

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

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Board of Finance

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Kathy Corkum 693-8612
Ike Eickenhorst 693-1822
Sam Humphrey 693-4066
Dave Ronge 693-3733

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Canton, CT 06019

Annual Town Budget Meeting
Monday, May 12, 2008 at 7:30 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 12, 2008 at 7:30 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, 2008 through June 30, 2009.

BUDGET SUMMARY	Audited Actual FY 2006/07	Revised Budget FY 2007/08	Proposed Budget FY 2008/09
REVENUES			
Property Taxes	\$ 26,203,584	\$ 27,672,178	\$ 28,574,291
Licenses, Permits & Fees	\$ 446,586	\$ 342,750	\$ 344,650
Intergovernmental Revenue	\$ 3,254,985	\$ 3,208,960	\$ 3,909,539
Local Department Revenue	\$ 687,552	\$ 486,224	\$ 486,465
Investment Income	\$ 388,190	\$ 190,000	\$ 190,000
Use of Undesignated Fund Balance	\$ 35,306	\$ 283,898	\$ 600,000
Other Financing Sources	\$ -	\$ -	\$ -
Total - General Fund Revenues	\$ 31,016,203	\$ 32,184,010	\$ 34,104,945
EXPENDITURES			
Board of Selectmen	\$ 8,123,361	\$ 8,771,071	\$ 9,256,602
Board of Education	\$ 19,469,255	\$ 20,678,907	\$ 22,021,023
Board of Finance	\$ 2,511,967	\$ 2,734,032	\$ 2,825,485
Total - General Fund Expenditures	\$ 30,104,583	\$ 32,184,010	\$ 34,103,110

The Board of Finance forwards the enclosed Recommended Town Budget for fiscal year 2008/09 to the voters. This recommended budget will be presented and voted upon at the Annual Budget Meeting on Monday, May 12, 2008 beginning at 7:30 p.m. in the Canton Middle/High School auditorium.

The Board of Selectmen requested \$9,256,602, a 5.54% increase, and the Board of Education requested \$22,021,023 a 6.49% increase. The Board of Finance met separately with each board in March and April to review the budgets in detail. A public hearing was held on Monday, April 14, 2008 at which time approximately 20 taxpayers spoke on various line items and on the budget as a whole. On April 15, 2008 the Board of Finance met to review the budget. After extensive discussions, the Board of Finance voted unanimously to accept both the Board of Selectmen's budget and the Board of Education's budget as presented. The Board of Selectmen's budget increases by \$485,531 and the Board of Education's budget increases by \$1,342,116. This results in a total budget of \$34,103,110, a 5.96% increase over the current budget.

The Board of Finance (BOF) budget of \$2,825,485 funds the expense of the annual audit of accounts, principal and interest payments for major capital expenditures and \$65,000 toward the statistical revaluation of real property in 2008/09. In addition the Board voted to add \$65,000 to capital non-recurring for unfunded medical retirement liabilities-GASB 45. For the third year in a row, the Board added \$300,000 to its contingency fund for the funding of open space development rights or land purchases.

The Board of Finance unanimously voted to move \$600,000 from Undesignated Fund Balance to offset an increase in taxes.

The Board of Finance projects that the proposed budget for FY 2008/09 will require a tax rate of 30.43 mils, which is an increase from the current mil rate of 29.92 mils. The .51 increase in the mil rate may result in a property tax increase of 1.7%. For an average home assessed at \$262,500 taxes would be approximately \$7,988, an increase of approximately \$134. Over the past 10 years, mil rate increases in Canton have averaged 3.5% per year.

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

- The Grand List of October 1, 2007 grew by 1.86%. This is a significant reduction from the growth the Town has been experiencing for the last few years.
- For FY 2008/09 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. The BOF target level of funding for the medical self-insurance reserve is approximately 4 months of claims.
- The State of Connecticut continues to under fund Canton for Education grants-in-aid (15.65%) and Town Aid for Roads. In addition, the State and Federal Governments continue to force costly mandates on the community requiring precious tax dollars.
- To affect real change in our Town Budget the BOF urges you to contact your State Representative and Senator.

The funds requested here are needed to provide town services at committed levels. The BOF considers both the Board of Education and the Board of Selectman's submitted budgets to be fiscally responsible. Therefore, the Board urges you to attend the Town Meeting on Monday, May 12th. The Board of Finance urges you to support the recommended budget for FY 2008/09

April 15, 2008

BUDGET DETAIL - REVENUES

	Audited Actual FY 2006/07	Revised Budget FY 2007/08	Proposed Budget FY 2008/09
PROPERTY TAXES			
Current year taxes (including motor vehicle supplemental)	\$ 25,830,899	\$ 27,402,178	\$ 28,304,291
Prior years' tax collections	\$ 209,907	\$ 150,000	\$ 150,000
Interest & liens	\$ 162,779	\$ 120,000	\$ 120,000
Total - Property Taxes	\$ 26,203,585	\$ 27,672,178	\$ 28,574,291
LICENSES, PERMITS & FEES	\$ 446,586	\$ 342,750	\$ 344,650
INTERGOVERNMENTAL REVENUE			
Equalized Cost Sharing/Pupil Transportation	\$ 2,697,830	\$ 2,768,908	\$ 3,446,964
School Bond Subsidy	\$ 243,090	\$ 229,827	\$ 219,456
Town Aid Roads	\$ 127,720	\$ 93,661	\$ 129,071
Property Tax Programs	\$ 67,382	\$ 78,002	\$ 68,054
Mashantucket Pequot/Mohegan Indian Funds	\$ 50,794	\$ 35,132	\$ 44,244
Other Revenues	\$ 68,169	\$ 3,430	\$ 1,750
Total - Intergovernmental Revenue	\$ 3,254,985	\$ 3,208,960	\$ 3,909,539
LOCAL DEPARTMENT REVENUE			
Town Clerk	\$ 303,678	\$ 195,500	\$ 209,000
Police Department	\$ 40,434	\$ 21,850	\$ 3,245
Parks and Recreation	\$ 36,193	\$ 35,000	\$ 33,600
Solid Waste Fees, Rebates & Permits	\$ 173,245	\$ 190,000	\$ 190,000
Library	\$ 16,463	\$ 16,200	\$ 15,200
Charges for Services	\$ 12,361	\$ 3,874	\$ 10,920
Miscellaneous Receipts	\$ 105,178	\$ 23,800	\$ 24,500
Total - Local Departmental Revenue	\$ 687,552	\$ 486,224	\$ 486,465
INVESTMENT INCOME	\$ 249,335	\$ 190,000	\$ 190,000
USE OF UNDESIGNATED FUND BALANCE	\$ 35,306	\$ 283,898	\$ 600,000
OTHER FINANCING SOURCES	\$ -	\$ -	\$ -
Total - General Fund Revenues	\$ 30,877,349	\$ 32,184,010	\$ 34,104,945
SPECIAL REVENUE FUNDS			
Park & Recreation Fund	\$ 218,536	\$ 276,500	\$ 225,800
Water Pollution Control Authority (Sewers)	\$ 698,801	\$ 692,325	\$ 861,169
Emergency Medical Services Fund	\$ 260,941	\$ 264,125	\$ 255,768
Total - Special Revenue Fund Revenues	\$ 1,178,278	\$ 1,232,950	\$ 1,342,737
GRAND LIST OF TAXABLE PROPERTY			
	Oct. 1, 2005	Oct. 1, 2006	Oct. 1, 2007
Real Estate	\$ 775,783,720	\$ 798,946,750	\$ 815,384,860
Personal Property	\$ 41,415,960	\$ 43,106,850	\$ 41,214,490
Motor Vehicles	\$ 73,412,833	\$ 76,839,898	\$ 79,368,900
Less Adjustments by Board of Assessment Appeals	\$ -	\$ -	\$ -
Total - Net Grand List	\$ 890,612,513	\$ 918,893,498	\$ 935,968,250
MIL RATE	28.91	29.92	30.43

BUDGET DETAIL - EXPENDITURES

	Audited Actual FY 2006/07	Revised Budget FY 2007/08	Proposed Budget FY 2008/09
BOARD OF EDUCATION			
Employee Salaries	\$ 12,602,743	\$ 13,413,267	\$ 14,139,962
Employee Benefits	\$ 3,148,243	\$ 2,992,167	\$ 3,249,483
Purchased Services	\$ 1,036,874	\$ 1,081,805	\$ 1,282,150
Property Services	\$ 838,672	\$ 832,251	\$ 1,110,511
Transportation	\$ 1,032,120	\$ 1,015,441	\$ 1,113,831
Other Purchased Services	\$ 99,619	\$ 137,011	\$ 137,473
Supplies	\$ 421,662	\$ 545,327	\$ 604,026
Equipment	\$ 289,322	\$ 403,118	\$ 193,967
CIP	\$ -	\$ 258,520	\$ 189,620
Less Reduction by BOF	\$ -	\$ -	\$ -
Total - Board of Education	\$ 19,469,255	\$ 20,678,907	\$ 22,021,023
BOARD OF SELECTMEN			
General Government	\$ 624,521	\$ 647,303	\$ 780,423
Finance	\$ 363,223	\$ 406,580	\$ 397,493
Police	\$ 1,602,789	\$ 1,709,649	\$ 1,778,261
Fire Service & Other Public Safety	\$ 389,102	\$ 379,705	\$ 404,921
Public Works	\$ 2,234,042	\$ 2,339,563	\$ 2,505,638
Human Services	\$ 714,604	\$ 801,183	\$ 866,216
Planning & Community Development	\$ 258,537	\$ 278,403	\$ 309,441
Insurance	\$ 179,370	\$ 245,482	\$ 248,502
Health Insurance & Employee Benefits	\$ 1,255,522	\$ 1,442,703	\$ 1,395,507
Capital Improvement	\$ 501,651	\$ 520,500	\$ 570,200
Less Reduction by Board of Finance	\$ -	\$ -	\$ -
Total - Board of Selectmen	\$ 8,123,361	\$ 8,771,071	\$ 9,256,602
BOARD OF FINANCE			
Administrative Costs, Debt Issuance and Auditing Services	\$ 46,368	\$ 48,800	\$ 42,710
Reserve Fund for Capital & Non-Recurring Expenditures	\$ 90,000	\$ 90,000	\$ 130,000
Contingency	\$ -	\$ 300,000	\$ 300,000
Self-Insurance Fund - Contribution	\$ -	\$ -	\$ -
Debt Service - Interest	\$ 696,154	\$ 645,232	\$ 592,775
Debt Service - Principal	\$ 1,679,445	\$ 1,650,000	\$ 1,760,000
Total - Board of Finance	\$ 2,511,967	\$ 2,734,032	\$ 2,825,485
Total - General Fund Expenditures	\$ 30,104,583	\$ 32,184,010	\$ 34,103,110
SPECIAL REVENUE FUNDS			
Park & Recreation Fund	\$ 242,749	\$ 276,490	\$ 225,800
Water Pollution Control Authority (Sewers)	\$ 641,740	\$ 688,512	\$ 732,325
Emergency Medical Services Fund	\$ 257,311	\$ 264,125	\$ 255,768
Total - Special Revenue Fund Expenditures	\$ 1,141,800	\$ 1,229,127	\$ 1,213,893
UNDESIGNATED GENERAL FUND BALANCE			
(audit result for 2005 and 2006, estimated for 2007)	\$ 2,708,234	\$ 3,620,206	\$ 3,620,206