

TOWN OF CANTON, CONNECTICUT

P.O. Box 168, Collinsville, CT 06022-0168

www.townofcantonct.org

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TOWN OF CANTON, CONNECTICUT

ANNUAL BUDGET MAILER

FISCAL 2019-2020

If I have questions about the budget, who can I contact?

Members of the Board of Finance will gladly respond to questions about the budget:

Arnold Goldman, Chairman	drarnoldgoldman@gmail.com	860-693-9300
Mary Tomolonius, Vice-Chair	mtomolonius@gmail.com	
Sarah Faulkner	sffaulkner@comcast.net	860-693-8540
Ken Humphrey	kenshumphrey@comcast.net	860-693-1303
Jennifer Rottkamp	jdrottkamp@gmail.com	860-421-5015
Andrew Lavery	andrewlavery31@gmail.com	860-287-2462

**Postal Customer
Canton, CT**

Questions about the budget can also be directed to:

Beth Kandrysawtz, First Selectman	bkandrysawtz@townofcantonct.org	860-693-7847
Robert Skinner, CAO	rskinner@townofcantonct.org	860-693-7837
Kevin Case, Superintendent of Schools	kcase@cantonschools.org	860-693-7704
Julie Ausere, Board of Education Chair	julie.ausere@gmail.com	860-352-2035
Phillip Penn, Finance Officer	ppenn@townofcantonct.org	860-693-7852

Annual Town Budget Meeting

Monday, May 13, 2019 at 7:00 pm
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 13 2019 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, 2019 through June 30, 2020. **The Charter requires 150 voters be present for a quorum and if not it will automatically go to a referendum. If petitioned to referendum with 150 signatures a referendum must be held. A referendum will cost the taxpayers approximately \$3,500.**

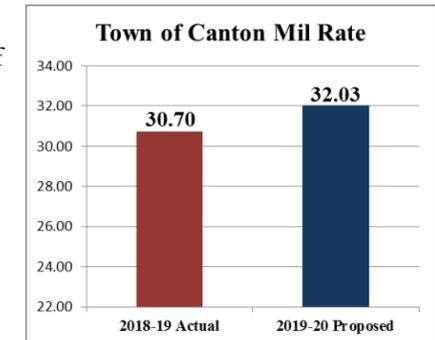
BUDGET SUMMARY	Audited Actual FY 2017-18	Approved Budget FY 2018-19	Proposed Budget FY 2019-20
REVENUES			
Property Taxes	\$34,234,045	\$34,426,106	\$34,846,729
Licenses, Permits & Fees	425,725	293,600	388,225
Intergovernmental Revenue	3,317,287	3,245,460	3,680,729
Local Department Revenue	513,566	445,119	442,615
Investment Income	199,546	186,000	260,000
Use of Undesignated Fund Balance	200,000	200,000	100,000
Other Financing Sources	125,000	111,000	100,000
Total - General Fund Revenues	\$39,254,106	\$38,907,285	\$39,818,298
EXPENDITURES			
Board of Selectmen	\$10,322,371	\$10,758,759	\$11,007,982
Board of Education	25,761,512	25,934,223	26,584,943
Board of Finance	2,017,245	2,214,293	2,225,373
Total - General Fund Expenditures	\$38,599,416	\$38,907,285	\$39,818,298

This mailer and other budget materials are available on the website at townofcantonct.org

This document summarizes the 2019-20 municipal budget as recommended by the Canton Board of Finance (BOF) to the voters in Canton, Connecticut. This recommended budget will be presented at the annual budget meeting on Monday, May 13, 2019 beginning at 7:00 pm in the Canton Middle/High School auditorium and voted upon if not petitioned to referendum. At least 150 voters must be present to vote or the budget will automatically be sent to referendum.

What do I need to know about the proposed budget?

The total proposed budget calls for spending of \$39.8 million, an increase of 2.3% compared with the 2018-19 adopted budget. This will require local property taxes of \$34.3 million and a mil rate of 32.03, an increase of 4.35% over the current mil rate.



What are the major drivers of the budget increase?

There are several factors affecting the proposed budget increase. These include:

- The effect on local taxes from a 3.66% drop in the town's Grand List from the most revaluation (see next page).
- The proposed transfer of a portion of teacher pension costs from the state to local towns.
- Lower use of the town's fund balance to reduce the mil rate compared with the 2018-19 budget.
- Contractual increases and capital improvements that support our current and future infrastructure needs.
- Limited commercial growth in the town over the past year.

These factors were partially offset by:

- Increased anticipated state aid compared to the level assumed in the budget last year.
- Higher interest income and fees.
- Lower principal and interest due on the Town's outstanding debt.
- Other savings and efficiencies identified by Town leadership as part of the budget process.

What role does the Board of Finance have in the budget process?

The BOF is responsible for managing both the short-term financial needs of the town, and its long-term capital planning. In its decision-making, the BOF tries to balance town services, a strong school system, upkeep of nearly \$120 million invested in the town's infrastructure, the town's AA bond rating, and the impact of these decisions on the taxes imposed on residents and businesses. To that end, the BOF made the following adjustments to the originally-proposed budgets:

2019-2020 Proposed Budget	
BOS Proposed Operating Budget	\$10,023,982
Less: BOF Adjustment	(\$72,700)
BOS Proposed Capital Improvement Budget	\$1,056,700
Total BOS Budget	\$11,007,982
BOE Proposed Operating Budget	\$26,456,699
Less: BOF Adjustment	(\$75,000)
BOE Proposed Capital Improvement Budget	\$308,244
Less: BOF Adjustment	(\$105,000)
Total BOE Budget	\$26,584,943
BOF Proposed Budget	\$2,225,373
Total Town Budget	\$39,818,298

What's Causing the 4.3% Change in the MI Rate?		
	\$ Change	Mil Rate Impact
2018-19 Mil Rate		30.70
BOS Expenses	\$249,223	0.23
BOE Expenses	\$650,710	0.61
BOF Expenses	\$11,080	0.01
Increased Revenues	-\$838,390	-0.78
Revaluation/Drop in Grand List	\$1,246,625	1.17
Lower Use of Fund Balance/Transfers	\$111,000	0.10
2019-20 Proposed Mil Rate	+4.3% --->	32.03
Net Collectible Grand List	\$1,070,061,828	

How are local taxes determined each year?

Local taxes are determined by applying the local tax rate, known as the mil rate, against the total assessed value of all property in town.. All of the property—comprised of land, buildings, vehicles and some other business and personal property—is collectively known as the Grand List.

Property is assessed in Connecticut at 70% of the estimated market value. For example, if a home and the land it sits on have a market value of \$250,000, the assessed value would be \$175,000. The tax is then calculated by dividing this assessed value by 1,000 (a mil) and then multiplying by the mil rate.

For the 2019-20 fiscal year, the proposed mil rate is 32.03. In this example the property would be taxed at \$175,000 divided by 1000, times 32.03. The tax would be \$175 x 32.03 = \$5,605.25.

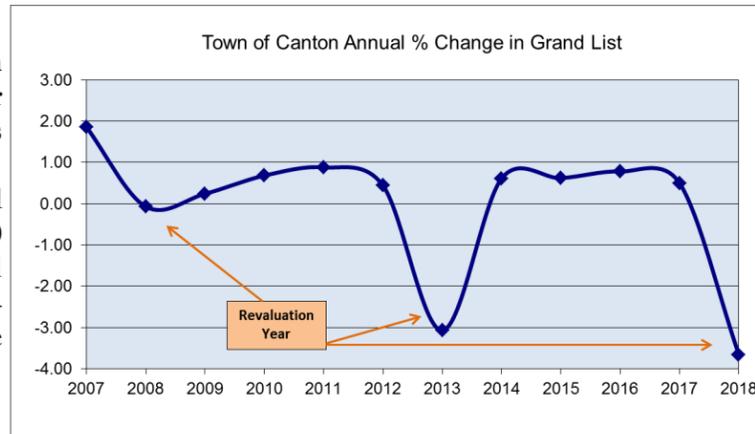
What happened to the Grand List this past year? How will that affect property taxes next year?

In the past year, the town completed a revaluation of all the properties in Canton. By law, a revaluation must be completed every five years. The outcome of the revaluation was a 3.66% drop in the Grand List. Most of the drop was caused by a decline in the value of homes worth in excess of \$500,000, combined with little to no growth in commercial development in town.

This means that, even if the proposed 2019-20 budget had no additional spending compared to the current year, the local mil rate would still have to increase 3.66% to keep the budget balanced. Town leaders and the BOF kept this in mind as the budget was being developed over the last six months.

How has the Grand List changed in the last 10 years? Will we see another drop in the Grand List of this magnitude next year?

The chart at right shows the annual change in the Grand List over the last 10 years. The trend has been that the Grand List grows slightly in each non-revaluation year, but drops in the revaluation years (2008, 2013, and 2018).

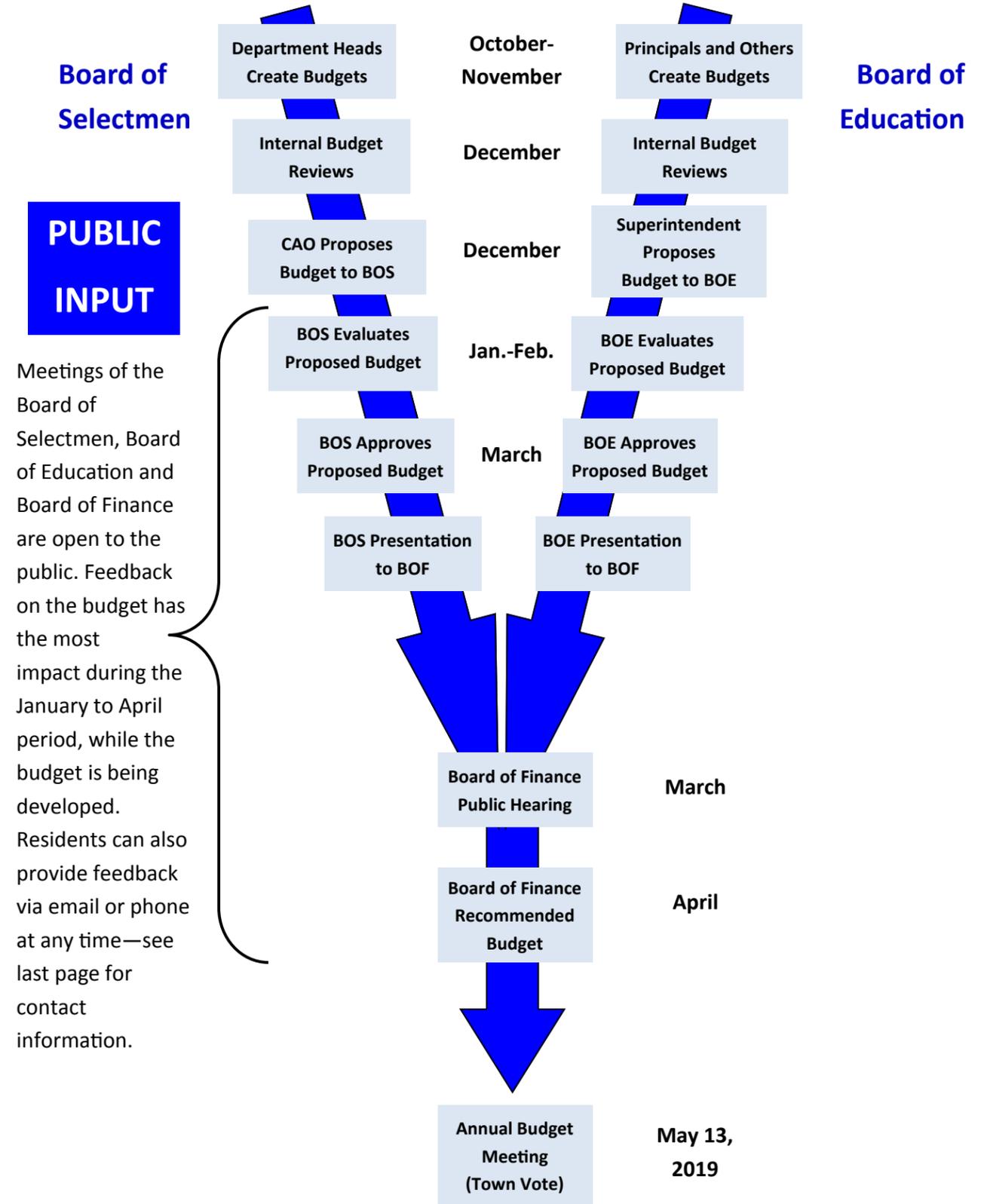


How can I tell what the impact will be to me personally?

All tax situations are different, but the easiest way to estimate the impact is to take the new assessed for your property, divide by 1000, and then multiply by the proposed new mil rate. You can then compare that figure to your current taxes to determine if you will likely see an increase or decrease when the official tax bills are sent out this summer.

Potential Tax Increase From New Mil Rate	
Assessed Home Value	Tax Increase
\$100,000	\$23
\$200,000	\$46
Median Home = \$262,881	\$60
\$300,000	\$68
\$400,000	\$91
\$500,000	\$114
\$600,000	\$137
\$700,000	\$160

How is the annual Town budget created each year?



Board of Selectmen

Board of Education

PUBLIC INPUT

Meetings of the Board of Selectmen, Board of Education and Board of Finance are open to the public. Feedback on the budget has the most impact during the January to April period, while the budget is being developed. Residents can also provide feedback via email or phone at any time—see last page for contact information.

October-November

December

December

Jan.-Feb.

March

March

April

May 13, 2019

Department Heads Create Budgets

Internal Budget Reviews

CAO Proposes Budget to BOS

BOS Evaluates Proposed Budget

BOS Approves Proposed Budget

BOS Presentation to BOF

Principals and Others Create Budgets

Internal Budget Reviews

Superintendent Proposes Budget to BOE

BOE Evaluates Proposed Budget

BOE Approves Proposed Budget

BOE Presentation to BOF

Board of Finance Public Hearing

Board of Finance Recommended Budget

Annual Budget Meeting (Town Vote)