

MEMORANDUM
Municipal Accountability Review Board

To: Members of the Municipal Accountability Review Board
From: Julian Freund, OPM
Subject: Summary of Town of Sprague 5-Year Plan
Date: January 31, 2019

Background

The Town of Sprague requested designation as a Tier II municipality in December 2018 largely as a result of an anticipated large operating deficit for FY 2018 leading to a negative fund balance as of 6/30/18. The Secretary approved the requested Tier II designation and referred the municipality to the MARB in December. The town has also made a request for Municipal Restructuring Funds and has submitted the attached 5-Year Plan.

As indicated in the First Selectman's application for designation, the FY 2018 deficit was primarily the result of Education expenditures exceeding appropriations by roughly \$835,000, as well as ECS receipts falling well short of what had been budgeted. At a Town Meeting in December 2018, the Town adopted an ordinance intended, among other things, to ensure financial transparency and greater sharing of financial information among the Town's various boards and commissions, including the Board of Education. The Town has since completed its audit for FY 2018 and confirmed a General Fund Balance of -\$1.08 million as of 6/30/18.

The following provides background information drawn from prior year audits and other sources and a summary of the town's proposed 5-Year Plan.

Proposed Five Year Plan

The Town's proposed 5-Year Plan covers fiscal years 2020 through 2024 using the FY 2019 budget as a baseline.

Revenues

Property Taxes: Property Taxes account for 62% of total General Fund revenues in the current budget year, increasing to 64.5% of total revenues by the final year of the plan. Annual increases in property tax revenue range from 0.6% to 3.3% as a result of mill rate increases in each year of the plan. The plan includes several mill rate increases ranging from 0.25 mills in years 3 and 4 to an increase of 1.3 mills in year 2.

The plan assumes no grand list growth over the five year period. During the period between the 2013 revaluation and the 2017 revaluation, the Town's grand list grew on average by 1.5% per year. The

current year budget (FY 2019) is based on the 2017 revaluation which resulted in a grand list decrease of 6.7% compared to FY 2018.

| Recent Grand List Changes | | | | | | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Fiscal Year | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| Grand List Year | Oct. 2012 | Oct. 2013 | Oct. 2014 | Oct. 2015 | Oct. 2016 | Oct. 2017* |
| Net Taxable Grand List | 163,859,991 | 165,459,070 | 170,748,310 | 169,169,232 | 173,934,720 | 162,305,930 |
| \$ Change vs Prior Yr | | 1,599,079 | 5,289,240 | (1,579,078) | 4,765,488 | (11,628,790) |
| % Change vs Prior Yr | | 0.98% | 3.20% | -0.92% | 2.82% | -6.69% |

* Revaluation year

For several years leading up to the most recent fiscal year, the Town's collection rate on the current levy had been declining significantly. After routinely achieving collection rates in the 96.5% to 97.5% range, collection rates declined to 90.7% and 91.8% in FY2016 and 2017 respectively. The Town attributes this largely to the 2014 foreclosure on the Fusion Papermill property and the resulting large write-off of unpaid taxes. For FY 2018, the collection rate on the current levy rebounded to 97.7%. The collection rate assumed for the 5-Year Plan is 97%.

| Fiscal Year | Collection on Current Levy |
|-------------|----------------------------|
| 2018 | 97.70% |
| 2017 | 91.80% |
| 2016 | 90.70% |
| 2015 | 93.40% |
| 2014 | 97.50% |
| 2013 | 96.70% |
| 2012 | 96.80% |
| 2011 | 96.50% |

State Aid: State Aid accounts for 35.5% of total revenues in the current fiscal year. The plan assumes level funding for all sources of State Aid, including the ECS grant. The baseline (FY 2019) revenues estimated for ECS and other major sources of State Aid are consistent with the Estimates of State Formula Aid to Municipalities updated by OPM in September.

Other Revenues: Other revenues in the plan account for 2.4% of total revenues in FY 2019. All of these sources remain flat over the five year period except for reimbursements from the Sewer Fund for interest payments on sewer related debt. These payments decline slightly each year.

Expenditures

Overall projected expenditures fluctuate slightly over the course of the five year plan, resulting in total expenditures in year 5 that are roughly 0.5% higher than budgeted expenditures in the current fiscal year.

Education expenditures are projected to remain at the current budgeted amount in each year of the plan. This is premised on a plan that would allow for Education expenditures to increase along with any increases in ECS funding (which is also projected at level amounts in the plan). The current contract with the Sprague Education Association is in effect through June 30, 2021. The contract provides for general wage increases of 0.65% in FY 2020 and 0.7% in FY 2021 for all but the top step employees. Employees at the top step receive general wage increases of 0.9% and 1.0%.

Town operating expenses are driven by projected increases in salaries of 2.0% to 2.2%, adding approximately \$20,000 to \$22,000 in total expenditures annually. The Town has one bargaining unit representing 6 employees in the Public Works department. The current contract which is effective through 6/30/2020 provides for general wage increases of 2.2% per year. Projected increases in the cost of various insurances adds roughly \$9,000 to \$11,000 per year.

Contributions to the Capital Non-Recurring account increase from the current year budget of \$9,000 to \$29,000 in FY 2020. Contributions in subsequent years are held at \$22,000

Debt

Principal and interest payments on the town’s existing debt, budgeted at approximately \$761,000 in the current fiscal year, declines over the course of the five year plan to about \$537,000 in the final year. The Town also has BANs of \$3.58 million on other authorized projects maturing on January 31, 2019. The Town’s current plan is to roll those notes over to September 2019 when they will be permanently financed. The plan currently provides estimates for debt service payments related to this authorized/unissued debt in each year of the plan. These estimates will need to be refined as the Town goes through the process of rolling over the notes in early 2019 and then issuing bonds in September. No new authorizations are contemplated in the plan which will limit any new capital investment during this period to pay-as-you-go contributions. While not reflected in this five year plan, debt service requirements on existing debt declines by more than \$200,000 in FY 2026 compared to FY 2025.

The Town would like to have the ability to authorize new capital projects in the next five years in order to stay on track with its capital plan. These contemplated authorizations are included in the CNR section of the 5-Year Plan.

Fund Balance

The Town saw its fund balance decline from roughly 7% of expenditures to just 1.4% of expenditures in a three year span from FY 2014 to FY 2017. During this time, annual budget deficits ranging from about \$40,000 to \$308,000 were driven primarily by shortfalls in property tax collections, and to a lesser extent by lower than budgeted state aid.

| General Fund Balance History | | | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Year ending | 6/30/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
| Ending Fund Balance | 445,136 | 438,316 | 703,796 | 490,646 | 181,755 | 141,037 | (1,084,244) |

For FY 2018, an operating deficit of about -\$1.225 million was largely the result of Education expenditures exceeding appropriations by approximately \$835,000 and ECS receipts that were \$354,000 lower than budgeted.

The town’s projected opening negative fund balance of -\$1.084 million for FY 2019 is roughly 12% of budgeted expenditures. In the 5-Year Plan, the Town projects three additional years of negative fund balance at year-end before reaching positive fund balance in year 4 (absent Municipal Restructuring Funds).

| Projected Changes in Fund Balance Based on 5-Year Plan | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| Opening General Fund Balance | (1,084,244) | (851,009) | (782,397) | (606,130) | (307,526) | 66,964 |
| Revenues | 9,147,192 | 9,295,439 | 9,495,076 | 9,532,373 | 9,569,302 | 9,722,477 |
| Expenditures | 9,163,957 | 9,226,827 | 9,318,808 | 9,233,769 | 9,194,812 | 9,211,369 |
| One-time revenue: scrap metal | 250,000 | - | - | - | - | - |
| Change in Fund Balance | 233,235 | 68,612 | 176,268 | 298,604 | 374,490 | 511,108 |
| Estimated Ending Fund Balance | (851,009) | (782,397) | (606,130) | (307,526) | 66,964 | 578,073 |
| Ending Fund Balance as % of Exp | -9.3% | -8.5% | -6.5% | -3.3% | 0.7% | 6.3% |

Note: The Town generated \$250K in one-time revenue from the sale of scrap metal from a foreclosed commercial property.

The Town has requested \$900,000 in Municipal Restructuring Funds. If those funds are granted, the Town projects Fund Balance changes over the five year plan as follows:

| Projected Changes in Fund Balance Based on 5-Year Plan | | | | | | |
|--|-----------|---------|---------|---------|---------|-----------|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| Estimated Ending Fund Balance w/out Munic. Restructuring Funds | (851,009) | 48,991 | 117,603 | 293,870 | 592,474 | 966,964 |
| Requested MRF | 900,000 | - | - | - | - | - |
| Resulting Estimated Fund Balance | 48,991 | 117,603 | 293,870 | 592,474 | 966,964 | 1,478,073 |
| Ending Fund Balance as % of Exp | 0.5% | 1.3% | 3.2% | 6.4% | 10.5% | 16.0% |

Health and Retirement Benefits

Health Insurance

Both the town and the BOE offer health insurance benefits to eligible employees through the State Partnership Plan. The employee premium shares are as follows:

| Group | Premium Share |
|-------------------|---------------|
| Town employees | 13% |
| BOE Non-certified | 11% |
| BOE – Certified | 22% |

Retirement

The Town employs a small staff of 8 full time and 26 part time employees. There is no defined benefit retirement plan for Town employees. Employees are eligible to participate in a deferred compensation (Sec. 457) plan. The Town contributes 4% of salary to the deferred compensation plan after an employee has reached two years of service. Employer contributions in FY 2018 totaled \$15,574.

Teachers and certain other certified employees of the Sprague Education system are eligible to participate in the State Teacher's Retirement System. Approximately 32 Education employees currently participate.



TOWN OF SPRAGUE

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January 28, 2019

Secretary Melissa McCaw
State of Connecticut
Office of Policy and Management -
Office of the Secretary
450 Capitol Avenue
Hartford, CT 06106-1379

Secretary McCaw,

The Town of Sprague is requesting Municipal Restructuring Funds in the amount of \$900,000. Included with this request is the Town's General and Capital Funds five-year plan along with a narrative providing additional explanation for the Town's financial situation.

We look forward to working with your Department to return the Town to a more stable financial footing.

Regards,

Catherine A. Osten
First Selectman

Town of Sprague 5-Year Plan Assumptions and Narrative

GRAND LIST INFORMATION: In regards to the taxable grand list, the Town has had some real estate additions (residential totaling 3 new houses), however, they are not large enough to warrant a % increase in the grand list. In addition, the commercial efforts in the Town have not produced fruit yet. We had a new laundromat open in Fall of 2018, but the owner was killed in a vehicular accident in November 2018. The owner did not have a will and the project is stuck in a dispute, which is now in the probate process for resolution. The Town lost a restaurant in Summer of 2018 whose building remains closed, but we do retain 2 other eateries and 1 bar. The industrial efforts have had no visible increases that were taxable (there were a couple of fuel cells put in at our last surviving mill these were proven to not be taxable).

In September 2014, the Town's largest taxpayer known as Fusion Papermill closed down. They were selling off personal property in the closure process which the Town stopped with an Alias Tax Warrant action in order to salvage materials to be used to pay taxes owed. The Town then foreclosed on the property, Fusion filed for bankruptcy, and ultimately, the Town was able to put the property up for a sale by bid. After several legal machinations, the Town became the owner of the property and wrote off \$929,000 in taxes, interest and liens in FY2018 (\$729,586 in taxes and \$199,343 in interest/liens/fees). The taxes written off encompassed three years of unpaid taxes for FY15 through FY17, which explains the large decrease in the collection rate for that three-year period.

Beginning in FY17, the Town had a solar project placed on private property which provides a PILOT payment of \$200,000 per year for twenty years. When the Town lost the paper mill plant, the Board of Finance made the decision to not raise taxes and spend down a portion of our meager fund balance while waiting for the solar project payments to begin.

Currently, the Assessor has asked for an extension on the submittal of the Grand List until the end of February; she does not believe there will be an appreciable change either up or down to the Grand List. This fits in with our assumption of no increase in the grand list in our 5-year plan.

MILL RATE INFORMATION: The Town's mill rate in 1967 was 23, in 1979 it was 39 and dropped the next year to 17. In the 80's the Town was as low as 17 and as high as 33.5; in the 90's, it was as low as 17.8 and as high as 23.25. In the first decade of the 2000's, the mill rate was as low as 23.5 to as high as 30.5. This decade it started at 25.75 mills and are now at 33.25, which equals an average yearly increase of .833. The Town did see a loss in valuation in 2012 (the year the Town caught up to the housing collapse, which required a larger than average increase). The increase in the mill rate over the next 5 years assumes the Grand List remains flat and a total increase of 3.8 mills over 5 years. We believe that these increases, which will have to be passed through a referendum, are achievable.

COLA/WAGE INFORMATION: In regards to the COLA in wages, there is a 2% yearly increase. The Town has 8 full time employees and 26 part time employees on the municipal side of the budget. The Town has shifted to a mostly part time workforce and to both allow for a containment of expense and a shifting of workload. We will need to adjust the numbers should there be an increase in the minimum wage; currently 10 employees make under \$15. The municipal side recently added 1 part time employee to open the school library, which as a result of reductions on the educational side of the budget had essentially been eliminated. The nonunion municipal staff mirror the contract of the municipal union workers.

COMPUTER SERVICES: We calculated an increase in the computer line items which consists of software for the assessor, land use, tax collector, town clerk, etc., including the maintenance of computers and the running of our website. The increase in this area is based on historical increases.

WASTE MANAGEMENT: The waste management line items include the costs of running the transfer station and the tipping fees for disposal of trash and bulky waste. The Town belongs to SCRRRA, which has not raised tipping fees in a number of years. The 5-year plan assumes that said fees will remain flat. We do not charge for items such as e-waste, tires, propane tanks, lightbulbs, items which use freon, metal, recyclables to name a few. We believe not charging for these items pulls many items out of the waste stream. We do not charge residents to use the transfer station, but we do require use of blue bags for trash disposal for which we do charge.

REVENUE DEVELOPMENT: The Town has several items in the planning stages and hopefully much more. In the five-year plan, you will notice there is a \$250,000 one-time revenue, which comes from sale of non-structural metal from a 486-acre site which we received in a foreclosure sale (Fusion Papermill). The Town received this unanticipated income in October 2018. We have had several offers from a solar project which did not get picked up in this last State RFP on renewable energy; I believe this was a solid choice as the poles and wires on the road are already upgraded and this site is considered a brownfield. The same developer wanted to put a biomass facility in the current large building on the old paper mill site. While I am not opposed to this type of project, I question if it would be able to get State permits or Town approval. There was some early interest in a local trash hauler to use the site to store, repair and clean vehicles, but they had an unfortunate fire which put this on hold. Additionally, there are a couple of developers looking at growing industrial hemp and processing it in the large main building. The Town also fields calls from other developers without a revealed project for the property. There is some interest from a neighbor to purchase 31 acres of wetlands on the property. In addition, the Sprague Conservation/Agriculture Commission would like to have the Town hold onto the two associated ponds and a portion of land bordering said ponds for conservation purposes. A local dairy farmer has 30-40 acres it farms for silage. Lastly, International Paper (a prior owner of the property) has a responsibility to monitor several brownfield areas of this site that they have capped. They also need to remediate the two ponds on site, one from bank-to-bank and one in several coves.

The Town also owns another mill (again from a foreclosure action) that burned down in 1999 (it also had a fire in the last standing building in April 2018). The Town has done a Phase 1, Phase 2 and Phase 3 brownfields assessment of the property. After which we put out an RFP looking to developers to put something on this site. We had four developers do a walk thru; one said yes if we cleaned up the contamination. The Town did not have the resources to accomplish that. The Town applied and received a Brownfields clean-up grant and is currently cleaning up the site, with hopes of it having it cleaned by this summer (2019). It will then go out again publicly and to approximately 24 contractors/developers. We will provide renditions of possibilities for the site done by three groups of UCONN students. The area has been zoned for all possibilities and we are hopeful to put this site back on the tax roll.

Additionally, we have the Town planner talking with another mill owner in Baltic which has a number of local commercial business tenants and churches in it to perhaps turn this into a housing environment. There is a host of possibilities with this site, but the owner is always behind in tax payments. I am hoping to solidify his financial standing as I do not want the Town to own another mill site.

There are two confidential investigations currently occurring for situations within the Town relating to the school and theft at the Fusion paper mill site which could potentially lead to reimbursements to the

Town. Both of these are currently under developing litigation and the Town is not at liberty to discuss any further per the Town Attorney's guidance.

DEBT AND CAPITAL PLANS: The Town has been aggressive in pursuing bonds to improve vital infrastructure. We have augmented this with grant dollars to stretch out these funds.

The Town has upgraded 50 of its 55 roads; all are assessed by the Town's consulting engineering firm with a five-year plan recently updated. We have increased drainage, used permeable pavers (for environmental and longevity reasons), used curbing to properly direct runoff, put in ribbon rail and much more. We have rebuilt one of the Town's bridges and rehabilitated another. We have repaired and added in sidewalks making the Village of Baltic completely pedestrian friendly. Each year, the Town cleans out catch basins and cuts back brush out of culverts to maintain the structures we have. We still need to have the capability to bond out the repairs to the remaining 5 roads, two are rated as 'F' and are in need of immediate repair, two are rated as 'C' and one is rated as 'B'. The plan was to apply for a STEAP grant for \$500,000 for one of the 'C' roads as it is estimated to cost more than \$1,000,000 and then borrow up to \$500,000/year for five years to cover the additional cost of the this road and the remaining roads in need of repair.

During the storm of September 2018, we had damage to four roads (repairs have been completed) which cost close to \$40,000; we have applied for FEMA funding to help cover these costs. We also have a road out to a hydro-electricity dam which washed out in this storm; these repairs will cost about \$340,000 and an application to FEMA is in on this repair also. This work has not been completed.

We have upgraded many of the Town's buildings making them energy efficient, with roofs repaired, windows upgraded, flooring done, ADA upgrading done and much more. We still have more work to do on the Fire Department building which totals approximately \$100,000. We have currently been borrowing \$40,000/year to finish up the work on this structure.

One problem we have had is the school building and the necessary repairs needed to maintain this structure. The problem is a plan that changes from year to year (based on changing administrations) and we are hopeful this will not be the case moving forward. We are working with the school construction unit to work on a section of roof that is aging, an antiquated elevator, an alarm system and warping doors. We currently have \$80,000 in the FY18 Capital Budget to provide the match for a school construction grant in the amount of \$300,000 for these items. The school building will still need work for which we will need the ability to bond or borrow for additional repairs.

The smaller structures in Town are repaired, painted and maintained by the public works staff.

We have also upgraded public works equipment, but do have two older dump trucks which will eventually need replacement. In addition, we have an older pay loader and back hoe which we will need to replace within the next 5-10 years. We recently bought a sweeper and roadside mower through the ICE grant program which we share with two other Towns (Franklin and Bozrah). Replacement of the dump trucks, pay loaders and back hoes are done through borrowing funds.

The Town also helps out the Water & Sewer department when they work on large projects as they do not have the ability to borrow funds. The Water & Sewer department reimburses the Town for this financial help based on a repayment schedule which coincides with the Town's bonding principal and interest repayment schedule. There has been a practice of helping out the department with up to \$25,000/year for repairs which are required due to an aging system. This financial help is budgeted for

in the Town's Capital budget plan and is not reimbursed by Water & Sewer and is necessary in order to keep the water and sewer rates stable and competitive with surrounding Towns.

The Town has several generators to handle outages and emergency situations. We are working to install two additional generators to handle the municipal operations of the Transfer Station and the Grist Mill (Town Library/Community space) which are necessary to be run during outages.

Lastly, we have some immediate needs in the Fire Department which revolve around the purchase of SCBA's, turn out gear, and a variety of stand-alone equipment including hydraulic extrication tools (also known as Jaws of life). The 5-year Capital plan includes the replacement of apparatus in FY2021 and FY2022.

The Town's Capital Non-Recurring Fund has several projects which have overages that are planned to be recouped through LOCIP appropriations and cell tower revenue which the Town of Sprague receives on a monthly basis. Please refer to the Capital Project Summary provided in December 2018.

| Assumptions for 5 Year Revenue and Expenditure Plan: | | | | | |
|---|--|---------------|---------------|---------------|---------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Revenues: | | | | | |
| Taxes | 1 mill ↑ | 1.3 mill ↑ | .25 mill ↑ | .25 mill ↑ | 1 mill ↑ |
| Education Equalization | Flat | Flat | Flat | Flat | Flat |
| | <i>Assuming: Any additional increase in ECS will be forwarded to Board of Education</i> | | | | |
| Expenditures: | | | | | |
| Salaries - Town | 2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ |
| Salaries - PW | 2.2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ |
| | <i>PW Contract currently runs through 6/30/20 with a 2.2% increase. Going forward, assuming 2% increase.</i> | | | | |
| Resident Trooper Program | 2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ | 2% ↑ |



**TOWN OF SPRAGUE
OPERATING BUDGET AND
CAPITAL & NON-RECURRING ITEMS BUDGET**

| | B | C | J | K | N | O | P | Q | R | S | T | U | V |
|----------|---|---|---------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|
| | TOWN OF SPRAGUE | | Budget | | 2% increase in salaries | | 2% increase in salaries | | 2% increase in salaries | | 2% increase in salaries | | 2% increase in salaries |
| | | | 2018-19 | | 2019-2020 | | 2020-2021 | | 2021-2022 | | 2022-2023 | | 2023-2024 |
| 4 | EXPENDITURE TOTALS | | | | | | | | | | | | |
| 178 | DETAIL BREAKDOWN OF GENERAL GOVERNMENT | | | | | | | | | | | | |
| 179 | BOARD OF SELECTMEN | | 92,838 | | 94,536 | | 96,267 | | 98,033 | | 99,835 | | 101,672 |
| 180 | First Selectman | | 40,000 | | 40,800 | | 41,616 | | 42,448 | | 43,297 | | 44,163 |
| 181 | Selectman | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 |
| 182 | Selectman | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 | | 1,200 |
| 183 | Office supplies, meetings, misc. | | 1,360 | | 1,360 | | 1,360 | | 1,360 | | 1,360 | | 1,360 |
| 184 | Mileage | | 3,200 | | 3,200 | | 3,200 | | 3,200 | | 3,200 | | 3,200 |
| 185 | Executive Assistant | | 44,878 | | 45,776 | | 46,691 | | 47,625 | | 48,577 | | 49,549 |
| 186 | Stipends for Additional Board Participation | | 1,000 | | 1,000 | | 1,000 | | 1,000 | | 1,000 | | 1,000 |
| 187 | | | | | | | | | | | | | |
| 188 | ELECTIONS | | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 15,000 | | 15,000 |
| 189 | Elections - Salaries | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 |
| 190 | Elections - Misc | | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 |
| 191 | | | | | | | | | | | | | |
| 192 | BOARD OF FINANCE | | 250 | | 250 | | 250 | | 250 | | 250 | | 250 |
| 193 | Town reports, supplies, brochures | | 250 | | 250 | | 250 | | 250 | | 250 | | 250 |
| 194 | | | | | | | | | | | | | |
| 195 | AUDITING | | 23,650 | | 23,650 | | 24,150 | | 24,150 | | 24,650 | | 25,150 |
| 196 | | | | | | | | | | | | | |
| 197 | BOOKKEEPER | | 28,650 | | 29,210 | | 29,781 | | 30,364 | | 30,958 | | 31,564 |
| 198 | Salary | | 28,000 | | 28,560 | | 29,131 | | 29,714 | | 30,308 | | 30,914 |
| 199 | Support | | 650 | | 650 | | 650 | | 650 | | 650 | | 650 |
| 200 | | | | | | | | | | | | | |
| 201 | TAX ASSESSOR | | 25,180 | | 25,620 | | 26,069 | | 26,527 | | 26,994 | | 27,470 |
| 202 | Salary | | 22,000 | | 22,440 | | 22,889 | | 23,347 | | 23,814 | | 24,290 |
| 203 | Travel expense | | 300 | | 300 | | 300 | | 300 | | 300 | | 300 |
| 204 | Education & Dues | | 280 | | 280 | | 280 | | 280 | | 280 | | 280 |
| 205 | Sup. post., pricing manuals, repair/maint | | 1,600 | | 1,600 | | 1,600 | | 1,600 | | 1,600 | | 1,600 |
| 206 | Mapping | | 1,000 | | 1,000 | | 1,000 | | 1,000 | | 1,000 | | 1,000 |
| 207 | | | | | | | | | | | | | |
| 208 | TAX COLLECTOR | | 29,838 | | 30,369 | | 30,910 | | 31,462 | | 32,025 | | 32,599 |
| 209 | Salary | | 26,532 | | 27,063 | | 27,604 | | 28,156 | | 28,719 | | 29,293 |
| 210 | DMV Charge Delinquent MV | | - | | - | | - | | - | | - | | - |
| 211 | Misc. supplies, school | | 600 | | 600 | | 600 | | 600 | | 600 | | 600 |
| 212 | Postage | | 700 | | 700 | | 700 | | 700 | | 700 | | 700 |
| 213 | | | | | | | | | | | | | |
| 214 | TOWN TREASURER | | 2,400 | | 2,400 | | 2,400 | | 2,400 | | 2,400 | | 2,400 |
| 215 | | | | | | | | | | | | | |
| 216 | TOWN COUNSEL | | 25,000 | | 25,000 | | 25,000 | | 25,000 | | 25,000 | | 25,000 |
| 217 | | | | | | | | | | | | | |
| 218 | TOWN CLERK | | 52,675 | | 53,666 | | 54,677 | | 55,709 | | 56,761 | | 57,833 |
| 219 | Salary | | 49,562 | | 50,553 | | 51,564 | | 52,596 | | 53,648 | | 54,720 |
| 220 | Office supplies, misc. | | 1,463 | | 1,463 | | 1,463 | | 1,463 | | 1,463 | | 1,463 |
| 221 | Dog Licenses | | 350 | | 350 | | 350 | | 350 | | 350 | | 350 |
| 222 | School | | 900 | | 900 | | 900 | | 900 | | 900 | | 900 |
| 223 | Micro filming (security) | | 400 | | 400 | | 400 | | 400 | | 400 | | 400 |
| 224 | | | | | | | | | | | | | |
| 225 | TELEPHONE SERVICES/DSL/WEBSITE | | 11,500 | | 11,500 | | 11,500 | | 11,500 | | 11,500 | | 11,500 |
| 226 | | | | | | | | | | | | | |
| 227 | POOL SECRETARIES | | 57,764 | | 58,919 | | 60,098 | | 61,300 | | 62,526 | | 63,776 |
| 228 | Salary - Assistant Town Clerk | | 23,204 | | 23,668 | | 24,141 | | 24,624 | | 25,117 | | 25,619 |
| 229 | Salary - Land Use Clerk | | 34,560 | | 35,251 | | 35,956 | | 36,675 | | 37,409 | | 38,157 |
| 230 | | | | | | | | | | | | | |
| 231 | TOWN OFFICE BUILDING | | 38,822 | | 39,019 | | 39,219 | | 39,424 | | 39,632 | | 39,845 |
| 232 | Janitorial Services | | 9,822 | | 10,019 | | 10,219 | | 10,424 | | 10,632 | | 10,845 |
| 233 | Supplies, Maintenance | | 2,000 | | 2,000 | | 2,000 | | 2,000 | | 2,000 | | 2,000 |
| 234 | Heat Town Hall Facilities | | 11,500 | | 11,500 | | 11,500 | | 11,500 | | 11,500 | | 11,500 |
| 235 | Lights Town Hall Facilities | | 10,500 | | 10,500 | | 10,500 | | 10,500 | | 10,500 | | 10,500 |
| 236 | Repair & Renovation | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 | | 5,000 |
| 237 | | | | | | | | | | | | | |
| 238 | GRANTS/CONTRACTS MANAGER | | 33,422 | | 34,048 | | 34,686 | | 35,336 | | 36,000 | | 36,677 |
| 239 | Salary | | 31,272 | | 31,898 | | 32,536 | | 33,186 | | 33,850 | | 34,527 |
| 240 | Workshops, Seminars | | 600 | | 600 | | 600 | | 600 | | 600 | | 600 |
| 241 | Misc. Supplies, Subscription, Postage | | 750 | | 750 | | 750 | | 750 | | 750 | | 750 |
| 242 | Mileage | | 800 | | 800 | | 800 | | 800 | | 800 | | 800 |
| 243 | | | | | | | | | | | | | |
| 244 | PLANNING & ZONING COMMISSION | | 25,171 | | 25,314 | | 25,461 | | 25,610 | | 25,762 | | 25,917 |
| 245 | Zoning Enforcement Officer | | 7,171 | | 7,314 | | 7,461 | | 7,610 | | 7,762 | | 7,917 |
| 246 | Technical Assistant-Planner | | 18,000 | | 18,000 | | 18,000 | | 18,000 | | 18,000 | | 18,000 |
| 247 | Secretarial & Other Services | | - | | - | | - | | - | | - | | - |
| 248 | | | | | | | | | | | | | |
| 249 | LAND USE | | 800 | | 800 | | 800 | | 800 | | 800 | | 800 |
| 250 | | | | | | | | | | | | | |
| 251 | ECONOMIC DEVELOPMENT | | 900 | | 900 | | 900 | | 900 | | 900 | | 900 |
| 252 | | | | | | | | | | | | | |



**TOWN OF SPRAGUE
OPERATING BUDGET AND
CAPITAL & NON-RECURRING ITEMS BUDGET**

| | B | C | J | K | N | P | R | T | V |
|-----|---|---|----------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | TOWN OF SPRAGUE | | Budget | | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries |
| | | | 2018-19 | | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
| 253 | CONSERVATION COMMISSION | | 1,100 | | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| 254 | Training Workshop | | 100 | | 100 | 100 | 100 | 100 | 100 |
| 255 | Miscellaneous, signage | | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 256 | | | | | | | | | |
| 257 | CONSERVATIONWETLANDS ENFORCEMENT OFFICER | | 8,500 | | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| 258 | | | | | | | | | |
| 259 | HIGHWAYS | | 398,048 | | 403,435 | 408,439 | 413,544 | 418,751 | 424,062 |
| 260 | General Maintenance | | 45,000 | | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| 261 | Public works salaries | | 244,848 | | 250,235 | 255,239 | 260,344 | 265,551 | 270,862 |
| 262 | Storm - Misc.o/t labor | | 26,200 | | 26,200 | 26,200 | 26,200 | 26,200 | 26,200 |
| 263 | Boots & Clothing | | 2,000 | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 264 | Storm - Materials | | 27,500 | | 27,500 | 27,500 | 27,500 | 27,500 | 27,500 |
| 265 | Roadway Pavement Management | | 40,000 | | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| 266 | Town Garage | | 8,000 | | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| 267 | Stormwater Fees/Testing (Phase II) | | 4,000 | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| 268 | Drug & Alcohol Testing | | 500 | | 500 | 500 | 500 | 500 | 500 |
| 269 | | | | | | | | | |
| 270 | TREE MAINTENANCE | | 13,000 | | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| 271 | Tree Warden | | 2,200 | | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 272 | Tree Warden - Training Seminars | | 300 | | 300 | 300 | 300 | 300 | 300 |
| 273 | Tree Pruning, Removal, replacement | | 10,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 274 | Mileage | | 500 | | 500 | 500 | 500 | 500 | 500 |
| 275 | | | | | | | | | |
| 276 | STREET LIGHTING | | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 277 | | | | | | | | | |
| 278 | SOCIAL SECURITY | | 62,361 | | 63,608 | 64,880 | 66,178 | 67,502 | 68,852 |
| 279 | | | | | | | | | |
| 280 | DEFERRED COMPENSATION | | 16,025 | | 16,025 | 16,025 | 16,025 | 16,025 | 16,025 |
| 281 | | | | | | | | | |
| 282 | REGIONAL PLANNING AGENCIES | | 39,253 | | 39,253 | 39,253 | 39,253 | 39,253 | 39,253 |
| 283 | TVCCA | | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 284 | Council of Governments | | 1,641 | | 1,641 | 1,641 | 1,641 | 1,641 | 1,641 |
| 285 | Soil & Water Conservation | | 300 | | 300 | 300 | 300 | 300 | 300 |
| 286 | Womens Center | | 250 | | 250 | 250 | 250 | 250 | 250 |
| 287 | Uncas Health District | | 19,308 | | 19,308 | 19,308 | 19,308 | 19,308 | 19,308 |
| 288 | CT Conference of Municipalities | | 2,032 | | 2,032 | 2,032 | 2,032 | 2,032 | 2,032 |
| 289 | Norwich Probate Court | | 2,187 | | 2,187 | 2,187 | 2,187 | 2,187 | 2,187 |
| 290 | Council of Small Towns (COST) | | 725 | | 725 | 725 | 725 | 725 | 725 |
| 291 | Quinebaug Walking Weekends | | 175 | | 175 | 175 | 175 | 175 | 175 |
| 292 | SSAC of Eastern CT | | 300 | | 300 | 300 | 300 | 300 | 300 |
| 293 | Southeastern CT Enterprise Region (SECTER) | | 1,540 | | 1,540 | 1,540 | 1,540 | 1,540 | 1,540 |
| 294 | Regional Animal Control | | 9,795 | | 9,795 | 9,795 | 9,795 | 9,795 | 9,795 |
| 295 | | | | | | | | | |
| 296 | INSURANCE | | 190,265 | | 199,581 | 209,362 | 219,633 | 230,417 | 241,740 |
| 297 | General Town | | 28,425 | | 29,846 | 31,339 | 32,905 | 34,551 | 36,278 |
| 298 | Fire Department | | 16,381 | | 17,200 | 18,060 | 18,963 | 19,911 | 20,907 |
| 299 | Water & Sewer Plants | | 7,567 | | 7,945 | 8,343 | 8,760 | 9,198 | 9,658 |
| 300 | CIRMA (Workers Comp.) | | 41,819 | | 43,910 | 46,105 | 48,411 | 50,831 | 53,373 |
| 301 | Employee Medical Insurance | | 92,123 | | 96,729 | 101,566 | 106,644 | 111,976 | 117,575 |
| 302 | Employee Insurance Waiver | | 3,950 | | 3,950 | 3,950 | 3,950 | 3,950 | 3,950 |
| 303 | | | | | | | | | |
| 304 | POLICE DEPARTMENT | | 185,931 | | 189,534 | 193,208 | 196,956 | 200,780 | 204,679 |
| 305 | Resident Trooper Program | | 176,277 | | 179,803 | 183,399 | 187,067 | 190,808 | 194,624 |
| 306 | Overtime (See revenue account 5200-13) | | 5,000 | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 307 | Dare Program | | 300 | | 300 | 300 | 300 | 300 | 300 |
| 308 | Supplies & misc. | | 500 | | 500 | 500 | 500 | 500 | 500 |
| 309 | School Crossing Guards | | 3,854 | | 3,931 | 4,010 | 4,090 | 4,172 | 4,255 |
| 310 | | | | | | | | | |
| 311 | FIRE DEPARTMENT | | 107,329 | | 107,329 | 107,329 | 107,329 | 107,329 | 107,329 |
| 312 | Vehicle Maintenance | | 20,904 | | 20,904 | 20,904 | 20,904 | 20,904 | 20,904 |
| 313 | Fixed Expenses | | 36,700 | | 36,700 | 36,700 | 36,700 | 36,700 | 36,700 |
| 314 | Truck Supplies | | 7,400 | | 7,400 | 7,400 | 7,400 | 7,400 | 7,400 |
| 315 | Station Maintenance | | 9,325 | | 9,325 | 9,325 | 9,325 | 9,325 | 9,325 |
| 316 | Training | | 10,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 317 | Business Expenses | | 13,000 | | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| 318 | Equipment Maintenance | | 10,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 319 | Capital Expenses | | - | | - | - | - | - | - |
| 320 | | | | | | | | | |
| 321 | EMERGENCY MANAGEMENT/LEPC | | 4,030 | | 4,030 | 4,030 | 4,030 | 4,030 | 4,030 |
| 322 | Salary Director | | 2,200 | | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 323 | Capital Expenses | | - | | - | - | - | - | - |
| 324 | Training Expense | | 500 | | 500 | 500 | 500 | 500 | 500 |
| 325 | Equipment Maintenance | | 830 | | 830 | 830 | 830 | 830 | 830 |
| 326 | Local Emergency Plan Chairperson (LEPC) | | 500 | | 500 | 500 | 500 | 500 | 500 |
| 327 | | | | | | | | | |
| 328 | FIRE MARSHAL/BURNING OFFICIAL | | 11,376 | | 11,550 | 11,728 | 11,909 | 12,094 | 12,282 |
| 329 | Salary | | 8,701 | | 8,875 | 9,053 | 9,234 | 9,419 | 9,607 |
| 330 | Office expenses, education, misc. | | 2,050 | | 2,050 | 2,050 | 2,050 | 2,050 | 2,050 |
| 331 | Burning Official | | 625 | | 625 | 625 | 625 | 625 | 625 |
| 332 | | | | | | | | | |



**TOWN OF SPRAGUE
OPERATING BUDGET AND
CAPITAL & NON-RECURRING ITEMS BUDGET**

| | B | J | N | P | R | T | V |
|-----|---|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | TOWN OF SPRAGUE | Budget | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries |
| | | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
| 333 | BUILDING OFFICIAL | 20,996 | 21,383 | 21,777 | 22,179 | 22,589 | 23,007 |
| 334 | Salary | 19,326 | 19,713 | 20,107 | 20,509 | 20,919 | 21,337 |
| 335 | Mileage | 800 | 800 | 800 | 800 | 800 | 800 |
| 336 | Membership fees | 120 | 120 | 120 | 120 | 120 | 120 |
| 337 | Education, Training, Misc. | 250 | 250 | 250 | 250 | 250 | 250 |
| 338 | Office Supplies, Code volumes | 500 | 500 | 500 | 500 | 500 | 500 |
| 339 | | | | | | | |
| 340 | BLIGHT ENFORCEMENT OFFICER | 3,829 | 3,900 | 3,972 | 4,045 | 4,120 | 4,196 |
| 341 | Salary | 3,529 | 3,600 | 3,672 | 3,745 | 3,820 | 3,896 |
| 342 | Mileage | 150 | 150 | 150 | 150 | 150 | 150 |
| 343 | Postage | 150 | 150 | 150 | 150 | 150 | 150 |
| 344 | | | | | | | |
| 345 | SANITATION & WASTE REMOVAL | 57,300 | 57,300 | 57,300 | 57,300 | 57,300 | 57,300 |
| 346 | Materials & Misc. | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 347 | Recycling | 52,300 | 52,300 | 52,300 | 52,300 | 52,300 | 52,300 |
| 348 | | | | | | | |
| 349 | WASTE MANAGEMENT | 50,642 | 50,642 | 50,642 | 50,642 | 50,642 | 50,642 |
| 350 | | | | | | | |
| 351 | COMMISSION ON AGING | 91,121 | 92,651 | 94,212 | 95,804 | 97,428 | 99,085 |
| 352 | Salary - Coordinator | 19,000 | 19,380 | 19,768 | 20,163 | 20,566 | 20,978 |
| 353 | Municipal Agent | 500 | 500 | 500 | 500 | 500 | 500 |
| 354 | Office, supplies, misc. | 1,740 | 1,740 | 1,740 | 1,740 | 1,740 | 1,740 |
| 355 | Elevator contract | 2,366 | 2,366 | 2,366 | 2,366 | 2,366 | 2,366 |
| 356 | Programs | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| 357 | Van Driver/Bus Driver -1 | 24,923 | 25,421 | 25,930 | 26,448 | 26,977 | 27,517 |
| 358 | Van Driver/Bus Driver-2 | 16,488 | 16,818 | 17,154 | 17,497 | 17,847 | 18,204 |
| 359 | Senior Center Aide | 16,104 | 16,426 | 16,755 | 17,090 | 17,431 | 17,780 |
| 360 | Vehicle Expenses | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| 361 | | | | | | | |
| 362 | CAPITAL PROJECTS | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| 363 | Repairs to Central Plant | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 364 | Engineering Fees | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 365 | | | | | | | |
| 366 | PARKS & PLAYGROUND (BoS) | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 367 | | | | | | | |
| 368 | RECREATION COMMISSION | 15,770 | 16,056 | 16,348 | 16,646 | 16,949 | 17,259 |
| 369 | Recreation Salaries | 14,308 | 14,594 | 14,886 | 15,184 | 15,487 | 15,797 |
| 370 | Recreation Supplies | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 | 1,462 |
| 371 | | | | | | | |
| 372 | RECREATION FACILITIES | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 373 | Electricity | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 374 | | | | | | | |
| 375 | RECREATION EVENTS | 7,833 | 7,833 | 7,833 | 7,833 | 7,833 | 7,833 |
| 376 | Three Villages Fall Festival | 5,912 | 5,912 | 5,912 | 5,912 | 5,912 | 5,912 |
| 377 | Earth Day | 400 | 400 | 400 | 400 | 400 | 400 |
| 378 | Youth Year Long Activity | 500 | 500 | 500 | 500 | 500 | 500 |
| 379 | Shetucket River Festival | 521 | 521 | 521 | 521 | 521 | 521 |
| 380 | Other/Indoor Soccer | 500 | 500 | 500 | 500 | 500 | 500 |
| 381 | | | | | | | |
| 382 | OTHER RECREATION PROGRAMS (BoS) | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 383 | Sprague/Franklin/Canterbury Little League | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 384 | | | | | | | |
| 385 | GRIST MILL | 17,122 | 17,122 | 17,122 | 17,122 | 17,122 | 17,122 |
| 386 | Supplies, Maintenance | 850 | 850 | 850 | 850 | 850 | 850 |
| 387 | Elevator Maintenance | 2,158 | 2,158 | 2,158 | 2,158 | 2,158 | 2,158 |
| 388 | Heat & Lights | 8,365 | 8,365 | 8,365 | 8,365 | 8,365 | 8,365 |
| 389 | Grist Mill Cleaner | 5,749 | 5,749 | 5,749 | 5,749 | 5,749 | 5,749 |
| 390 | | | | | | | |
| 391 | HISTORICAL MUSEUM | 7,226 | 7,226 | 7,226 | 7,226 | 7,226 | 7,226 |
| 392 | Museum Clerk | 7,026 | 7,026 | 7,026 | 7,026 | 7,026 | 7,026 |
| 393 | Sprague Historical Society | 200 | 200 | 200 | 200 | 200 | 200 |
| 394 | | | | | | | |
| 395 | LIBRARY | 74,908 | 76,190 | 77,498 | 78,832 | 80,193 | 81,580 |
| 396 | Librarian Assistant - 1 | 12,776 | 13,032 | 13,292 | 13,558 | 13,829 | 14,106 |
| 397 | Librarian Director | 19,780 | 20,176 | 20,579 | 20,991 | 21,411 | 21,839 |
| 398 | Librarian Assistant - 4 | 6,000 | 6,120 | 6,242 | 6,367 | 6,495 | 6,624 |
| 399 | Programs | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 400 | Staff Development | 500 | 500 | 500 | 500 | 500 | 500 |
| 401 | State Library/Conn Membership | 550 | 550 | 550 | 550 | 550 | 550 |
| 402 | Books & DVDs | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| 403 | Supplies, misc. | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 |
| 404 | Librarian Assistant - 2 | 12,776 | 13,032 | 13,292 | 13,558 | 13,829 | 14,106 |
| 405 | Librarian Assistant - 3 | 12,776 | 13,032 | 13,292 | 13,558 | 13,829 | 14,106 |
| 406 | | | | | | | |



**TOWN OF SPRAGUE
OPERATING BUDGET AND
CAPITAL & NON-RECURRING ITEMS BUDGET**

| B | C | J | K | N | P | R | T | V |
|-----------------|---|-----------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| TOWN OF SPRAGUE | | Budget | | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries |
| | | 2018-19 | | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
| 407 | MISCELLANEOUS | 22,233 | | 22,294 | 22,356 | 22,419 | 22,483 | 22,549 |
| 408 | Newsletter - Salaries | 3,033 | | 3,094 | 3,156 | 3,219 | 3,283 | 3,349 |
| 409 | Bank Fees | - | | - | - | - | - | - |
| 410 | Newsletter- Misc. | 4,500 | | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| 411 | War Memorial/Lords Bridge Gazebo | 800 | | 800 | 800 | 800 | 800 | 800 |
| 412 | Cemeteries, Vets Graves | 700 | | 700 | 700 | 700 | 700 | 700 |
| 413 | Contingent Fund | 3,000 | | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| 414 | Memorial Day Celebration | 1,200 | | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 415 | Legal Ads | 9,000 | | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| 416 | Unemployment Compensation | - | | - | - | - | - | - |
| 417 | | | | | | | | |
| 418 | SPRAGUE WATER & SEWER AUTHORITY | 7,500 | | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| 419 | Water & Sewer Public Services | 7,500 | | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| 420 | | | | | | | | |
| 421 | COMPUTER SERVICE/OFFICE MACHINES | 50,769 | | 51,161 | 51,557 | 51,957 | 52,362 | 52,770 |
| 422 | Town Clerk | 9,850 | | 9,949 | 10,048 | 10,148 | 10,250 | 10,352 |
| 423 | Tax Collector | 7,326 | | 7,399 | 7,473 | 7,548 | 7,623 | 7,700 |
| 424 | Assessor/Building Inspector | 11,815 | | 11,933 | 12,052 | 12,173 | 12,295 | 12,418 |
| 425 | Selectmen/Treasurer | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 426 | Equipment Maintenance | 7,000 | | 7,070 | 7,141 | 7,212 | 7,284 | 7,357 |
| 427 | Supplies - Server Support - Virus Renewal | 5,000 | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 428 | Paychex Services | 3,800 | | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 |
| 429 | Library Support | 3,230 | | 3,262 | 3,295 | 3,328 | 3,361 | 3,395 |
| 430 | Mail System | 708 | | 708 | 708 | 708 | 708 | 708 |
| 431 | Fixed Asset Inventory | 1,040 | | 1,040 | 1,040 | 1,040 | 1,040 | 1,040 |
| 432 | | | | | | | | |
| 433 | SHARED SERVICES W/SCHOOL | - | | - | - | - | - | - |
| 434 | | | | | | | | |
| 435 | OPERATING BUDGET | 1,964,779 | | 1,994,853 | 2,025,815 | 2,057,176 | 2,089,969 | 2,123,726 |
| 436 | | | | | | | | |
| 437 | DEBT - INTEREST PAYMENT | 201,419 | | 178,325 | 159,625 | 143,225 | 116,175 | 101,975 |
| 438 | 2005 Bonds; Land Acquisition and Roads | 29,000 | | 24,750 | 24,750 | 24,750 | 12,000 | 12,000 |
| 439 | 2009 Bonds; Roads, Roof, Fire Truck; ADA; Truck; Pump | 28,744 | | 23,900 | 19,200 | 14,800 | 10,500 | 6,300 |
| 440 | 2013 Bonds-Various Purposes | 143,675 | | 129,675 | 115,675 | 103,675 | 93,675 | 83,675 |
| 441 | | | | | | | | |
| 442 | | | | | | | | |
| 443 | DEBT - PRINCIPAL PAYMENT | 660,093 | | 695,979 | 782,699 | 682,699 | 635,000 | 635,000 |
| 444 | 2005 Bonds; Land Acquisition and Roads | 85,000 | | 85,000 | 85,000 | 85,000 | 80,000 | 80,000 |
| 445 | 2009 Bonds; Roads, Roof, Fire Truck; ADA; Truck; Pump | 125,000 | | 125,000 | 110,000 | 110,000 | 105,000 | 105,000 |
| 446 | 2013 Bonds-Various Purposes | 350,000 | | 350,000 | 350,000 | 250,000 | 250,000 | 250,000 |
| 447 | Note Payment | 100,093 | | 135,979 | 237,699 | 237,699 | 200,000 | 200,000 |
| 448 | | | | | | | | |
| 449 | | | | | | | | |
| 450 | Operating Transfer CNR Fund | 9,000 | | 29,000 | 22,000 | 22,000 | 25,000 | 22,000 |
| 451 | Non-Budgetary Expenditures | - | | - | - | - | - | - |
| 452 | GAAP Accrued Payroll & CWF | - | | - | - | - | - | - |
| 453 | Total General Town Expenditures | 2,835,291 | | 2,898,157 | 2,990,139 | 2,905,100 | 2,866,144 | 2,882,701 |
| 454 | Total Board of Education Expenditures | 6,328,668 | | 6,328,668 | 6,328,668 | 6,328,668 | 6,328,668 | 6,328,668 |
| 455 | TOTAL SPRAGUE BUDGET | 9,163,959 | | 9,226,825 | 9,318,807 | 9,233,768 | 9,194,812 | 9,211,369 |



**TOWN OF SPRAGUE
OPERATING BUDGET AND
CAPITAL & NON-RECURRING ITEMS BUDGET**

| B | C | J | K | N | P | R | T | V | |
|-----------------|--|---------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| TOWN OF SPRAGUE | | Budget | | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | 2% increase in salaries | |
| | | 2018-19 | | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | |
| 456 | | | | | | | | | |
| 457 | | | | | | | | | |
| 458 | TAXES | 5,678,272 | | 5,833,272 | 6,034,772 | 6,073,522 | 6,112,272 | 6,267,272 | |
| 459 | Current Taxes | 5,234,772 | | 5,389,772 | 5,591,272 | 5,630,022 | 5,668,772 | 5,823,772 | |
| 460 | Current Year Interest and Lien Fees | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | |
| 461 | Prior Years Tax | 145,000 | | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | |
| 462 | Prior Years Interest & Lien Fees | 35,000 | | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | |
| 463 | Current Supplemental Motor Vehicle Tax | 52,000 | | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | |
| 464 | Firefighter Tax Abatement (contra) | (8,500) | | (8,500) | (8,500) | (8,500) | (8,500) | (8,500) | |
| 465 | PILOT Solar Farm | 200,000 | | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | |
| 466 | Tax & Applic. Refunds (contra) | - | | - | - | - | - | - | |
| 467 | Tax Overpayments Ret'd (contra) | - | | - | - | - | - | - | |
| 468 | | | | | | | | | |
| 469 | STATE GRANTS - SCHOOL | 2,640,814 | | 2,640,814 | 2,640,814 | 2,640,814 | 2,640,814 | 2,640,814 | |
| 470 | Education Block Grant (ECS) | 2,640,814 | | 2,640,814 | 2,640,814 | 2,640,814 | 2,640,814 | 2,640,814 | |
| 471 | Pupil Transportation (non-public) | - | | - | - | - | - | - | |
| 472 | Pupil Transportation (public) | - | | - | - | - | - | - | |
| 473 | Adult Education | - | | - | - | - | - | - | |
| 474 | Special Education | - | | - | - | - | - | - | |
| 475 | Teacher's Retirement | - | | - | - | - | - | - | |
| 476 | | | | | | | | | |
| 477 | STATE GRANTS - LOCAL | 609,841 | | 606,782 | 606,782 | 606,782 | 606,782 | 606,782 | |
| 478 | Telecomm. Property Grant Tax | 8,700 | | 8,700 | 8,700 | 8,700 | 8,700 | 8,700 | |
| 479 | Municipal Revenue Sharing Account (MRSA) Municipal Projects | 386,528 | | 386,528 | 386,528 | 386,528 | 386,528 | 386,528 | |
| 480 | Municipal Revenue Sharing (formerly Property Tax Relief Grant) | - | | - | - | - | - | - | |
| 481 | PILOT State Property | 6,156 | | 6,156 | 6,156 | 6,156 | 6,156 | 6,156 | |
| 482 | Mashantucket Pequot Grant | 17,479 | | 17,479 | 17,479 | 17,479 | 17,479 | 17,479 | |
| 483 | Veterans Tax Relief | 2,394 | | - | - | - | - | - | |
| 484 | Disability Exemption Reimbursement | 665 | | - | - | - | - | - | |
| 485 | Elderly Property Exemption/Freeze | 9,900 | | 9,900 | 9,900 | 9,900 | 9,900 | 9,900 | |
| 486 | Judicial 10th Circuit | 200 | | 200 | 200 | 200 | 200 | 200 | |
| 487 | SLA - Emergency Mgmt. Agency | 2,800 | | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | |
| 488 | State Police OT Reimb. (ref. 6600-2) | 15,000 | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| 489 | Town Aid Roads (TAR) | 151,219 | | 151,219 | 151,219 | 151,219 | 151,219 | 151,219 | |
| 490 | Elderly and Disabled Transportation Grant | 8,800 | | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | |
| 491 | | | | | | | | | |
| 492 | LOCAL REVENUES | 90,200 | | 90,200 | 90,200 | 90,200 | 90,200 | 90,200 | |
| 493 | Interest Income | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | |
| 494 | License & Permit Fees | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | |
| 495 | Building Permit Fees | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | |
| 496 | Dog License Fees | 2,750 | | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | |
| 497 | Sundry Receipts | 200 | | 200 | 200 | 200 | 200 | 200 | |
| 498 | Recording Land Records, Maps, etc | 10,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | |
| 499 | Conveyance Tax | 17,000 | | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | |
| 500 | Copies-Fax Machine | 5,000 | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | |
| 501 | Permit Fees, P&Z, Inland & Wetlands | 4,000 | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | |
| 502 | Reimbursement of Legal Fees | - | | - | - | - | - | - | |
| 503 | Versailles Sewer Assessments | - | | - | - | - | - | - | |
| 504 | Landfill Receipts | 25,000 | | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | |
| 505 | Newsletter | 3,000 | | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | |
| 506 | Marriage Licenses | 150 | | 150 | 150 | 150 | 150 | 150 | |
| 507 | Sportsmans Licenses | 150 | | 150 | 150 | 150 | 150 | 150 | |
| 508 | Farmland Preservation | 950 | | 950 | 950 | 950 | 950 | 950 | |
| 509 | | | | | | | | | |
| 510 | MISC REVENUES | 54,000 | | 54,000 | 54,000 | 54,000 | 54,000 | 54,000 | |
| 511 | SCRRA Subsidy | 2,000 | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | |
| 512 | Insurance Claims/Rebates | - | | - | - | - | - | - | |
| 513 | Sale of Assets | - | | - | - | - | - | - | |
| 514 | Other Revenues | - | | - | - | - | - | - | |
| 515 | Waste Management | 52,000 | | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | |
| 516 | | | | | | | | | |
| 517 | INTERGOVERNMENTAL TRANSFERS | 74,065 | | 70,371 | 68,508 | 67,055 | 65,234 | 63,409 | |
| 518 | Water Improvement - Principal S&W Dept. | - | | - | - | - | - | - | |
| 519 | Water Improvement - Interest S&W Dept. | - | | - | - | - | - | - | |
| 520 | Prin. Subsidy from S & W for Resv. Dam Proj. | 45,000 | | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | |
| 521 | Int. Subsidy from S & W for Resv. Dam Proj. | 29,065 | | 25,371 | 23,508 | 22,055 | 20,234 | 18,409 | |
| 522 | Other | - | | - | - | - | - | - | |
| 523 | | | | | | | | | |
| 524 | OTHER MISC REVENUES | - | | - | - | - | - | - | |
| 525 | Non-Budgetary Income | - | | - | - | - | - | - | |
| 526 | Appro. from Undesig. Fund Balance | - | | - | - | - | - | - | |
| 527 | | | | | | | | | |
| 528 | TOTAL REVENUE | 9,147,192 | | 9,295,439 | 9,495,076 | 9,532,373 | 9,569,302 | 9,722,477 | |
| 529 | | | | | | | | | |
| 530 | Total General Town Expenditures | 2,835,291 | | 2,898,157 | 2,990,139 | 2,905,100 | 2,866,144 | 2,882,701 | |
| 531 | Total Board of Education Expenditures | 6,328,668 | | 6,328,668 | 6,328,668 | 6,328,668 | 6,328,668 | 6,328,668 | |
| 532 | TOTAL EXPENDITURES | 9,163,959 | | 9,226,825 | 9,318,807 | 9,233,768 | 9,194,812 | 9,211,369 | |
| 533 | | | | | | | | | |
| 534 | SURPLUS / (SHORTFALL) | (16,766) | | 68,614 | 176,269 | 298,605 | 374,490 | 511,108 | |
| 535 | | | | | | | | | |
| 536 | | | | | | | | | |
| 537 | FY18 Ending General Fund balance: (\$1,085,000)* | \$ (851,766) | | \$ (783,152) | \$ (606,883) | \$ (308,278) | \$ 66,212 | \$ 577,320 | |
| 538 | * This balance is from the audited FY18 financial statements. | | | | | | | | |
| 539 | FB as % of Total Expenditures | -9.23% | | -8.49% | -6.51% | -3.34% | 0.72% | 6.27% | |
| 540 | This fund balance is a result of \$835,000+ in overexpenditures from | | | | | | | | |
| 541 | the BOE and a loss of ECS revenue of approximately \$354,000 for | | | | | | | | |
| 542 | FY2018. Additionally, the BOE overexpended \$91,632 in FY17, | | | | | | | | |
| 543 | which is included as well. | | | | | | | | |
| 544 | | | | | | | | | |
| 545 | | | | | | | | | |
| 546 | Operating Results and Fund Balance with Municipal Restructuring Funds Included: | | | | | | | | |
| 547 | | | | | | | | | |
| 548 | Requested Municipal Restructuring Funds | 900,000 | | - | - | - | - | - | |
| 549 | | | | | | | | | |
| 550 | Budget Surplus/(Shortfall) After Municipal Restructuring Funds | 883,234 | | 68,614 | 176,269 | 298,605 | 374,490 | 511,108 | |
| 551 | | | | | | | | | |
| 552 | Ending General Fund Balance After Municipal Restructuring Funds | 48,234 | | 116,848 | 293,117 | 591,721 | 966,212 | 1,477,320 | |
| 553 | FB as % of total Expenditures | 0.5% | | 1.3% | 3.1% | 6.4% | 10.5% | 16.0% | |
| 554 | | | | | | | | | |
| 555 | MILL RATE | 33.25 | | 34.25 | 35.55 | 35.80 | 36.05 | 37.05 | |



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

December 3, 2018

Catherine Osten
First Selectman
Town of Sprague
1 Main Street
Baltic, CT 06330

Dear First Selectman Osten:

I am in receipt of your letter of November 19 applying for Tier II under the Municipal Accountability Review Board statutes. I accept your community's application, and hereby refer you to the MARB as a Tier II municipality.

We have also received a draft five-year plan from you, and have met with Office of Policy and Management (OPM) staff to offer suggestions and to ask questions about that plan. I believe that our mutual expectation is that Sprague will provide a five year plan to the MARB for review in the coming weeks once several issues are resolved. In addition, you indicated that you expect draft audited financials for FY 2018 will be available in early December, and that you will meet the statutory December 31 deadline for final audited financial statements.

For the benefit of MARB, it is helpful to briefly summarize Sprague's issues. Sprague's Board of Education overspent their FY2018 budget by an amount exceeding 10% of their annual budget. This had the effect of depleting the towns fund balance, and leaving them on July 1, 2018, with a large negative fund balance. While you have identified some one-time revenues to offset the prior year overspending, these will not be enough to satisfy the negative fund balance before June 30, 2019. The town's plan will include measures to restore the town's fund balance to an appropriate level within the five-year period, but will request municipal restructuring funds to bring that balance up to zero during this current year. The amount of that request is still being finalized based on the completion of the audit and the plan, but is estimated now to be in the range of \$600-\$800,000.

We anticipate that these matters will be before the MARB at their January meeting.

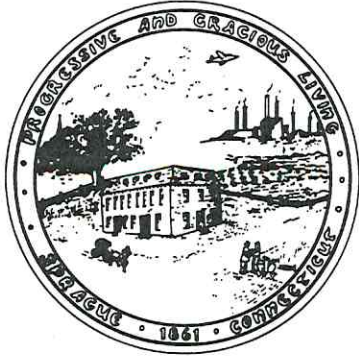
Thank you for your diligent efforts to provide OPM with detailed information and a well-advanced draft plan. We look forward to working with you and hope that Sprague's experience with MARB is a benefit to the town and its residents.

Kind Regards,

Ben Barnes,
Secretary

c: Robert Dakers, OPM

Alison Fisher, OPM
Deputy Secretary Susan Weisselberg, OPM
MaryAnn Palmarozza, OPM
Julian Freund, OPM
Hon. Denise Nappier, Co-Chairperson, MARB
Lawrence Wilson, MARB
Thomas Hamilton, MARB
Commissioner Scott Jackson, MARB
Mark D. Waxenberg, MARB
Patrick J. Egan, MARB
Robert A. White, MARB
David M. Walker, MARB
Matthew Brokman, MARB



TOWN OF SPRAGUE

First Selectman's Office

1 Main Street

Baltic, Connecticut 06330

Phone: (860) 822-3000

Fax: (860) 822-3013

November 19, 2018

Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management -
Office of the Secretary
450 Capitol Avenue
Hartford, CT 06106-1379

Secretary Barnes,

As the chief elected official of the Town of Sprague, I am applying to you as the Secretary of OPM to designate the Town as a Tier II municipality. The Board of Selectmen has concurred in this application.

The Town has experienced significant budget overages due to overspending by the Board of Education in the past two years. In addition, the Town's Education Equalization funding was cut by over \$354,000 resulting in a significant loss of revenue. This overspending and cut in revenue has led to excessively strained cash flow and the inability of the Town to meet its demands from vendors and fund payroll.

In the past two years, the Board of Education overspent their budget by \$91,632 and approximately \$835,000 in FY 2017 and FY 2018, respectively. [The FY 2017 overage was discovered by the auditors during the annual audit and was not known beforehand to the Board of Education. The overage in FY 2018 was not discovered by the Board of Education until the last two weeks of June 2018.] The Town currently has outstanding invoices in the amount of \$489,171.27 related to education expenses for FY 2018. Additionally, the General Fund fund balance, which was \$141,037 in FY 2017 has been completely diminished and has left the Town in a negative cash position to pay its outstanding invoices from FY 2018. As the months continue on, the pressure to pay these outstanding invoices has been increasing, however, the Town is still not in a position to be able to pay these expenses and afford the current day-to-day business expenses and payroll for the FY 2019.

The Town recently passed a budget which included a 1.25 mill increase from the FY 2018 budget, which equates to approximately \$180,000. Additionally, the Town

was able to secure funding in the amount of \$250,000 by selling scrap metal from an old paper mill in Town, which was acquired through a foreclosure action due to non-payment of taxes. The Town is also actively pursuing other revenue-generating activities including another solar farm in Sprague at the aforementioned paper mill location, however, the combined amounts from these efforts has not afforded the Town the opportunity to pay all of its outstanding invoices.

We will be providing you with a timeline of the events that have led to this situation, our current budget versus actual, a five year plan for both the education and operating sides of the budget, our current debt (including bonds and BANs) and the listing of capital improvement projects that have been put on hold. Potential legal action is being pursued against the actions that led the Town to be in this predicament. Additionally, the Town is currently in the process of passing an ordinance which requires transparency to the Board of Finance from all departments, including the Board of Education regarding monthly financial reporting and all financial actions such as transfers between budget line items, contract signings, etc.

We appreciate your consideration on this unfortunate circumstance which the Town is currently in. We commit to having the aforementioned information and reports to you by Wednesday, November 21st.

Regards,

A handwritten signature in dark ink, appearing to read "Catherine A. Osten", written in a cursive style.

Catherine A. Osten
First Selectman

Cc: Rich Cody, Town Attorney