ANNUAL BUDGET

Revenue

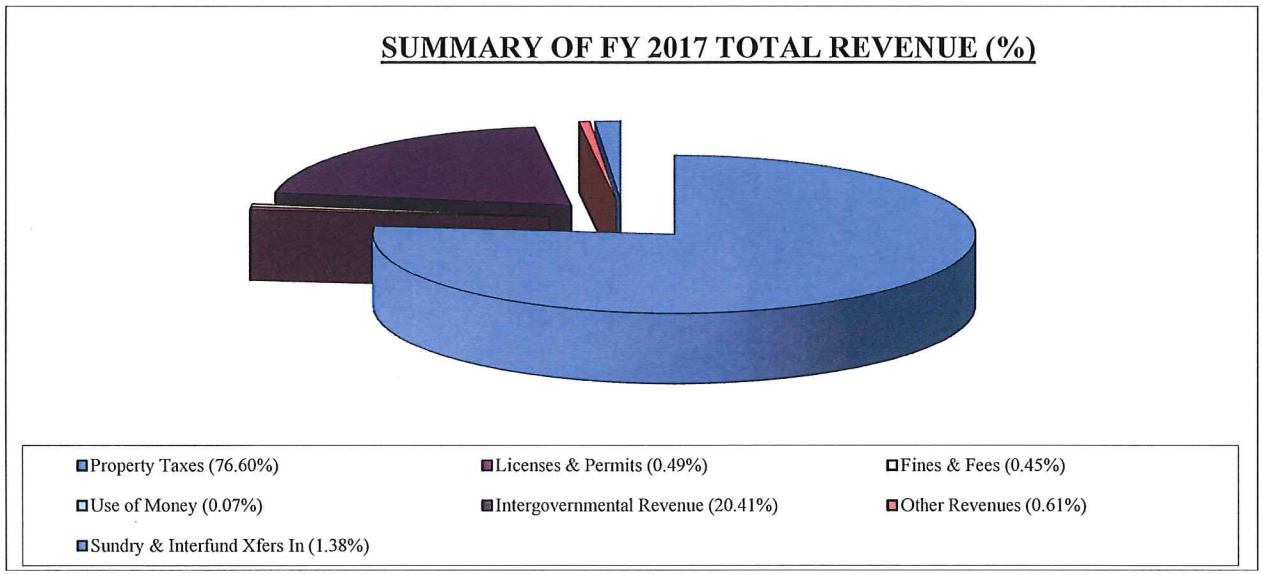
FISCAL YEAR

July 1, 2016- June 30, 2017

REVENUE OVERVIEW

Within Plainville's budget for FY 2017, there are seven (7) major revenue categories: Property Taxes, Licenses & Permits, Fines & Fees, Use of Money, Intergovernmental Revenue, Other Revenues, and Sundry & Interfund Transfers In as shown in the following chart. The total adopted revenue budget must equal the total adopted expenditures budget to comply with the State requirements of a balanced budget.

	FY 2015 Adopted	FY 2016 Adopted	FY 2017 Adopted	Difference 2015 - 2016
Property Taxes	$ 42,555,566	$ 43,543,448	$ 44,153,414	$ 609,966
Licenses & Permits	206,550	206,600	282,100	75,500
Fines & Fees	216,450	235,950	256,700	20,750
Use of Money	25,500	25,500	40,500	15,000
Intergovernmental	11,568,359	11,643,847	11,767,484	123,637
Other Revenues	322,496	334,496	349,496	15,000
Sundry & Xfers In	530,056	514,840	792,769	277,929
TOTALS	**$ 55,424,977**	**$ 56,504,681**	**$ 57,642,463**	**$ 1,137,782**



- To produce a balanced budget, estimates revenues must match expenditures. The main source of revenue for the Town is the property tax. The October 1, 2015 Grand List increased by $13,016,731 from $1,365,355,660 to $1,378,372,391. This represents a 0.95336% increase in Plainville's taxable property.

- Licenses & Permits are estimated to increase due to Building permits increasing as the economy becomes a little more advantageous for building and renovating.

- Intergovernmental Revenue is estimated to increase primarily due to the new MRSA Sales Tax Sharing Grant. However, our expenditure budget was adopted at referendum prior to the State of CT adopting their budget. The Intergovernmental Revenue amounts budgeted are estimates based on the adopted State budget, which is $310,059 lower than the Governor's originally proposed budget. The proposed budget amounts were used by the Town Council when sending the expenditure budget out

to referendum. Town Council increased a couple direct revenue line items by a total of $40,000 and used an additional $270,059 of fund balance to keep the mill rate at a rate they estimated when the expenditure budget went to referendum. Subsequent to the adoption of the State budget, an additional $20M was reduced statewide from municipal revenue. At this point, the Town does not know which grants or by how much our budget will be affected.

- Sundry & Interfund Transfers In increased due to the use of additional fund balance being used to offset the potential further reduction of State Aid.

TAXES: Property Taxes and Assessments

Taxes are a mainstay of financing for local governments. Taxes may be levied against real property taxes, personal property, and motor vehicles. Other budgeted tax revenues are interest, penalties, and lien fees on delinquent taxes.

Property taxes are the largest and most important component of Town revenue sources. All revenues that cannot be generated from State aid, licenses, fees, etc. must be derived from the property tax levy.

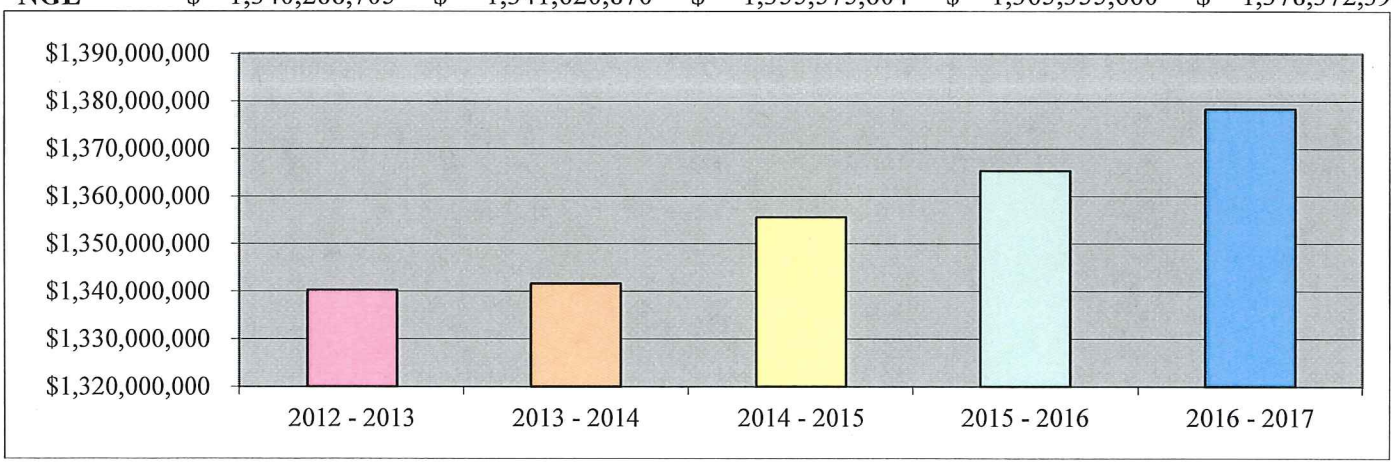
It is estimated that the General Fund will yield $44,153,414 in taxes and assessments in total for fiscal year 2016 - 2017. This is an increase of $609,966.

The total of all taxable property in the Town of Plainville minus exemptions is commonly known as the "net grand list (NGL)." Any growth in the NGL helps to offset any growth in budgeted expenditures, since mill rate (tax rate) is calculated based on the total valuation of all taxable property within the boundry of the Town. The October 1, 2015 NGL increased by $13,016,731 from $1,365,355,660 to $1,378,372,391. This represents a 0.95336% increase in Plainville's taxable property.

The following chart presents the annual net grand list growth for the last five-year period:

Town of Plainville
Net Grand List (NGL)
Last 5 Budget Years

October 1,	**2011**	**2012**	**2013**	**2014**	**2015**
Fiscal Year	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 – 2017
NGL	$ 1,340,288,705	$ 1,341,620,870	$ 1,355,575,604	$ 1,365,355,660	$ 1,378,372,391



TAX RATE

The tax rate is expressed in terms of "mills" with one mill equivalent to one dollar of tax for every one thousand dollars of assessed value. The tax levy is a computation by the total amount of budgeted tax revenue necessary to be raised from property taxes taking into account allowances for estimated uncollectible taxes. Based on a NGL of $1,378,372,391, applying grants and non-tax revenue, it will be necessary to finance $44,153,414 or 76.60% from property taxes. This will require a mill rate of 31.99, an increase of 0.16 mills or 0.50%. The mill rate is calculated as follows:

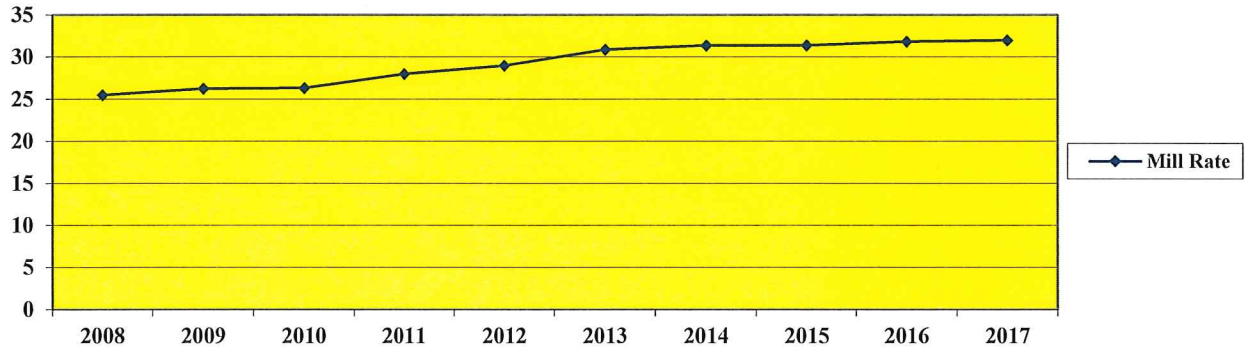
Expenditure Budget Change			Revenue Budget Change		
Town Government	$	480,151	Sundry & Xfers In	$	277,929
Board of Education		457,631	Intergovernmental		123,637
Capital Projects		200,000	Licenses & Permits		75,500
Debt Service		-	Fines & Fees		20,750
			Use of Money		15,000
			Other Revenues		15,000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

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

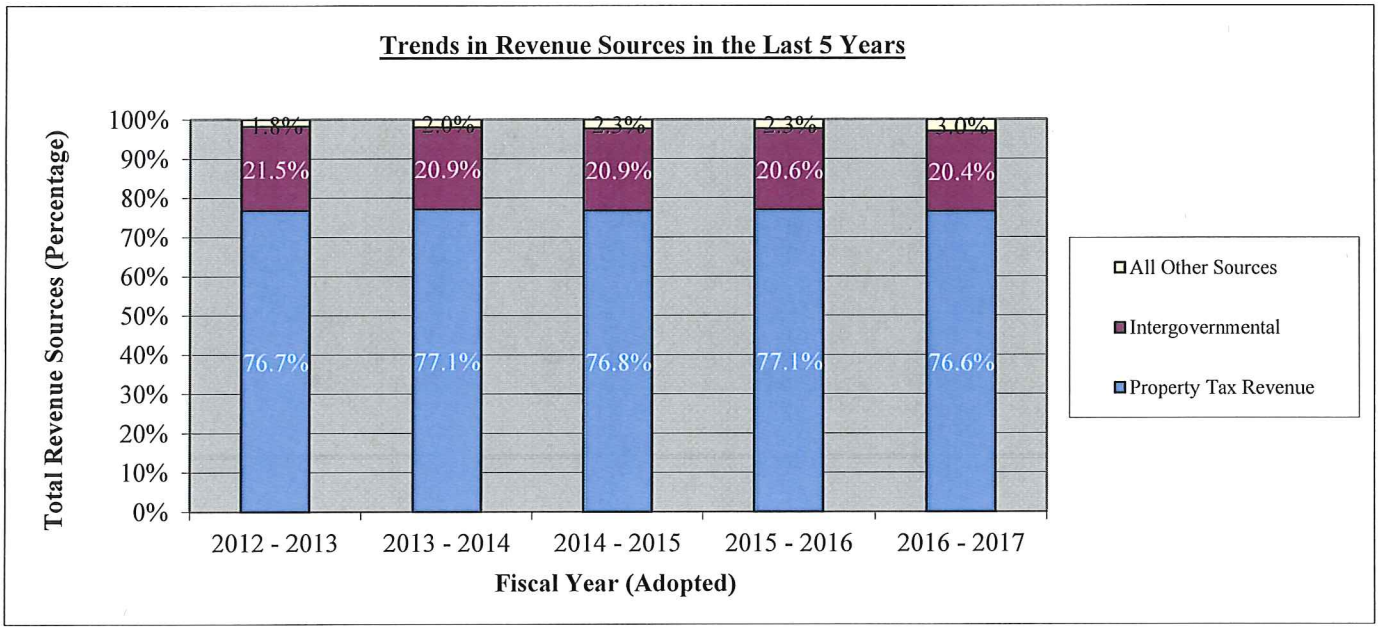
Tracking the Mill Rate and Grand List
FY's 2003 – 2017

Fiscal Year	Town Manager Proposed Mill Rate	Town Council Approved Mill Rate	Grand List Year	Grand List Value	Current Year Tax Levy
2003	34.26	32.06	2001	$ 898,874,926	$ 28,817,930
2004	34.96	33.55	2002	917,444,217	30,780,253
2005	36.75	33.33	2003	930,695,700	31,020,088
2006	35.66	34.50	2004	948,434,120	32,720,977
2007	37.80	36.28	2005	957,924,310	34,753,493
2008 *	26.59	25.50	2006	1,372,298,640	33,915,344
2009	27.83	26.24	2007	1,384,431,320	35,215,438
2010	27.17	26.33	2008	1,388,227,300	35,595,339
2011	28.58	28.01	2009	1,390,764,460	37,939,148
2012	29.69	28.98	2010	1,400,251,680	39,526,221
2013 *	31.00	30.89	2011	1,340,288,705	40,327,566
2014	31.38	31.38	2012	1,341,620,870	41,003,953
2015	31.76	31.38	2013	1,355,575,604	41,430,066
2016	32.13	31.83	2014	1,365,355,660	42,337,948
2017	32.06	31.99	2015	1,378,372,391	42,947,914

* Revaluation Year



Shown in the chart above are the approved mill rates for the last ten (10) fiscal years. Additional information regarding approved mill rates can be found in the "Citizen's Guide to the Budget" section.



The above table illustrates the percentages of the operating budget funded by various revenue sources over the last five (5) fiscal years. The most striking feature of the breakdown of revenue sources is the extent to which the Town budget is dependent on just two sources: local property taxes and intergovernmental revenue, predominantly from the State of CT. As the second largest source of General Fund revenues, State Aid has a considerable impact on property tax rate. Most sources of State Aid are formula driven and therefore are affected not only by total funding levels statewide, but also by numerous variables such as the Town's population, the Town's grand list relative to other towns, income levels relative to other towns, student enrollment figures, and various demographic characteristics. Due the poor economic position of the State, the projected future budget deficits, the timing of their budget process in comparison to the Town's, and their unilateral decision making processes, the Town has been decreasing it's dependency on State Aid and will probably have to continue to do this in future years. The remaining revenue sources, including permits, licenses, fees for services, investment income, and miscellaneous sources, combine for just 3.0% in the 2016 - 2017 budget.

INTERGOVERNMENTAL REVENUE

Local governments depend on state and federal aid to supplement their property tax and other revenue sources. The estimated allocations to Plainville are based on the state's publication Estimates of State Formula Aid to Municipalities: Fiscal Year 2014 - 2015, Fiscal Year 2015 - 2016, and Fiscal Year 2016 - 2017 originally distributed by the State of Connecticut Office of Policy and Management in February 2016. The budgeted grant amounts for fiscal year 2016 - 2017 reflects estimates provided by the State in April 2016 from the Governor's Budget, prior to an additional $20M statewide reduction to municipal aid.

Listed below are the State of Connecticut statutory formula grants to be paid to the Town of Plainville:

Federal and State Grants	Actual Grant Amount Received 2014 - 2015	Budgeted Grant Amount 2015 - 2016	Estimated Grant Amount 2016 - 2017
Special ed excess cost grant	$ -	$ -	$ -
Education cost sharing grant	10,463,805	10,405,528	10,368,696
School transportation grant	161,034	164,937	-
PILOT - State property	17,664	16,382	388
PILOT - veteran's exemption	23,686	22,000	22,000
PILOT - elderly freeze	2,000	2,500	2,500
PILOT - elderly circuit breaker	152,604	150,000	150,000
PILOT - totally disabled	3,924	3,600	3,600
Plane registration	8,200	8,200	8,200
Pequot grant	85,023	89,305	72,491
Youth services grant	30,483	30,000	30,000
Misc. State grants	62,896	30,000	30,000
Telecommunications	45,347	55,000	50,000
Grants for municipal projects	509,690	541,936	541,936
MRSA sales tax sharing	-	-	363,176
LoCIP	126,839	124,459	124,497
Total Federal and State Grants	**$ 11,693,195**	**$ 11,643,847**	**$ 11,767,484**

LICENSES, FEES AND PERMITS

Local indicators, such as new construction, are important factor that relates directly to the budgeted estimated revenues for building permit fees and recording and conveyance fees (primarily property transfer documents).

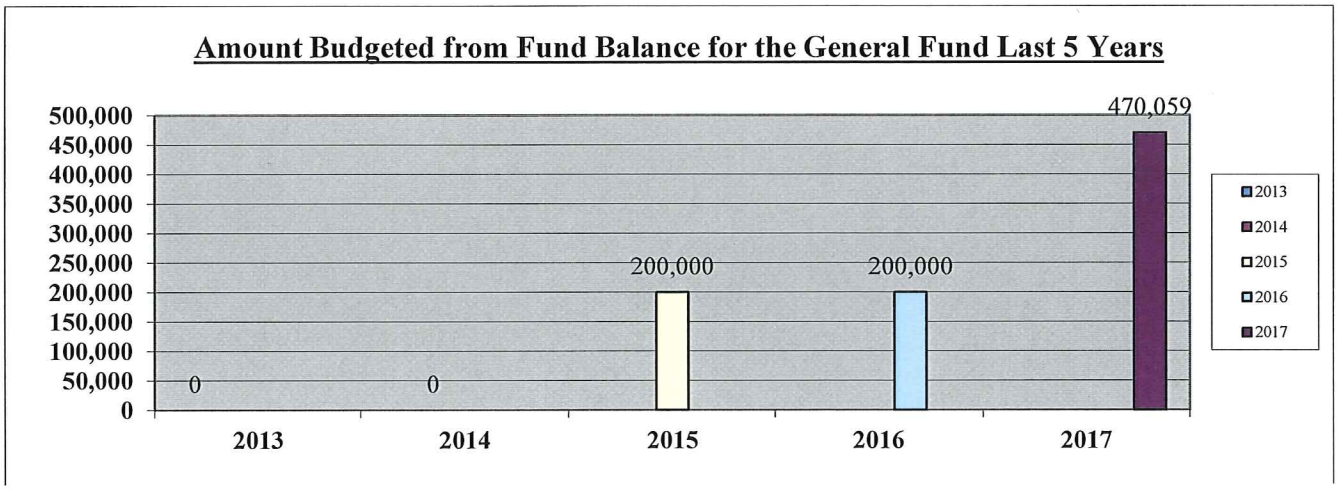
There is a continuing trend toward steady residential and commercial planned growth in Plainville. The Town continues to upgrade and expand Town provided amenities, including high quality educational, recreational, and cultural facilities, while maintaining comparatively low tax rates.

Licenses, fees, and permits revenue for all Town funds are estimated to increase slightly from the 2015 - 2016 levels. However, these revenue sources are budgeted within reasonable limits. Fees are based on estimates from the Building Department with activity anticipated to remain at or above the FY 2015 - 2016 level.

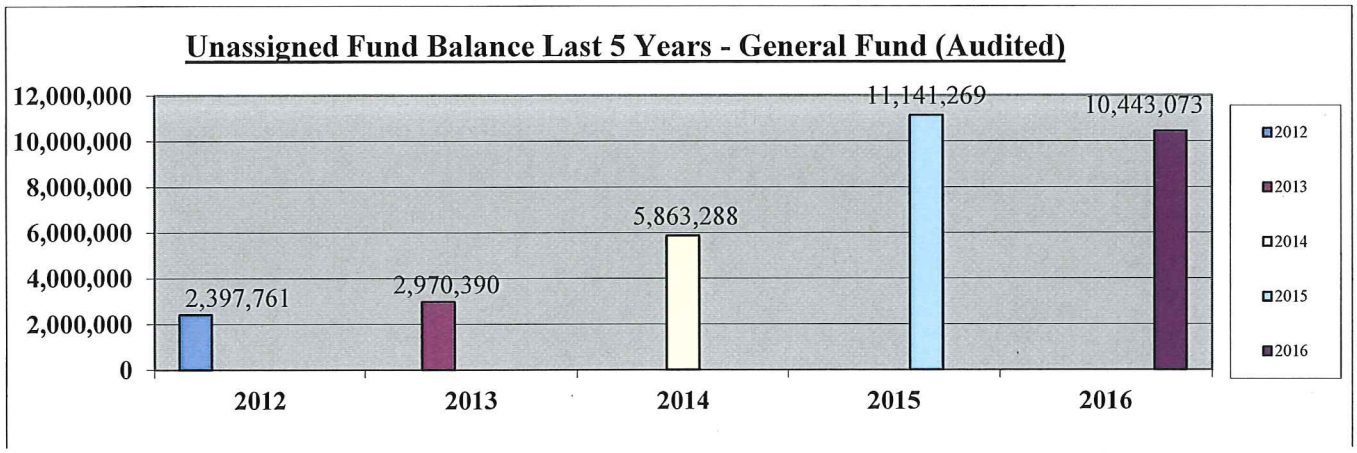
FUND BALANCE

Fund Balance is a measure of the Town's capacity to withstand financial emergencies or to undertake unforeseen, but necessary, projects. Rating agencies place special emphasis on fund balance when assigning bond ratings to municipalities and view adequate fund balance as an indication of sound financial management.

A policy was established several years ago to reduce the reliance on General Fund Unassigned Fund-Balance to balance the operating needs of the Town. As a result, a plan was established to lower the use of the General Fund's fund balance yearly until it reaches $-0-, which the 2010 – 2011 budget achieved, continuing every year until FY 2015. In this year, the Town Council felt it was prudent to keep the mill rate the same by utilizing $200,000 of unassigned fund balance in light of additional, unbudgeted revenues being returned to the General Fund in FY 2014. The Town Council has again thought it prudent to use the same amount of unassigned fund balance in the FY 2017 budget, $200,000 but had to increase that amount by $270,059 in light of the State of CT reduced State Aid. It is anticipated the Town Council will return to not using fund balance to balance the operating needs of the Town in years where there is not a significant return of unbudgeted revenues.



Shown below is a graph illustrating the Town of Plainville's Unassigned Fund Balance during the last five years:



Town of Plainville, Connecticut
Adopted Town of Plainville Revenue Budget Detail - Fiscal Year 2016 - 2017
As of April 27, 2016

		2014 - 2015	2015 - 2016			2016 - 2017		
		Actual		Received		Estimated	Increase/(Decrease)	
	Town of Plainville Revenue	Received	Budgeted	Date	Estimated	Budget	$	%
	Property Taxes							
41010	Current taxes	$ 41,151,303	$ 42,337,948	$ 42,178,672	$ 42,337,948	**$ 42,947,914**	**$ 609,966**	**1.44%**
41015	Prior taxes	611,664	500,000	674,153	700,000	**500,000**	**-**	**0.00%**
41020	Motor vehicle supp	430,889	400,000	461,773	475,000	**400,000**	**-**	**0.00%**
41040	Suspense	23,958	25,000	14,195	21,000	**25,000**	**-**	**0.00%**
41050	Interest	424,164	275,000	372,617	400,000	**275,000**	**-**	**0.00%**
41060	Liens/misc	34,594	5,500	4,538	5,500	**5,500**	**-**	**0.00%**
	Total Property Taxes	42,676,572	43,543,448	43,705,948	43,939,448	**44,153,414**	**609,966**	**1.40%**
	Licenses & Permits							
42110	Building permits	413,790	200,000	296,350	310,000	**275,000**	**75,000**	**37.50%**
42111	Building permits - State fee	194	200	139	200	**200**	**-**	**0.00%**
42120	Police permits	7,554	5,000	12,670	13,000	**5,500**	**500**	**10.00%**
42940	Dog licenses	1,860	1,000	705	1,000	**1,000**	**-**	**0.00%**
42960	Solid waste licenses	400	400	-	200	**400**	**-**	**0.00%**
	Total Licenses & Permits	423,798	206,600	309,864	324,400	**282,100**	**75,500**	**36.54%**
	Fines & Fees							
43114	Condo fees	49,567	47,500	51,295	51,295	**50,000**	**2,500**	**5.26%**
43115	Building fees	810	1,200	556	1,000	**1,200**	**-**	**0.00%**
43116	Bounced check fees	560	1,000	695	800	**1,000**	**-**	**0.00%**
43117	MV delinquent fee	26,489	17,500	23,332	25,000	**17,500**	**-**	**0.00%**
43120	Police fines	4,057	2,500	1,785	2,500	**2,500**	**-**	**0.00%**
43125	Police fees	69,701	32,000	78,628	85,000	**50,000**	**18,000**	**56.25%**
43126	Impound fees	2,915	3,000	1,033	2,000	**3,000**	**-**	**0.00%**
43130	Town Clerk filing fees	1,225	2,000	1,334	2,000	**2,000**	**-**	**0.00%**
43135	Vital statistics	13,933	11,000	11,484	11,750	**11,000**	**-**	**0.00%**
43140	Recording fees	90,070	82,000	70,500	82,000	**82,000**	**-**	**0.00%**
43150	Planning & Zoning fees	7,164	5,000	7,146	7,500	**5,000**	**-**	**0.00%**
43160	ZBA fees	2,711	3,000	1,473	2,500	**3,000**	**-**	**0.00%**
43185	Senior Center fees	8,793	8,000	8,300	8,300	**8,000**	**-**	**0.00%**
43190	Senior Center health fees	-	12,000	10,000	10,000	**10,000**	**(2,000)**	**-16.67%**
43195	Trash container fees	2,859	1,750	3,156	3,300	**2,000**	**250**	**14.29%**
43196	Tipping fees	9,920	6,000	9,910	12,000	**8,000**	**2,000**	**33.33%**
43198	Miscellaneous fees	454	500	1,293	1,400	**500**	**-**	**0.00%**
	Total Fines & Fees	291,228	235,950	281,920	308,345	**256,700**	**20,750**	**8.79%**

Town of Plainville, Connecticut
Adopted Town of Plainville Revenue Budget Detail - Fiscal Year 2016 - 2017
As of April 27, 2016

	Town of Plainville Revenue	2014 - 2015 Actual Received	2015 - 2016 Budgeted	2015 - 2016 Received Date	2015 - 2016 Estimated	2016 - 2017 Estimated Budget	2016 - 2017 Increase/(Decrease) $	2016 - 2017 Increase/(Decrease) %
	Use of Money							
44110	Investment income	$ 31,625	$ 25,000	$ 42,356	$ 45,000	$ 40,000	$ 15,000	60.00%
44114	Condo fee interest	1,224	500	968	1,100	500	-	0.00%
	Total Use of Money	32,849	25,500	43,324	46,100	40,500	15,000	58.82%
	Intergovernmental Revenue							
45301	Special ed AP I grant	-	-	322,332	-	-	-	0.00%
45302	Special ed excess cost grant	-	-	197,735	35,000	-	-	0.00%
45304	Education cost sharing grant	10,463,805	10,405,528	5,253,664	10,443,685	10,368,696	(36,832)	-0.35%
45307	School transportation grant	161,034	164,937	-	147,764	-	(164,937)	-100.00%
45310	PILOT - State property	17,664	16,382	-	-	388	(15,994)	-97.63%
45418	PILOT - veteran's exemption	23,686	22,000	23,331	23,331	22,000	-	0.00%
45420	PILOT - elderly freeze	2,000	2,500	2,000	2,000	2,500	-	0.00%
45425	PILOT - elderly circuit breaker	152,604	150,000	158,090	158,090	150,000	-	0.00%
45435	PILOT - totally disabled	3,924	3,600	3,764	3,764	3,600	-	0.00%
45445	Plane registation	8,200	8,200	8,020	8,200	8,200	-	0.00%
45500	Pequot grant	85,023	89,305	53,817	80,726	72,491	(16,814)	-18.83%
45530	Youth services grant	30,483	30,000	29,037	29,037	30,000	-	0.00%
45542	Misc. State grants	62,896	30,000	17,132	25,000	30,000	-	0.00%
45543	Telecommunications	45,347	55,000	44,221	44,221	50,000	(5,000)	-9.09%
45545	Grants for municipal projects	509,690	541,936	-	541,936	541,936	-	0.00%
45546	MRSA sales tax sharing	-	-	-	-	363,176	363,176	100.00%
45570	LoCIP	126,839	124,459	124,459	124,459	124,497	38	0.03%
	Total Intergovernmental	11,693,195	11,643,847	6,237,602	11,667,213	11,767,484	123,637	1.06%
	Other Revenues							
48212	Conveyance tax	126,597	135,000	126,516	135,000	135,000	-	0.00%
48217	PILOT - Housing Authority	40,173	34,496	20,430	34,496	34,496	-	0.00%
48262	Taxpayer reimbursements	299	-	(1,624)	(1,624)	-	-	0.00%
48298	Miscellaneous - BOE	104,068	-	-	-	-	-	0.00%
48299	Miscellaneous - other	316,742	165,000	479,562	500,000	180,000	15,000	9.09%
	Total Other Revenues	587,879	334,496	624,884	667,872	349,496	15,000	4.48%
	Sundry & Interfund Transfers In							
49101	Interfund transfer in - WPCF	305,670	314,840	314,840	314,840	322,710	7,870	2.50%
49102	Use of fund balance	-	200,000	-	-	200,000	-	0.00%
-	Expenditure reduction due to State	-	-	-	-	270,059	270,059	100.00%
49104	Interfund transfer in - Debt Manage	24,386	-	-	-	-	-	0.00%
49106	Interfund transfer in - Other Funds	(30,251)	-	-	-	-	-	0.00%
49107	Sale of fixed assets	4,775	-	2,345	2,345	-	-	0.00%
	Total Sundry & Interfund Transfers In	304,580	514,840	317,185	317,185	792,769	277,929	53.98%
	Total Town of Plainville Revenue	**$ 56,010,101**	**$ 56,504,681**	**$ 51,520,727**	**$ 57,270,563**	**$ 57,642,463**	**$ 1,137,782**	**2.01%**

REVENUES

Property Taxes

41010 Current Taxes - property taxes levied on the current Grand List
41015 Prior Taxes - property taxes estimated to be collected on prior years' Grand Lists
41020 Motor Vehicle Supplement - property tax levied on motor vehicles (not included on the October Grand List)
41040 Suspense – property taxes that are removed from the Grand List after fifteen (15) years but payments are made subsequent to the fifteen-year period
41050 Interest - applied to late tax payments
41060 Liens/Misc - charges on real property for the release of filing in the Town Clerk's Office

Licenses & Permits

42110 Building Permits - fee collected for issuance of building permits as required by law.
42111 Building Permit State Education - mandated 0.18 cents per $1,000 of assessed value is tacked onto building permit fees for the education of building officials.
42120 Police Permits - pistol permits, vending, solicitors, raffle permits
42940 Dog Licenses - all dogs owned in Plainville must be properly licensed.
42960 Solid Waste Licenses - license required of private haulers to use transfer station

Fines & Fees

43114 Condo Fees - garbage collection fees for condominiums
43115 Building Fees - fees for maps, books, and copies received from the building department
43116 Bounced Check Fee - fee for bounced check
43117 Motor Vehicle Delinquent Fee – fee charged for late payment of motor vehicles per State of CT.
43120 Police Fines - parking violations
43125 Police Fees - fees for accident reports, photos, private duty administration
43126 Impoundment Fees - dog impoundment
43130 Town Clerk Filing Fees - maps, liquor permits, trade name certifications
43135 Vital Statistics - birth, death, marriage licenses, etc.
43140 Recording Fees - for recording land records (warranty deeds, liens, sales)
43150 Planning and Zoning Fees - zoning applications and subdivisions
43160 Zoning Board of Appeals - fees for zoning appeals
43185 Senior Center Fees - membership fee for out-of-town residents
43190 Senior Center Health Fees – fees charged for health services provided
43195 Trash Container Fees – fees collected for second trash containers
43196 Tipping Fees - for private use of landfill
43198 Misc. Fees - snow removal for private roads, plus minor, non-budgeted items

Use of Money

44110 Investment Income - earned for Town's investments
44114 Condo Fee Interest - accrued on late condo fees

Intergovernmental Revenue

Education:

45304 Education Cost Sharing Grant - grant funding distributed according to the spending needs of the school, per statutory formula
45307 School Transportation Grant – formula grant to assist Towns with pupil transportation costs

State Reimbursements:

45310 PILOT - State Property - paid on State property within Town, in lieu of property taxes
45418 PILOT – Veteran's Exemption - partial reimbursement of Veterans tax exemptions
45420 PILOT - Elderly Freeze - partial reimbursement for tax exemptions for the elderly
45425 PILOT – Elderly Circuit Breaker - partial reimbursement for tax exemptions for the elderly
45435 PILOT – Totally Disabled Exemption - partial reimbursement for disability tax exemptions
45445 Plane Registration - fee collected for aircraft registration

Other Grants:

45500 Pequot Grant - proceeds from the Mashantucket Pequot and Mohegan Fund; formula-based
45530 Youth Services - to assist with provision of youth services programs
45542 Miscellaneous Federal/State Grants - includes FEMA disaster relief and other uncategorized funding
45543 Telecommunications - personal property tax on State communications equipment in Town
45545 Grants for Municipal Projects – grant funds the construction and maintenance of public highways, roads, and bridges
45546 MRSA Sales Tax Sharing – municipal revenue sharing account for sales tax allocation
45570 LoCIP (Local Capital Improvement Program) - assistance for approved capital improvement programs

Other Revenues

48212 Conveyance Tax - levied on property transfers
48217 PILOT – Housing Authority - received in lieu of property taxes from the Plainville Housing Authority
48262 Taxpayer Reimbursement - paid to reimburse Town for the cost of conducting foreclosures
48299 Miscellaneous – Other - photocopies, cell tower fees for antenna outside Municipal Center and Fire Station, PILOT - Robertson Airport, etc.

Sundry & Interfund Transfers In

49101 Interfund Transfer In - WPCF – transfers in from the Sewer Fund for employee benefits
49102 Use of Fund Balance – transfers made from the General Fund Unassigned Fund Balance