753,652	\$ 12,166,498	\$ 412,846	3.51%
112	NON-CERTIFIED SALARIES	\$ 2,600,563	\$ 2,609,126	\$ 1,084,531	\$ 2,620,713	\$ 2,635,865	\$ 26,739	1.02%
113	EXTRA CURRICULAR SALARIES	\$ 48,976	\$ 56,504	\$ 22,020	\$ 56,504	\$ 57,804	\$ 1,300	2.30%
114	ATHLETIC SALARIES	\$ 121,554	\$ 110,466	\$ 74,728	\$ 110,466	\$ 157,334	\$ 46,868	42.43%
120	CERTIFIED TEMPORARY SALARIES	\$ 249,711	\$ 226,654	\$ 63,158	\$ 226,654	\$ 226,654	\$ -	0.00%
121	NON-CERTIFIED TEMP. SALARIES	\$ 62,960	\$ 41,900	\$ 18,982	\$ 41,900	\$ 41,900	\$ -	0.00%
TOTAL FOR SALARIES		\$ 14,355,785	\$ 14,798,302	\$ 5,917,127	\$ 14,809,889	\$ 15,286,055	\$ 487,753	3.30%
BENEFITS								
210	HEALTH INSURANCE	\$ 2,966,988	\$ 3,061,386	\$ 1,950,407	\$ 3,174,891	\$ 3,650,891	\$ 589,505	19.26%
220	SOCIAL SECURITY	\$ 187,423	\$ 229,214	\$ 93,857	\$ 229,214	\$ 233,798	\$ 4,584	2.00%
221	MEDICARE	\$ 193,011	\$ 206,616	\$ 86,570	\$ 206,616	\$ 210,748	\$ 4,132	2.00%
230	PENSION	\$ 532,040	\$ 456,406	\$ 470,142	\$ 460,142	\$ 465,142	\$ 8,736	1.91%
250	UNEMPLOYMENT COMPENSATION	\$ 30,697	\$ 25,000	\$ 6,280	\$ 20,000	\$ 25,000	\$ -	0.00%
260	WORKERS COMPENSATION	\$ 134,787	\$ 136,000	\$ 108,750	\$ 145,000	\$ 156,600	\$ 20,600	15.15%
TOTAL FOR BENEFITS		\$ 4,044,946	\$ 4,114,622	\$ 2,716,005	\$ 4,235,863	\$ 4,742,180	\$ 627,558	15.25%
PROFESSIONAL SERVICES								
330	LEGAL & AUDIT	\$ 97,829	\$ 99,640	\$ 66,767	\$ 131,525	\$ 104,640	\$ 5,000	5.02%
332	PUPIL SERVICES	\$ 263,413	\$ 357,454	\$ 84,697	\$ 357,454	\$ 342,361	\$ (15,093)	-4.22%
333	INSTRUCTIONAL IMPROVEMENT	\$ 35,142	\$ 24,050	\$ 3,350	\$ 24,050	\$ 24,050	\$ -	0.00%
TOTAL FOR PROFESSIONAL SERVICES		\$ 396,384	\$ 481,144	\$ 154,814	\$ 513,029	\$ 471,051	\$ (10,093)	-2.10%
PROPERTY SERVICES								
410	UTILITIES	\$ 364,742	\$ 412,000	\$ 145,592	\$ 412,000	\$ 390,553	\$ (21,447)	-5.21%
411	SEWER SERVICES	\$ 29,919	\$ 31,240	\$ 31,901	\$ 31,900	\$ 31,900	\$ 660	2.11%
420	DISPOSAL SERVICES	\$ 18,230	\$ 23,800	\$ 16,160	\$ 30,579	\$ 26,000	\$ 2,200	9.24%
430	CONTRACTED SERVICES	\$ 1,090,282	\$ 402,345	\$ 317,222	\$ 402,345	\$ 326,923	\$ (75,422)	-18.75%
440	RENTALS	\$ 16,776	\$ 19,376	\$ 10,685	\$ 19,376	\$ 19,406	\$ 30	0.15%
TOTAL FOR PROPERTY SERVICES		\$ 1,519,949	\$ 888,761	\$ 521,559	\$ 896,200	\$ 794,782	\$ (93,979)	-10.57%
OTHER SERVICES								
510	STUDENT TRANSPORTATION	\$ 1,569,498	\$ 1,703,694	\$ 625,224	\$ 1,703,694	\$ 1,783,841	\$ 80,147	4.70%
513	ATHLETIC TRIPS	\$ 49,483	\$ 54,400	\$ 22,731	\$ 54,400	\$ 54,900	\$ 500	0.92%
520	PROPERTY & LIABILITY INSURANCE	\$ 158,897	\$ 170,616	\$ 123,257	\$ 170,616	\$ 173,410	\$ 2,794	1.64%
530	TELEPHONE	\$ 27,573	\$ 28,127	\$ 712	\$ 28,127	\$ 28,606	\$ 479	1.70%
531	POSTAGE	\$ 20,140	\$ 18,000	\$ 16,101	\$ 18,000	\$ 18,000	\$ -	0.00%
540	ADVERTISING	\$ 13,082	\$ 5,110	\$ 1,603	\$ 5,110	\$ 5,110	\$ -	0.00%
550	PRINTING	\$ 23,035	\$ 26,570	\$ 13,700	\$ 26,570	\$ 25,399	\$ (1,171)	-4.41%
560	TUITION	\$ 1,009,939	\$ 1,150,933	\$ 391,815	\$ 1,150,933	\$ 1,047,995	\$ (102,938)	-8.94%
561	TUITION, NON-PUBLIC	\$ 412,661	\$ 101,851	\$ 248,628	\$ 101,851	\$ 233,131	\$ 131,280	128.89%
580	TRAVEL	\$ 20,609	\$ 24,686	\$ 11,079	\$ 24,686	\$ 26,396	\$ 1,710	6.93%
TOTAL FOR OTHER SERVICES		\$ 3,304,918	\$ 3,283,987	\$ 1,454,850	\$ 3,283,987	\$ 3,396,789	\$ 112,802	3.43%
SUPPLIES								
611	INSTRUCTIONAL SUPPLIES	\$ 330,819	\$ 304,192	\$ 161,348	\$ 304,192	\$ 389,239	\$ 85,047	27.96%
612	CUSTODIAL SUPPLIES	\$ 50,969	\$ 56,000	\$ 35,350	\$ 56,000	\$ 54,000	\$ (2,000)	-3.57%
613	MAINTENANCE SUPPLIES	\$ 125,856	\$ 90,000	\$ 24,991	\$ 90,000	\$ 90,000	\$ -	0.00%
620	HEAT ENERGY	\$ 251,153	\$ 367,500	\$ 51,743	\$ 367,500	\$ 313,000	\$ (54,500)	-14.83%
626	GASOLINE & DIESEL	\$ 167,893	\$ 144,250	\$ 64,731	\$ 167,994	\$ 165,500	\$ 21,250	14.73%
640	TEXTBOOKS	\$ 53,773	\$ 66,390	\$ 35,303	\$ 66,390	\$ 82,504	\$ 16,114	24.27%
641	WORKBOOKS	\$ 30,791	\$ 47,353	\$ 33,123	\$ 47,353	\$ 37,123	\$ (10,230)	-21.60%
642	LIBRARY BOOKS & PERIODICALS	\$ 28,772	\$ 29,776	\$ 17,282	\$ 29,776	\$ 29,776	\$ -	0.00%
690	OTHER SUPPLIES	\$ 65,415	\$ 46,519	\$ 21,470	\$ 46,519	\$ 46,942	\$ 423	0.91%
TOTAL FOR SUPPLIES		\$ 1,105,440	\$ 1,151,980	\$ 445,342	\$ 1,175,724	\$ 1,208,084	\$ 56,104	4.87%
EQUIPMENT								
730	SPECIAL ED. INSTRUCTIONAL EQUIP.	\$ 4,870	\$ 10,500	\$ -	\$ 10,500	\$ -	\$ (10,500)	-100.00%
739	OTHER EQUIPMENT	\$ 54,820	\$ 63,450	\$ 33,597	\$ 63,450	\$ 47,850	\$ (15,600)	-24.59%
TOTAL FOR EQUIPMENT		\$ 59,691	\$ 73,950	\$ 33,597	\$ 73,950	\$ 47,850	\$ (26,100)	-35.29%
OTHER								
810	DUES AND FEES	\$ 102,767	\$ 118,680	\$ 43,825	\$ 118,680	\$ 123,130	\$ 4,450	3.75%
891	ATHLETIC SUBSIDY	\$ 45,435	\$ 39,535	\$ 39,535	\$ 39,535	\$ 39,535	\$ -	0.00%
892	ASSEMBLIES & GRADUATION	\$ 15,484	\$ 14,970	\$ 3,800	\$ 14,970	\$ 14,970	\$ -	0.00%
TOTAL FOR OTHER		\$ 163,685	\$ 173,185	\$ 87,160	\$ 173,185	\$ 177,635	\$ 4,450	2.57%
TOTAL FOR BUDGET		\$ 24,950,798	\$ 24,965,931	\$ 11,330,455	\$ 25,161,828	\$ 26,124,425	\$ 1,158,494	4.64%

Debt Service

Debt Service as a percentage of the budget is 7.0% which is below the 10% threshold of concern. It is proposed to decrease this budget by \$115,867. The good news is that the Town debt service peaked a couple of years ago and has started a gradual decline. This budget is lower than our scheduled debt payments since it is offset by project proceeds, or the cash balances of recently completed capital projects. Sewer debt continues to be fully paid by sewer assessments. No new long term debt for unapproved projects has been included in the proposed budget. Two new lease purchases are requested for a new large fine cut mower (\$95,000) and a ToolCat with attachments (\$66,000). This will cost \$ 34,720 per year for five years. The budget impact for lease purchasing is a net decrease of \$46,088 due to pay-offs of three leases (\$80,808). Lease purchases are detailed in the capital section of the budget document. The entire debt schedule is included in the Debt portion of the budget.



Capital Expenditures

The Capital Expenditures Budget request for the general operating budget is \$696,040, a decrease of \$67,285 or (8.81%). It is proposed to decrease the overall capital spending. The largest items are computer resources, classroom furniture (\$30,000) and the second of three years of funding for revaluation (\$97,500). Over the years many projects were deleted or delayed in an effort to hold down the impact of the overall tax increase, creating a backlog of projects. Please refer to the Capital section of the budget for further details and information on other funding sources. It should be noted that the amount of funds required to sustain the current infrastructure is closer to \$1,000,000 per year. It is interesting to note that this budget request funds for capital projects at the level of capital expenditures in 1995/96 which, if adjusted for inflation, would be over \$1,000,000.

Under the Local Capital Improvement Program (LoCIP), the State of Connecticut will reimburse the Town 100% of approved infrastructure improvements. Details of planned projects are contained in the Capital budget. Based upon

auditor's advice, LoCIP has been established as a Special Revenue Fund. We receive approximately \$100,000 per year, but the governor is proposing a significant increase. If this increase is not approved projects will have to be cut. These items are not part of the referendum. \$180,000 is proposed for this year.

