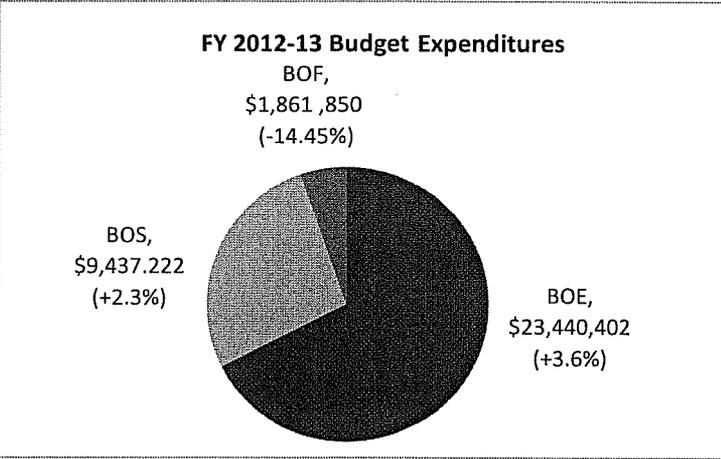


The Board of Finance (BOF) forwards the enclosed Recommended Town Budget for fiscal year 2012/13 to the voters. This recommended budget will be presented and voted upon at the Annual Budget Meeting on Monday, May 14, 2012 beginning at 7:00 p.m. in the Canton Middle/High School auditorium.

The BOF commends the Board of Education (BOE) and Board of Selectman (BOS) for their diligent efforts in prudently developing their budgets in light of the current economic conditions.

The BOS requested \$9,487,222 a 2.88% increase and the BOE requested \$23,515,402 a 3.97% increase. The BOF budget was approved at \$1,861,850 a 14.45% decrease. The BOF met separately with each board in March to review the budgets in detail. A public hearing was held on Tuesday, April 3, 2012 at which time approximately 8 taxpayers spoke in support of the BOE Budget. On April 5, 2012 the Board of Finance met to review the budget. The BOF reduced the BOS CIP Budget by \$50,000 and the BOE CIP Budget by \$75,000. After extensive discussions, the BOF voted 6-0 to approve a \$34,739,474 budget which is a 2.1% overall budget increase.

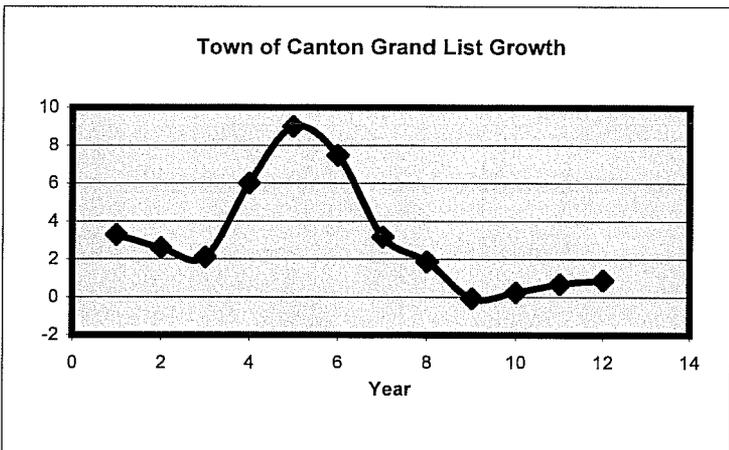
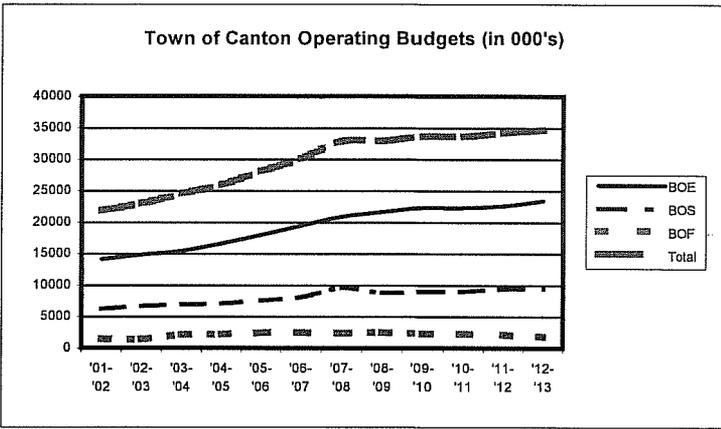


Canton had a slight increase in projected revenues due to Grand List growth of 0.88%. The BOF chose to increase taxes .53% by raising the mil rate .14 mils to 26.42 mils to balance the budget.

This results in an annual tax increase of \$35 for the average Canton home with an average market value of \$361,429 and an average assessed value of \$253,000.

The Board wishes to call your attention to the following points:

- \* For FY 2012/13 the BOF has established funding levels for the Medical Self Insurance Account at 100% of expected claims and Pension funding at 100% of the recommended amount.
- \* This year's budget includes a significant increase in projected medical claim cost.
- \* The Pension plan has an unfunded liability of \$5,804,703 and is under pressure for increased funding due to reduced interest rate assumptions.
- \* The State of Connecticut continues to underfund Canton for Education (ECS) Equalized Cost Sharing and Town Aid for Roads. In addition, the State and Federal Governments continue to force costly mandates on the community requiring precious tax dollars. (ie. Special Education costs, SRBI (Scientific Research Based Intervention), Magnet School Tuition and Prevailing Wages



The funds requested here are needed to provide town services at committed levels. The BOF considers both the BOE and the BOS submitted budgets to be fiscally responsible. **The Board urges you to attend the Town Meeting on Monday, May 14th to support the recommended budget for FY 2012-13**

**BUDGET DETAIL - REVENUES**

	<b>Audited Actual <u>FY 2010/11</u></b>	<b>Revised Budget <u>FY 2011/12</u></b>	<b>Proposed Budget <u>FY 2012/13</u></b>
<b>PROPERTY TAXES</b>			
Current year taxes (including motor vehicle supplemental)	\$ 28,693,877	\$ 29,044,499	\$ 29,597,966
Prior years' tax collections	\$ 180,801	\$ 140,000	\$ 224,000
Interest & liens	\$ 137,621	\$ 100,000	\$ 150,000
Total - Property Taxes	\$ 29,012,299	\$ 29,284,499	\$ 29,971,966
<b>LICENSES, PERMITS &amp; FEES</b>	\$ 270,837	\$ 282,798	\$ 285,313
<b>INTERGOVERNMENTAL REVENUE</b>			
Equalized Cost Sharing/Pupil Transportation	\$ 2,970,922	\$ 3,393,437	\$ 3,480,868
School Bond Subsidy	\$ 203,716	\$ 185,350	\$ 161,327
Town Aid Roads	\$ 130,476	\$ 130,160	\$ 130,400
Property Tax Programs	\$ 102,863	\$ 96,500	\$ 97,500
Mashantucket Pequot/Mohegan Indian Funds	\$ 21,093	\$ 21,474	\$ 23,500
Other Revenues	\$ 34,084	\$ 5,900	\$ 5,900
Total - Intergovernmental Revenue	\$ 3,463,154	\$ 3,832,821	\$ 3,899,495
<b>LOCAL DEPARTMENT REVENUE</b>			
Town Clerk	\$ 196,654	\$ 190,000	\$ 165,000
Police Department	\$ 22,431	\$ 4,800	\$ 5,550
Parks and Recreation	\$ 42,565	\$ 40,600	\$ 40,600
Solid Waste Fees, Rebates & Permits	\$ 254,701	\$ 271,500	\$ 260,600
Library	\$ 16,021	\$ 16,015	\$ 15,100
Charges for Services	\$ 42,207	\$ 23,945	\$ 26,850
Miscellaneous Receipts	\$ 64,840	\$ 27,500	\$ 27,500
Total - Local Departmental Revenue	\$ 639,419	\$ 574,360	\$ 541,200
<b>INVESTMENT INCOME</b>	\$ 34,175	\$ 41,500	\$ 41,500
<b>USE OF UNDESIGNATED FUND BALANCE</b>	\$ -	\$ 185,840	\$ -
<b>OTHER FINANCING SOURCES</b>	\$ 1,000	\$ -	\$ -
Total - General Fund Revenues	\$ 33,420,884	\$ 34,201,818	\$ 34,739,474
<b>SPECIAL REVENUE FUNDS</b>			
Park & Recreation Fund	\$ 183,060	\$ 193,700	\$ 191,800
Water Pollution Control Authority (Sewers)	\$ 825,242	\$ 785,000	\$ 852,000
Emergency Medical Services Fund	\$ 351,998	\$ 340,825	\$ 341,329
Total - Special Revenue Fund Revenues	\$ 1,360,300	\$ 1,319,525	\$ 1,385,129
<b>GRAND LIST OF TAXABLE PROPERTY</b>			
	<b>Oct. 1, 2009</b>	<b>Oct. 1, 2010</b>	<b>Oct. 1, 2011</b>
Real Estate	\$ 1,000,304,040	\$ 1,005,870,870	\$ 1,009,404,980
Personal Property	\$ 40,184,710	\$ 38,942,620	\$ 40,671,380
Motor Vehicles	\$ 73,111,883	\$ 76,411,446	\$ 81,015,730
Less Adjustments by Board of Assessment Appeals			
Total - Net Grand List	\$ 1,113,600,633	\$ 1,121,224,936	\$ 1,131,092,090
<b>MIL RATE</b>	<b>26.09</b>	<b>26.28</b>	<b>26.42</b>

**BUDGET DETAIL - EXPENDITURES**

	<b>Audited Actual <u>FY 2010/11</u></b>	<b>Revised Budget <u>FY 2011/12</u></b>	<b>Proposed Budget <u>FY 2012/13</u></b>
<b>BOARD OF EDUCATION</b>			
Employee Salaries	\$ 13,907,262	\$ 14,451,482	\$ 14,727,380
Employee Benefits	\$ 3,623,140	\$ 3,878,596	\$ 4,578,384
Purchased Services	\$ 1,121,202	\$ 1,119,002	\$ 992,576
Property Services	\$ 820,578	\$ 880,113	\$ 904,124
Transportation	\$ 1,269,718	\$ 1,191,004	\$ 1,200,095
Other Purchased Services	\$ 200,274	\$ 245,804	\$ 133,591
Supplies	\$ 561,697	\$ 591,612	\$ 630,901
Equipment	\$ 107,268	\$ 160,453	\$ 273,351
CIP	\$ 141,521	\$ 100,000	\$ 75,000
Less CIP Reduction by BOF			\$ (75,000)
Total - Board of Education	\$ 21,752,660	\$ 22,618,066	\$ 23,440,402
<b>BOARD OF SELECTMEN</b>			
General Government	\$ 685,914	\$ 858,278	\$ 769,270
Finance	\$ 408,568	\$ 427,076	\$ 421,329
Police	\$ 1,704,984	\$ 1,764,312	\$ 1,775,527
Fire Service & Other Public Safety	\$ 462,495	\$ 410,168	\$ 439,103
Public Works	\$ 2,075,180	\$ 1,862,857	\$ 1,810,440
Human Services	\$ 919,089	\$ 951,577	\$ 947,629
Planning & Community Development	\$ 269,712	\$ 290,461	\$ 287,856
Insurance	\$ 289,829	\$ 268,142	\$ 267,251
Health Insurance & Employee Benefits	\$ 1,694,173	\$ 1,721,176	\$ 1,854,067
Capital Improvement	\$ 405,000	\$ 853,355	\$ 914,750
Less CIP Reduction by Board of Finance	\$ -		\$ (50,000)
Total - Board of Selectmen	\$ 8,914,944	\$ 9,407,402	\$ 9,437,222
<b>BOARD OF FINANCE</b>			
Administrative Costs, Debt Issuance and Auditing Services	\$ 38,540	\$ 40,350	\$ 40,850
Reserve Fund for Capital & Non-Recurring Expenditures	\$ 77,000	\$ 65,000	\$ 80,000
Contingency	\$ -	\$ -	\$ -
Self-Insurance Fund - Contribution	\$ -		
Debt Service - Interest	\$ 472,031	\$ 411,000	\$ 356,000
Debt Service - Principal	\$ 1,745,000	\$ 1,660,000	\$ 1,385,000
Total - Board of Finance	\$ 2,332,571	\$ 2,176,350	\$ 1,861,850
 Total - General Fund Expenditures	 \$ 33,000,175	 \$ 34,201,818	 \$ 34,739,474
<b>SPECIAL REVENUE FUNDS</b>			
Park & Recreation Fund	\$ 133,243	\$ 187,645	\$ 187,708
Water Pollution Control Authority (Sewers)	\$ 647,992	\$ 759,501	\$ 770,186
Emergency Medical Services Fund	\$ 347,907	\$ 340,825	\$ 341,329
Total - Special Revenue Fund Expenditures	\$ 1,129,142	\$ 1,287,971	\$ 1,299,223
<b>UNDESIGNATED GENERAL FUND BALANCE</b>			
(audit result for 2010 and 2011, estimated for 2012)	as of 7/1/10 4,513,459	as of 7/1/11 3,518,488	as of 4/1/12 3,782,648

**TOWN OF CANTON, CONNECTICUT**  
**P.O. Box 168, Collinsville, CT 06022-0168**  
*www.townofcantonct.org*

**PRESORTED STANDARD**  
**U.S. POSTAGE PAID**  
**AVON, CT**  
**PERMIT NO. 424**

**Board of Finance**

Dick Ohanesian, Chairman      860-693-0016  
Bill Canny                              860-693-8707  
Ike Eickenhorst                      860-693-1822  
Brian First                              860-693-8188  
Ken Humphrey                        860-693-1303  
Mary Tomolonius                    860-693-0368

To affect real change in our Town Budget the BOF  
urges you to contact your elected state representatives.

Senator Kevin Witkos                1-800-842-1421  
Representative Tim LeGeyt        1-800-842-1423

**Postal Customer**  
**Canton, CT**

**Annual Town Budget Meeting**  
Monday, May 14, 2012 at 7:00 p.m.  
Canton Middle/High School - Auditorium

The annual town budget meeting of all electors and those qualified to vote in Town Meetings in the Town of Canton will be held on Monday, May 14, 2012 at 7:00 p.m. in the auditorium of Canton Middle/High School, 76 Simonds Avenue, for the purpose of discussing and voting upon the Board of Finance recommended budget for the fiscal year July 1, 2012 through June 30, 2013.

**The Charter Revision requires 150 Voters be present for a quorum and if not it will automatically go to a referendum which will cost the town approximately \$3,500.**

<b>BUDGET SUMMARY</b>	<b>Audited Actual FY 2010/11</b>	<b>Revised Budget FY 2011/12</b>	<b>Proposed Budget FY 2012/13</b>
<b>REVENUES</b>			
Property Taxes	\$ 29,012,299	\$ 29,284,499	\$ 29,971,966
Licenses, Permits & Fees	\$ 270,837	\$ 282,798	\$ 285,313
Intergovernmental Revenue	\$ 3,463,154	\$ 3,832,821	\$ 3,899,495
Local Department Revenue	\$ 639,419	\$ 574,360	\$ 541,200
Investment Income	\$ 34,175	\$ 41,500	\$ 41,500
Use of Undesignated Fund Balance	\$ -	\$ 185,840	\$ -
Other Financing Sources	\$ 1,000	\$ -	\$ -
Total - General Fund Revenues	\$ 33,420,884	\$ 34,201,818	\$ 34,739,474
<b>EXPENDITURES</b>			
Board of Selectmen	\$ 8,914,944	\$ 9,407,402	\$ 9,437,222
Board of Education	\$ 21,752,660	\$ 22,618,066	\$ 23,440,402
Board of Finance	\$ 2,332,571	\$ 2,176,350	\$ 1,861,850
Total - General Fund Expenditures	\$ 33,000,175	\$ 34,201,818	\$ 34,739,474

**This mailer is available on the website at [townofcantonct.org](http://townofcantonct.org)**