

CITIZEN'S GUIDE

to the Killingworth Town Budget

2019- 2020



Message from the Board of Finance and the Board of Selectmen

The Annual Town Budget Meeting will be held on Monday, May 20, 7:00 p.m., at Killingworth Elementary School. At this meeting, by Town Charter, electors and property owners vote on two budgets for Fiscal Year 2019-20 recommended by the Board of Finance: an operating budget and a capital budget. The meeting may delete or decrease items in the budget but may not increase budgeted amounts or add items.

Recommended budgets are on file in the Town Clerk's Office and are posted online at townofkillingworth.com.

One change has been made to the capital budget since the proposed budgets were presented at the Board of Finance hearing on April 23: \$40,000 for a command vehicle for the Killingworth Volunteer Fire Company was added. The total capital budget we will be voting on—\$1,773,655—includes this item.

Also coming up is the **Referendum on the RSD17 Education Budget, Tuesday, May 7, 6:00 a.m. - 8 p.m., KES.** The RSD17 Board of Education was able to propose a budget increase of only 0.32 percent for FY19-20, thanks to a restructuring plan that saves the district over \$1 million per year.

However, because Killingworth's share of the budget is going up this year, owing to an increase in Killingworth's proportion of the school population, our town's assessment will increase by 0.42 percent if the budget is approved. That is an increase of \$70 thousand, to a total of about \$17 million. Without the district reorganization, the proposed assessment for Killingworth would have increased by well over \$500 thousand. The proposed school budget is online at rsd17.org and on file in the Town Clerk's Office.

Once the RSD 17 budget and the town operating budget are approved, the Board of Finance will determine how much must be raised through property taxes and will set the mill rate for the coming year. Unfortunately, we won't know what funding will be coming from the state of Connecticut until June. Under the governor's proposed budget, Killingworth would receive about \$100 thousand less in FY19-20 than we are receiving in FY18-19. In addition, we could have to contribute about \$40,000 to the Teacher's Retirement Fund. (The governor's budget includes much bigger adjustments in FY20-21.)

We continue to struggle to keep our taxes under control while preserving and building the town's assets for the long term. We are tremendously grateful to all the Killingworth volunteers who help us do that.

Catherine Iino, First Selectwoman
Gwenne Celmer, Chairman, Board of Finance

KILLINGWORTH BY THE NUMBERS

Population	6,464	2018 Revenues	\$ 21,912,805
Registered voters	4,769	2018 Expenditures	\$ 20,976,768
Median household income	\$103,295	2018 General Fund Balance	\$ 5,083,690
Miles of town roads	72	2018 Capital Reserve Fund	\$ 2,028,391
School Enrollment - K-12 (2018)	833	2018 Outstanding Debt	\$ 3,000,000
Net taxable 2017 grand list	\$699,249,780	Per Capita Debt (including RSD17)	\$ 464
# Full-time town employees	12	FY18-19 Mill Rate	27.47



UNDERSTANDING THE BUDGET

The annual budget is the allotment of expenditures and revenues for the fiscal year, which starts on July 1 and ends on the following June 30. When the townspeople approve the budget, they approve the priorities and levels of service that the budget supports.

Killingworth votes annually on two town budget resolutions:

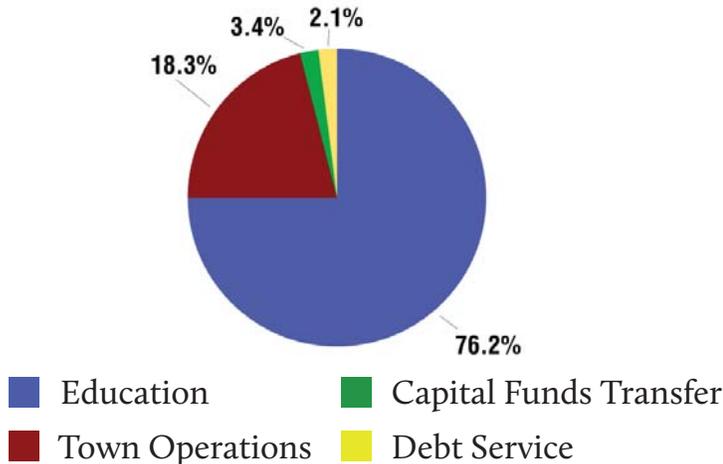
The operating budget, which covers the cost of running the town in coming fiscal year.

The capital budget, which covers the cost of major projects expected to start in the coming year. These costs are covered by the operating budget and existing reserves; they do not represent an *additional* expenditure.

EXPENDITURES

The largest portion of town spending goes to education. Some other costs the town must cover are public safety, such as support for our volunteer fire company and our resident state trooper; public works, such as snow removal and road repair; sanitation and health, including operation of the Transfer Station; recreation; debt repayments, and general government.

2018-2019 APPROVED BUDGET
WHERE YOUR TAXES ARE SPENT



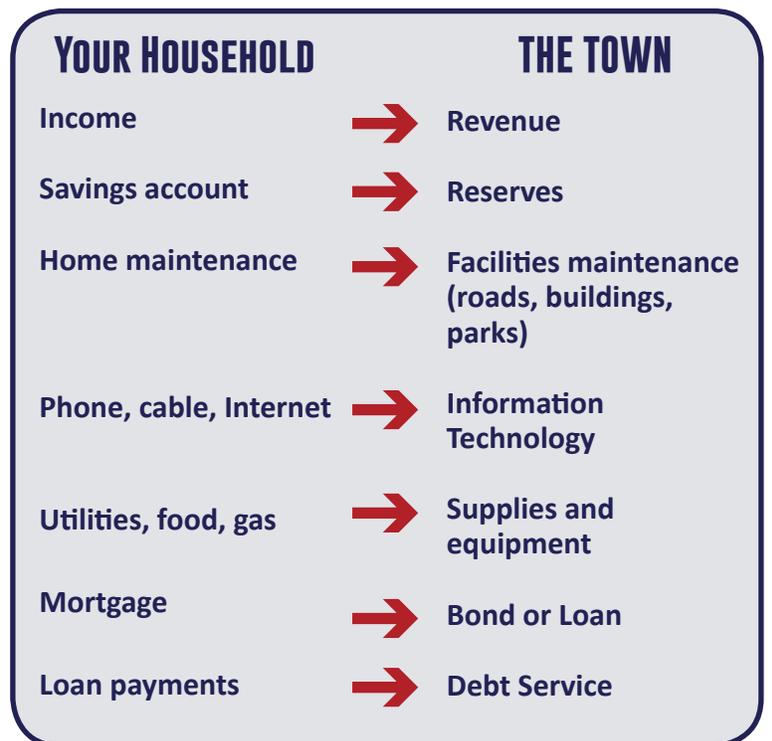
REVENUE

Killingworth's revenue, or income, comes from several sources. The largest is the property tax—the only tax that Connecticut towns are permitted to levy. The mill rate determines how much revenue is generated from property taxes.

The next largest is funding that comes from the state, which levies income, corporate, and sales taxes, among others, and returns some of those revenues to the towns. In FY18-19, the town is receiving about \$1.8 million from the state for educational costs and about \$525 thousand for other town costs. The governor's proposal for FY19-20 includes a combined total of about \$2.3 million; we do not yet know what the legislature's final budget will be.

Smaller amounts of revenue come from public and private grants; licenses, fees, and permits; and investment returns.

KILLINGWORTH'S "HOUSEHOLD BUDGET"



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CAPITAL EXPENSES

A capital expenditure is one where the benefit continues over a long period; the expenditure is non-recurring. Capital projects range from large fire-fighting apparatus to road paving. Funds for capital projects come from capital reserves, which the town builds up over time through annual appropriations, from public and private grants, and from borrowing.

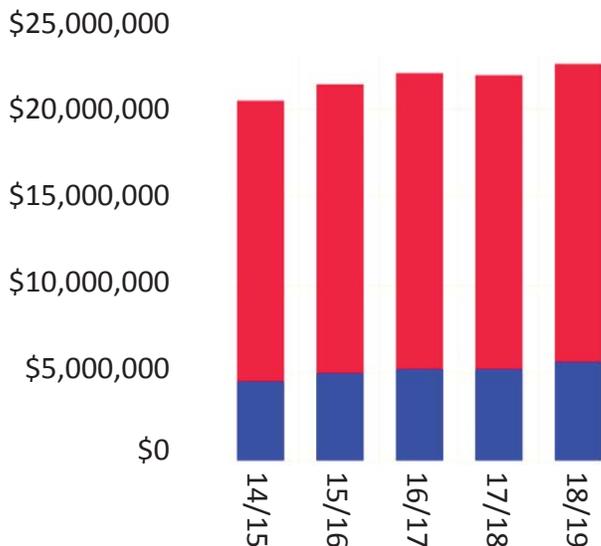
KILLINGWORTH'S FISCAL HEALTH

Killingworth's fiscal health is excellent, thanks to such factors as

- A balance in the general fund equal to two months of regular operating expenditures, as recommended by the Government Finance Officers Association
- Solid infrastructure, and a long-range plan for preserving it
- Low debt
- A history of financial stability

Nevertheless, continued cutbacks in state funding—both in direct support for the town and in other services that we depend on and must make up for—put an increasing burden on property taxpayers.

BUDGETS OVER THE LAST FIVE YEARS



■ Town budget

■ Killingworth's portion of the school budget

MILL RATE

The *mill rate* is the amount of tax levied per dollar of the assessed value of a property, expressed as thousandths of a dollar. In other words, one mill yields one dollar for each \$1,000 of property assessment. The assessment is 70 percent of the property's market value. A change in your assessment—say, through revaluation or renovation—will change your tax bill, separately from any change in the mill rate.

The mill rate for the year we are in, FY18-19, is 27.47. After (a) the school budget passes, (b) the town approves the operating budget, and (c) the level of revenue is known, the Board of Finance will set the mill rate to generate the required funds for FY19-20.

Looked at another way, each mill of the property tax rate generates one-thousandth of the grand list in revenue to the town. The 2018 grand list is about \$699 million, close to level with last year's, and each mill of Killingworth's property tax rate will generate about \$699 thousand.

CALCULATING YOUR TAXES

To calculate what a given tax rate means for your house, use this worksheet:

Your assessed property value	\$
Divided by \$1000	\$
Multiplied by the mill rate	_____
Your Taxes	\$

Your current assessment is available at www.townofkillingworth.com/offices/tax_assessor.html

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ESTIMATED EXPENDITURES SUMMARY

Description	2017-2018 Actual	2018-2019 Approved Budget	2019-2020 Recommend	2019-2020 \$ Change	2019-2020 % Change
General Government	\$ 1,357,556	\$ 1,507,305	\$ 1,485,276	\$ (22,029)	-1.5%
Transfers to Capital Reserves	\$ 750,000	\$ 750,000	\$ 820,000	\$ 70,000	9.3%
Total General Government	\$ 2,107,556	\$ 2,257,305	\$ 2,305,276	\$ 47,971	2.1%
Public Safety	\$ 582,199	\$ 581,168	\$ 593,878	\$ 12,710	2.2%
Highway	\$ 945,440	\$ 959,405	\$ 965,369	\$ 5,964	0.6%
Sanitation & Health	\$ 272,137	\$ 309,594	\$ 335,355	\$ 25,761	8.3%
Conservation & Land Use	\$ 67,375	\$ 81,567	\$ 77,567	\$ (4,000)	-4.9%
Recreation	\$ 141,552	\$ 134,891	\$ 144,735	\$ 9,844	7.3%
Misc/Community Services	\$ 573,809	\$ 433,055	\$ 446,227	\$ 13,172	3.0%
Welfare	\$ 8,776	\$ 10,100	\$ 10,100	\$ -	0.0%
Debt & Lease Obligation	\$ 466,036	\$ 454,441	\$ 442,961	\$ (11,480)	-2.5%
Total Operating Budget	\$ 5,164,880	\$ 5,221,526	\$ 5,321,467	\$ 99,942	1.9%
Education Budget	\$ 16,581,237	\$ 16,757,250	\$ 16,827,659	\$ 70,409	0.4%
Total Estimated Expenditures	\$ 21,746,117	\$ 21,978,776	\$ 22,149,126	\$ 170,350	0.8%

SOME IMPORTANT TERMS

Appropriation. An authorization, approved by the town, for town officials to incur obligations against and to make expenditures of government resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Capital Reserve. A portion of the fund balance that is legally set aside to cover capital expenditures.

Debt Service. Payment of interest and repayment of principal on town debt, typically for large capital projects.

General Fund Balance. The difference between monetary assets and liabilities of the town government at a particular moment, such as the end of the fiscal year.

The Grand List is the total assessed value of all taxable property in town, including residences, commercial and industrial property, business personal property, and vehicles. It is set on October 1 for the fiscal year that begins the following July. Killingworth's Grand List.

Town of Killingworth
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