

GRAND LIST, TOWN BUDGET AND MILL RATE - ANALYSIS 7/20/2015

Stonington Economic Development Commission (source Town Budget Books)

JUNE 30 FISCAL YEAR	2004-05	2005-06	2006-07	2007-08	2008-09 Revaluation	2009-10	2010-11	2011-12	2012-13	2013-14 Revaluation	2014-15	2015-16
(A) NET TAXABLE GRAND LIST (1)	1,949,463,093	2,009,570,429	2,065,162,896	2,094,863,269	3,027,048,013	3,068,858,271	3,089,053,121	3,107,651,102	3,124,296,369	2,542,673,025	2,550,819,499	2,570,725,538
(B) ADOPTED EXPENDITURES - total spending	44,806,718	48,110,065	50,925,700	53,851,141	53,865,342	53,942,191	54,760,546	55,276,098	56,733,696	57,937,663	58,520,662	61,218,458
(C) REVENUE OTHER THAN TAXES (2)	(7,306,737)	(7,480,736)	(7,824,189)	(8,322,638)	(8,144,090)	(7,590,800)	(7,097,168)	(6,709,768)	(7,088,456)	(7,398,927)	(6,396,289)	(6,406,800)
(D) NET EXPENDITURES TO BE RAISED BY TAXES (B) minus (C)	37,499,981	40,629,329	43,101,511	45,528,503	45,721,252	46,351,391	47,663,378	48,566,330	49,645,240	50,538,736	52,124,373	54,811,658
MILL RATE (D) divided by (A)	19.24	20.22	20.87	21.73	15.10	15.10	15.43	15.63	15.89	19.88	20.43	21.32
FUND BALANCE TRANSFERS (use of savings to support spending)	-	(100,000)	(232,000)	(393,000)	(265,592)	(312,129)	(612,557)	(830,300)	(900,000)	(1,373,000)	(290,500)	(202,400)

(1) Net Taxable Grand List - is net of assessment rate of 70% and collection rate of 98%.

(2) Revenue Other Than Taxes - Includes State grants, solid waste fees, licenses and permits, State grants for education and *Fund Balance Transfers*.

NET TAXABLE GRAND LIST DOLLAR CHANGE - Economic Growth		60,107,336	55,592,468	29,700,373	NA	41,810,258	20,194,849	18,597,981	16,645,267	NA	8,146,474	19,906,039
NET TAXABLE GRAND LIST PERCENTAGE CHANGE - Economic Growth		3.1%	2.8%	1.4%	NA	1.4%	0.7%	0.6%	0.5%	NA	0.3%	0.8%
ADOPTED EXPENDITURES - Percentage change		7.4%	5.9%	5.7%	0.0%	0.1%	1.5%	0.9%	2.6%	2.1%	1.0%	4.6%
NET EXPENDITURES TO BE RAISED BY TAXES - Dollar change		3,129,348	2,472,182	2,426,992	192,749	630,139	1,311,987	902,952	1,078,910	893,496	1,585,637	2,687,285
NET EXPENDITURES TO BE RAISED BY TAXES - Percentage change		8.3%	6.1%	5.6%	0.4%	1.4%	2.8%	1.9%	2.2%	1.8%	3.1%	5.2%
MILL RATE - CHANGE		5.1%	3.2%	4.1%	NA	0.0%	2.2%	1.3%	1.7%	NA	2.8%	4.3%

KEY ISSUES:

Mill Rate, how is it determined - a fraction that changes annually, numerator is Net Expenditures To Be Raised by Taxes, denominator is Net Taxable Grand List; result is multiplied by 1000.

Mill Rate gearing in FY 2016 - to support additional spending of \$500,000, with no increase in taxes, would have required an increase in the Net Taxable Grand List of \$23,452,000 (math \$500,000/Mill Rate of .02133). The actual increase was \$19,906,000.

Benefits of Grand List Growth Outside of Revaluations - increases the denominator (economic pie) resulting in a lower Mill Rate. Grand List growth strongly correlates to budget increases.

Grand List Growth - over the last decade slowed substantially from a high of 3.1% (FYE 2006) to a low of 0.3% (FYE 2015). Growth was less than 1.0% in each of the last 5 years. Weak Grand List growth correlates to increased reliance on Fund Balance Transfers.

Fund Balance Transfers - use of savings to support current spending. Reduced from a high of \$1,373,000 in FYE 2014 to \$202,400 in FYE 2016.

Adopted Expenditure Increases (total spending) - over the last 12 years have ranged from a high of 7.4% (FYE 2006) to a low of 0.0% (FYE 2009). The compound annual growth in spending over the last 10 years was 1.9%.

Population - over the last 10 years has been essentially unchanged at about 18,500 and is forecasted to be unchanged for the next 10 years. Without Grand List growth (economic growth), existing taxpayers will pay 100% of new spending.