

The Board of Finance forwards the enclosed Recommended Town Budget for fiscal year 2010/11 to the voters. This recommended budget will be presented and voted upon at the Annual Budget Meeting on Monday, May 10, 2010 beginning at 7:30 p.m. in the Canton Middle/High School auditorium.

The Board of Finance commends the Board of Education and Board of Selectman for their diligent efforts in prudently developing their budgets in light of the current economic conditions.

The Board of Selectmen requested \$9,039,238 a 0% increase, and the Board of Education requested \$22,283,809 a 0% 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 Wednesday, April 7, 2010 at which time approximately 24 taxpayers spoke on various line items and on the budget as a whole. On April 15, 2010 the Board of Finance met to review the budget. After extensive discussions, the Board of Finance voted unanimously to approve the 0% increase budgets as submitted by the Board of Selectman, Board of Education and Board of Finance.

Despite a zero increase in spending there remains a revenue shortfall of \$707,130 due to the use of prior year fund balance. The Board of Finance continues to project reduced levels of grand list growth, state funding and investment income. The Board of Finance projects increased contractual obligations for both Board of Selectmen and Board of Education Budgets for subsequent years. Faced with declining revenues and increasing expenses the Board of Finance chose to increase taxes 1.76% or .45 mills rather than reducing the submitted budgets. This will result in a projected \$114 increase for the average taxpayer.

In last year's budget, FY 2009/10, the Board of Finance chose to use fund balance to offset the revaluation increase and to reduce the budget impact to taxpayers. In this fiscal year, 2010/11, the Board of Finance felt that the continued use of fund balance was not prudent to balance the budget. For FY 2009/10 and FY 2010/11 the combined tax increase is less than 1%.

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

- The Grand List of October 1, 2009 increased .23%
- For FY 2010/11 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 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 10<sup>th</sup>. **The Board of Finance urges you to support the recommended budget for FY 2010/11.**

April 19, 2010

**BUDGET DETAIL - REVENUES**

	Audited Actual FY 2008/09	Revised Budget FY 2009/10	Proposed Budget FY 2010/11
<b>PROPERTY TAXES</b>			
Current year taxes (including motor vehicle supplemental)	\$ 28,254,746	\$ 28,022,180	\$ 28,650,174
Prior years' tax collections	\$ 176,887	\$ 100,000	\$ 150,000
Interest & liens	\$ 170,776	\$ 80,000	\$ 100,000
Total - Property Taxes	\$ 28,602,409	\$ 28,202,180	\$ 28,900,174
<b>LICENSES, PERMITS &amp; FEES</b>	\$ 345,429	\$ 282,550	\$ 284,375
<b>INTERGOVERNMENTAL REVENUE</b>			
Equalized Cost Sharing/Pupil Transportation	\$ 3,494,627	\$ 3,444,603	\$ 3,420,443
School Bond Subsidy	\$ 219,456	\$ 204,554	\$ 203,716
Town Aid Roads	\$ 129,773	\$ 95,167	\$ 130,160
Property Tax Programs	\$ 79,541	\$ 65,940	\$ 107,897
Mashantucket Pequot/Mohegan Indian Funds	\$ 47,291	\$ 30,414	\$ 20,279
Other Revenues	\$ 13,346	\$ 1,750	\$ 1,750
Total - Intergovernmental Revenue	\$ 3,984,034	\$ 3,842,428	\$ 3,884,245
<b>LOCAL DEPARTMENT REVENUE</b>			
Town Clerk	\$ 199,986	\$ 184,000	\$ 185,000
Police Department	\$ 18,995	\$ 4,445	\$ 4,800
Parks and Recreation	\$ 36,149	\$ 38,100	\$ 36,600
Solid Waste Fees, Rebates & Permits	\$ 200,187	\$ 192,000	\$ 269,500
Library	\$ 16,427	\$ 20,200	\$ 17,340
Charges for Services	\$ 9,348	\$ 9,360	\$ 7,895
Miscellaneous Receipts	\$ 53,049	\$ 25,000	\$ 26,500
Total - Local Departmental Revenue	\$ 534,141	\$ 473,105	\$ 547,635
<b>INVESTMENT INCOME</b>	\$ 147,664	\$ 160,000	\$ 40,000
<b>USE OF UNDESIGNATED FUND BALANCE</b>	\$ -	\$ 677,709	\$ -
<b>OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ -
Total - General Fund Revenues	\$ 33,613,677	\$ 33,637,972	\$ 33,656,429
<b>SPECIAL REVENUE FUNDS</b>			
Park & Recreation Fund	\$ 206,051	\$ 187,924	\$ 193,670
Water Pollution Control Authority (Sewers)	\$ 822,528	\$ 824,397	\$ 792,500
Emergency Medical Services Fund	\$ 308,913	\$ 286,587	\$ 323,623
Total - Special Revenue Fund Revenues	\$ 1,337,492	\$ 1,298,908	\$ 1,309,793
<b>GRAND LIST OF TAXABLE PROPERTY</b>			
	<b>Oct. 1, 2007</b>	<b>Oct. 1, 2008</b>	<b>Oct. 1, 2009</b>
Real Estate	\$ 815,384,860	\$ 997,780,980	\$ 1,000,304,040
Personal Property	\$ 41,214,490	\$ 40,188,160	\$ 40,184,710
Motor Vehicles	\$ 79,368,900	\$ 72,977,695	\$ 73,111,883
Less Adjustments by Board of Assessment Appeals			
Total - Net Grand List	\$ 935,968,250	\$ 1,110,946,835	\$ 1,113,600,633
<b>MIL RATE</b>	30.43	25.64	26.09

**BUDGET DETAIL - EXPENDITURES**

	Audited Actual FY 2008/09	Revised Budget FY 2009/10	Proposed Budget FY 2010/11
<b>BOARD OF EDUCATION</b>			
Employee Salaries	\$ 13,641,210	\$ 14,365,517	\$ 14,367,164
Employee Benefits	\$ 3,087,310	\$ 3,482,400	\$ 3,581,219
Purchased Services	\$ 1,236,883	\$ 1,293,339	\$ 1,159,909
Property Services	\$ 989,739	\$ 967,016	\$ 963,594
Transportation	\$ 1,246,618	\$ 1,132,082	\$ 1,209,895
Other Purchased Services	\$ 228,198	\$ 120,498	\$ 96,932
Supplies	\$ 719,373	\$ 734,095	\$ 729,842
Equipment	\$ 229,395	\$ 188,864	\$ 175,254
CIP	\$ 261,738	\$ -	\$ -
Less Reduction by BOF	\$ -	\$ -	\$ -
Total - Board of Education	\$ 21,640,464	\$ 22,283,811	\$ 22,283,809
<b>BOARD OF SELECTMEN</b>			
General Government	\$ 728,376	\$ 777,198	\$ 852,092
Finance	\$ 378,320	\$ 403,957	\$ 417,045
Police	\$ 1,675,490	\$ 1,672,800	\$ 1,725,570
Fire Service & Other Public Safety	\$ 380,107	\$ 402,439	\$ 453,276
Public Works	\$ 2,351,906	\$ 2,176,708	\$ 1,986,424
Human Services	\$ 840,421	\$ 936,619	\$ 922,766
Planning & Community Development	\$ 284,060	\$ 312,330	\$ 285,541
Insurance	\$ 233,676	\$ 268,896	\$ 245,660
Health Insurance & Employee Benefits	\$ 1,359,350	\$ 1,551,664	\$ 1,745,864
Capital Improvement	\$ 580,200	\$ 535,200	\$ 405,000
Less Reduction by Board of Finance	\$ -	\$ -	\$ -
Total - Board of Selectmen	\$ 8,811,906	\$ 9,037,811	\$ 9,039,238
<b>BOARD OF FINANCE</b>			
Administrative Costs, Debt Issuance and Auditing Services	\$ 41,003	\$ 48,350	\$ 39,350
Reserve Fund for Capital & Non-Recurring Expenditures	\$ 130,000	\$ -	\$ 77,000
Contingency	\$ -	\$ -	\$ -
Self-Insurance Fund - Contribution	\$ -	\$ -	\$ -
Debt Service - Interest	\$ 592,756	\$ 533,000	\$ 472,032
Debt Service - Principal	\$ 1,760,000	\$ 1,735,000	\$ 1,745,000
Total - Board of Finance	\$ 2,523,759	\$ 2,316,350	\$ 2,333,382
Total - General Fund Expenditures	\$ 32,976,129	\$ 33,637,972	\$ 33,656,429
<b>SPECIAL REVENUE FUNDS</b>			
Park & Recreation Fund	\$ 177,902	\$ 187,924	\$ 193,670
Water Pollution Control Authority (Sewers)	\$ 725,145	\$ 782,358	\$ 751,261
Emergency Medical Services Fund	\$ 291,714	\$ 286,587	\$ 323,623
Total - Special Revenue Fund Expenditures	\$ 1,194,761	\$ 1,256,869	\$ 1,268,554
<b>UNDESIGNATED GENERAL FUND BALANCE</b>			
(audit result for 2007 and 2008, estimated for 2009)	as of 7/1/08 4,310,703	as of 7/1/09 4,904,650	as of 4/1/10 4,036,715

**TOWN OF CANTON, CONNECTICUT**  
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**Annual Town Budget Meeting**  
 Monday, May 10, 2010 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 10, 2010 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, 2010 through June 30, 2011. **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</b>	<b>Revised Budget</b>	<b>Proposed Budget</b>
	<b>FY 2008/09</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>
<b>REVENUES</b>			
Property Taxes	\$ 28,602,409	\$ 28,202,180	\$ 28,900,174
Licenses, Permits & Fees	\$ 345,429	\$ 282,550	\$ 284,375
Intergovernmental Revenue	\$ 3,984,034	\$ 3,842,428	\$ 3,884,245
Local Department Revenue	\$ 534,141	\$ 473,105	\$ 547,635
Investment Income	\$ 147,664	\$ 160,000	\$ 40,000
Use of Undesignated Fund Balance	\$ -	\$ 677,709	\$ -
Other Financing Sources	\$ -	\$ -	\$ -
Total - General Fund Revenues	\$ 33,613,677	\$ 33,637,972	\$ 33,656,429
<b>EXPENDITURES</b>			
Board of Selectmen	\$ 8,811,906	\$ 9,037,811	\$ 9,039,238
Board of Education	\$ 21,640,464	\$ 22,283,811	\$ 22,283,809
Board of Finance	\$ 2,523,759	\$ 2,316,350	\$ 2,333,382
Total - General Fund Expenditures	\$ 32,976,129	\$ 33,637,972	\$ 33,656,429

**This mailer and additional graphs are available on the website at [townofcantonct.org](http://townofcantonct.org)**