

# CONTINGENCY #1074

## HIGHLIGHTS & GOALS

**Final Budget Result:** During budget deliberations, the RTM reduced this function by \$125,000 to \$425,000.

This represents the amount of funds set aside for unforeseen expenses.

Town Charter Section 9.10.7 requires that no expenditure may be charged directly to the Contingency account. Funds may be transferred from Contingency to any other account upon Town Council approval. Transfers of \$10,000 or more require the approval of the Representative Town Meeting (RTM).

The Town's Debt Policy and Management/Fiscal Practices specifies that an annual contingency reserve of not more than 2.0% of the General Fund operating budget must be maintained. This request of \$550,000 equates to 0.4% of the General Fund Operating Budget.

### Recent Contingency Experience:

FYE 2016: \$550,000 was appropriated. Transfers in the amount of \$337,296 were approved for wage increases for 2 labor contracts that have been settled and approved by the Town Council. Wages increases were not included in the budget for FYE 2017 but were included in Contingency. Transfers in the amounts of \$197,704 for Legal Services and \$15,000 for Insurance & Claims are pending approval by the RTM which will deplete the fund.

FYE 2015: \$350,000 was appropriated and transferred to Executive Management, Public Works, Human Services, Regional Agencies and Finance. A supplemental appropriation from Fund balance was also required (\$286,936).

FYE 2014: \$350,000 was appropriated and was transferred to Debt Service, City of Groton & Public Works.

FYE 2013: \$450,000 was appropriated and \$266,392 was transferred to Legal Services, Probate and departmental functions leaving a balance of \$183,608.

FYE 2012: \$350,000 was appropriated and \$223,000 was transferred to Capital Reserve and Voter Registration leaving a balance of \$127,000.

FYE 2011: \$350,000 was appropriated and \$237,545 was transferred to Town Clerk, Voter Registration and Public Works leaving a balance of \$112,455.

TOWN OF GROTON  
SUMMARY COST CENTER  
FYE 2017 ADOPTED BUDGET

24-May-2016

AREA OF SERVICE: CONTINGENCY  
DEPARTMENT: CONTINGENCY  
FUNCTION: CONTINGENCY 1074

	ACTUAL FYE 2015	ADJUSTED FYE 2016	ESTIMATE FYE 2016	REQUEST FYE 2017	MANAGER FYE 2017	COUNCIL FYE 2017	RTM FYE 2017
<b>APPROPRIATION</b>							
Operating Expenses	0	212,704	0	550,000	550,000	550,000	425,000
<b>Total Appropriation</b>	<b>\$0</b>	<b>\$212,704</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$425,000</b>
<b>COST CENTERS</b>							
10741 GENERAL CONTINGENCY	0	212,704	0	550,000	550,000	550,000	425,000
<b>Total Cost Centers</b>	<b>\$0</b>	<b>\$212,704</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$425,000</b>
<b>FINANCING PLAN</b>							
GENERAL FUND	0	212,704	0	550,000	550,000	550,000	425,000
<b>Total Financing Plan</b>	<b>\$0</b>	<b>\$212,704</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$425,000</b>

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SUMMARY COST CENTER  
FYE 2017 ADOPTED BUDGET

24-May-2016

AREA OF SERVICE: CONTINGENCY  
DEPARTMENT: CONTINGENCY  
FUNCTION: CONTINGENCY 1074

	ACTUAL FYE 2015	ADJUSTED FYE 2016	ESTIMATE FYE 2016	REQUEST FYE 2017	MANAGER FYE 2017	COUNCIL FYE 2017	RTM FYE 2017
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OPERATING EXPENSES							
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5499 CONTINGENCY	0	212,704	0	550,000	550,000	550,000	425,000
Total Operating Expenses	\$0	\$212,704	\$0	\$550,000	\$550,000	\$550,000	\$425,000
GRAND TOTAL	\$0	\$212,704	\$0	\$550,000	\$550,000	\$550,000	\$425,000

## TOWN OF GROTON

### *Capital Improvement Budget/Program*

The Capital Improvement Plan (CIP) is a long-term planning and policy document that includes capital projects for the upcoming fiscal year plus the ensuing five (5) fiscal years. Projects are evaluated and prioritized in terms of their need by the Town, their cost effectiveness, their ability to generate economic benefit, and their courses of funding. In this way, projects included in the CIP are only those that reflect both the capital needs of the Town and its ability to fund these projects.

The Town prepares its CIP document in accordance with two definitions of what constitutes a capital improvement:

“...Capital improvement means a major improvement or betterment of a non-recurring nature to the physical plant of the municipality as differentiated from ordinary repairs or maintenance of a recurring nature,...” (Connecticut State Statutes, Sec. 8-160)

“Appropriations from the fund (Capital Reserve Fund for capital and non-recurring expenditures) shall be made only for capital assets, projects, or acquisitions of a non-recurring nature, with a cost of over \$25,000, and with a useful life expectancy of over five years.” (Code of Ordinances, Chapter 2, Section 2-1©; Ord. No. 179, 9-17-85)

This section of the Budget contains the Capital Improvement Budget (CIB) which is the annual appropriation for capital spending for the various projects that pertain to the upcoming fiscal year. This CIB summary page provides a one-line description of the projects and denotes each project's source of funding. In addition to the summary page, each proposed project is described on an individual Project Detail sheet which contains a brief description of the project, the estimated cost, proposed method of financing, and a schedule for implementation.