

Town Of Plainville

Ten Year Budget Review

FY 09 To FY 19

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Mill Rate

2008 Grand List*

Mill Rate- 26.24

2017 Grand List*

Mill Rate- 33.84

Difference- 7.6 mills
29% over ten years

*The 2008 GL and the 2017 GL are the base for the FY 10 and FY 19 Budgets.

- That change – (29%) is somewhat misleading because during that time frame there have been two revaluations. The amount of taxes that one pays is a function of the mill rate times the value of the property.
- As you will see later in the presentation – some property owners will have had tax increases below the ten year mill change and others have had higher.



Mill Rate is a function of the Total Expenditures and other sources of Revenues (other than current taxes).



Expenditures



Expenditures – 10 Year Change

- FY 2009 - \$52,694,589

- FY 2019 - \$60,056,058

- Difference - \$7,361,469

14% over ten years

1.4% per year average

Expenditures: Four Major Categories

- Town
- Board of Education
- Debt Service
- Capital Projects

Town Expenditures

- FY 2009 - \$14,520,653

- FY 2019 - \$17,533,146

- Difference - \$3,012,493

20.75% over ten years

2.08% per year average

Board of Education Expenditures

- FY 2009 - \$32,271,879

- FY 2019 - \$37,322,912

- Difference - \$5,051,033

15.65% over ten years

1.57% per year average

Debt Service Expenditures

- FY 2009 - \$4,802,057

- FY 2019 - \$4,400,000

- Difference - (\$402,057)

(8.4%) over ten years

(.84%) per year average

FY 2019 decrease (\$312,294)

Capital Improvements Expenditures

- FY 2009 - \$1,100,000
- FY 2019 - \$800,000
- Difference - (\$300,000)
(27%) over ten years
(2.7%) per year average

Note: This current amount (\$800,000) is not addressing the needs in the Capital Improvement Budget.

Expenditures

How Does the Total Budget Increase Compare?

- Previous 10 years (FY 1999 to 2009)
- Inflation Rate (FY 2008 to 2017)
- Social Security Increase (FY 2008 to 2017)

Previous Ten Years

	1999-2009	2009-2017
Total Budget Increase	\$16,882,857.00	\$7,361,468.00
Total Budget % Increase	47.14%	13.97%
Average Yearly Increase	4.7%	1.4%

- Budget increase reduced over a ten year period by \$9,521,388.
- Budget increase reduced over a ten year period by 56%.
- Average yearly increase reduced from 4.7% to 1.4%.

Inflation Comparison

- The inflation rate has increased by 16% over the last ten years (2008 to 2017).
- If one paid \$1.00 for an item in 2008, it would now cost \$1.16 as a result of inflation.

Total Town Budget

Increase from FY 2009 – 2019	14%	(Avg. 1.4% per year)
Inflation Rate	16%	(Avg. 1.6% per year)

- Total Budget increase has been 12.5% less than the rate of inflation over the last ten years. (2% ÷ 16%).
- Taking inflation into account, the expenditure budget has actually decreased over the last ten years.
- The inflation rate for 2018 was 2.13%.

Social Security Increases

- Social Security increased 17.72% over the last ten years (2008-2017).

Total Town Budget

Increase from FY 2009 – 2019	14%	(Avg. 1.4% per year)
Total Social Security Increase (2008-2017)	17.72%	(Avg. 1.77% per year)

- The Total Budget increase has been 21% LESS than the Social Security Increase over the last ten years (3.72% ÷ 17.72%).
- Social Security increase is 2.8% beginning January 2019.

Revenues

Revenues

- FY 2009 - \$52,694,589

- FY 2019 - \$60,056,058

- Difference - \$7,361,469

14% over ten years

1.4% per year average

Mill Rate Increase	29%
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Revenue Increase	14%
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Why the Difference?



Because Revenues come from several **Different Sources!**

- Intergovernmental Revenues
- Other Revenues
- Property Taxes

Intergovernmental Revenues

- FY 2009 - \$12,399,616
- FY 2019 - \$11,233,458
- Difference - (\$1,166,158) or (9.4%)

All Other Revenues

- FY 2009 - \$3,634,035
- FY 2019 - \$1,783,143
- Difference - (\$1,850,892) or (51%)

All Other Revenues			
	FY 2009	FY 2019	Difference
License & Permits	\$ 264,950	\$ 281,700	\$ 16,750.
Fines & Fees	\$ 279,700	\$ 271,700	\$ (8,000)
Use of Money	\$ 500,500	\$ 30,500	\$ (470,000)
Other Revenues	\$ 1,138,885	\$ 695,243	\$ (443,642)
Debt Management	\$ 400,000	\$ 300,000	\$ (100,000)
Use of Fund Balance	\$ 1,050,000	\$ 204,000	\$ (846,000)
	\$ 3,634,035	\$ 1,783,143	\$ (1,850,892)

Over the last ten years
both Intergovernmental
and Other Revenues
have declined by
\$3,017,050.

Property Tax Revenues

- FY 2009 - \$36,660,938
- FY 2019 - \$47,039,457
- Difference - \$10,378,519 or 28%

Overall Revenue Increase	\$7,361,469
Property Tax Increase	\$10,378,519
Difference	\$3,017,050

Difference in loss of
Revenue from other
sources

Summary of Revenues: 10 Year Trend

• Intergovernmental Revenues	-	(\$1,166,158)
• All Other Revenues	-	(\$1,850,892)
• Property Taxes	-	\$10,378,519
• Total	-	\$7,361,469

% of Total		
	FY 2009	FY 2019
Property Taxes	69.60 %	78.30 %
Intergovernmental	23.50 %	18.70 %
All Other Revenues	6.90 %	3.00 %
	100.00 %	100.00 %

Individual Property Mill Impacts



- As pointed out earlier in this presentation, the mill rate over the last ten years was 7.6 mills or 29%.
- However during this period of time there have been two revaluations (2011 & 2016) and the value of property has changed.
- The Total Grand List has increased by \$446,353 (0.3%) over the last ten years.



- All real estate has been impacted differently as a result of the changing value of real estate.
- Not all properties have increased by 0.3%. Some have increased more than that, some less.



Selected Single Family Residences



Fairbanks Street

- Value (2008 GL) - \$188,700
 - Value (2017 GL) - \$169,100 (-10.4%)
-
- Taxes (2008 GL) - \$3,466
 - Taxes (2017 GL) - \$4,005
 - % Increase 15.57% (1.6% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- Tax increases on this property were less than the rate of inflation and the social security increase over ten years

Forestville Avenue

- Value (2008 GL) - \$178,800
 - Value (2017 GL) - \$150,900 (-15.6%)
-
- Taxes (2008 GL) - \$3,284
 - Taxes (2017 GL) - \$3,374
 - % Increase 8.83% (0.9% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
 - Tax increases on this property were 49% less than the rate of inflation and 50% less than the social security increase over the last ten years.

West Main Street

- Value (2008 GL) - \$230,000
 - Value (2017 GL) - \$197,000 (-14.3%)
-
- Taxes (2008 GL) - \$4,228
 - Taxes (2017 GL) - \$4,667
 - % Increase 10.4% (1.0% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- Tax increases on this property were 35% less than the rate of inflation and 41% less than the social security increase over the last ten years.

Hollyberry Lane

- | | | | |
|-------------------|---|-----------|---------|
| • Value (2008 GL) | - | \$246,900 | |
| • Value (2017 GL) | - | \$223,700 | (-9.4%) |
-
- | | | | |
|-------------------|---|---------|--|
| • Taxes (2008 GL) | - | \$4,535 | |
| • Taxes (2017 GL) | - | \$5,346 | |
- % Increase 17.9% (1.79% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- Tax increases on this property were 12% higher than the rate of inflation and slightly higher than the social security increase over the last ten years.

Mancini Way

- | | | | |
|-------------------|---|-----------|----------|
| • Value (2008 GL) | - | \$392,500 | |
| • Value (2017 GL) | - | \$346,600 | (-11.7%) |
-
- | | | | |
|-------------------|---|---------|--|
| • Taxes (2008 GL) | - | \$7,209 | |
| • Taxes (2017 GL) | - | \$8,210 | |
- % Increase 13.9% (1.39% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- Tax increases on this property were 15% lower than the rate of inflation and 21.5% lower than the social security increase over the last ten years.

Milford Street Extension (Condominium)

- Value (2008 GL) - \$65,600
 - Value (2017 GL) - \$50,600 (-22.9%)
-
- Taxes (2008 GL) - \$1,205
 - Taxes (2017 GL) - \$1,199
 - % Increase 13.9% (1.39% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- For this property, taxes have decreased over the last ten years and were significantly below the inflation rate and the social security increase during that same time period.

Selected Commercial Properties



CT Commons

- Value 2008 Grand List - \$70,322,500
- Value 2017 Grand List - \$70,827,400 (0.7%)

- Taxes 2008 Grand List - \$1,291,684
- Taxes 2017 Grand List - \$1,677,759
 - % Increase 30% (3% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- CT Commons taxes mirror the mill rate increase over the last ten years (30% v 29%).

General Electric on Woodford Avenue

- Value 2008 Grand List - \$5,914,057
 - Value 2017 Grand List - \$6,429,200 (8.7%)
-
- Taxes 2008 Grand List - \$108,629
 - Taxes 2017 Grand List - \$152,295
 - % Increase 40% (4% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
 - General Electric taxes have been 38% higher than the mill rate % increase in the last ten years.

Best Friends

- Value 2008 Grand List - \$2,996,100
 - Value 2017 Grand List - \$4,027,00
-
- Taxes 2008 Grand List - \$55,032
 - Taxes 2017 Grand List - \$95,392
 - % Increase 73.3% (7.3% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
 - Best Friends taxes have been significantly higher than the mill rate % increase in the last ten years.

Mott Corp

- Value 2008 Grand List - \$5,109,800
- Value 2017 Grand List - \$5,134,100 (0.4%)

- Taxes 2008 Grand List - \$93,857
- Taxes 2017 Grand List - \$121,617
 - % Increase 29% (2.9% per year)
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
- Mott Corp taxes mirror the mill rate % increase over the last ten years (29% v 29%).

GEM Sensors

- Value 2008 Grand List - \$3,616,500
 - Value 2017 Grand List - \$4,069,800 (12.5%)
-
- Taxes 2008 Grand List - \$66,435
 - Taxes 2017 Grand List - \$96,405
 - % Increase 45%
 - Inflation Rate 16.0%
 - Social Security Increase 17.72%
 - GEM Sensors taxes have been 55% higher than the mill rate % increase over the last 10 years.

Conclusion



Conclusion

- Back in 2010 an independent study of all 169 cities and towns in Connecticut showed that Plainville had the 10th lowest effective tax increase over the ten-year period between FY99 and FY09.
- Plainville's total budget increases over the last ten years (FY 09 to FY19) have been less than the rate of inflation (14% v. 16%) and less than the social security increases (14% v. 17.72%).
- While the overall mill rate has increased by 29% over the last ten years, the primary reason for the increase has been the reduction in state revenues, reduction in the use of fund balance, lower grand list increases, and lower interest rates on investments.

Conclusion

- However, the increase of the mill rate has primarily impacted commercial and industrial properties with many residential properties seeing increases more in line with the rate of inflation and the social security increases.
- During this same time period, the Town has been able to begin a Road Bond Program, enhance our recreational facilities, enhance our educational opportunities, and maintain our infrastructure and continue to provide essentially the same level of service that maintains our quality of life.
- Finally – due to the budget difficulties facing the State Budget – the question becomes – how long can this pattern of relatively low increases to the local property tax continue going forward while maintaining the same level of service to which our citizens have become accustomed?