

# CITIZEN'S GUIDE

## to the Killingworth Town Budget

# 2018-2019



### Message from the Board of Finance and the Board of Selectmen

Killingworth residents have two opportunities coming up to have input on the Killingworth town budget for Fiscal Year 2018-19:

**Board of Finance Hearing, April 23, 8:00 p.m., KES.** The public is invited to ask questions and make comments, but no action is taken. With this input, the Board of Finance drafts its final recommended budget.

**Annual Town Budget Meeting, May 14, 7:00 p.m., KES.** By Town Charter, electors and property owners vote on the budget at this meeting. The meeting may delete or decrease items in the budget but may not increase budgeted amounts or add items.

Preliminary budgets are on file in the Town Clerk's Office and are posted at [townofkillingworth.com](http://townofkillingworth.com).

The town pays its expenses with revenue from a variety of sources, the largest of which is property taxes. Shortly after the town approves the budget, the Board of Finance determines how much must be raised through property taxes and sets the mill rate for the coming year.

Last year, we brought a budget to Town Meeting without knowing what funding would be coming from the state of Connecticut. The FY17-18 budget that we presented and the town approved was based on the previous year's state funding. To date, we have received about \$322,000 less in state funding this year (FY17-18) than last, and we are able to cover these cuts from town reserves.

For FY18-19, we are estimating revenues from the state of slightly more than \$2 million—23 percent less than we originally budgeted for the year we are in and about 12 percent less than what we are actually receiving this year.

The **referendum on the school budget** will be held on **Tuesday, May 8, at KES, from 6 a.m. to 8 p.m.** Since about 76 percent of our taxes go to Killingworth's portion of the Regional School District 17 budget, your vote is critical here as well. The budget to be voted on results in approximately a \$76,000 increase in Killingworth's education cost. You can find the proposed school budget on line at [rsd17.org](http://rsd17.org) or on file in the Killingworth Town Clerk's Office.

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

4/17/2018

## KILLINGWORTH BY THE NUMBERS

Population	6,490	2017 Revenues	\$ 25,407,398
Registered voters	4,592	2017 Expenditures	\$ 25,206,369
Median household income	\$112,137	2017 General Fund Balance	\$ 4,917,653
Miles of town roads	72	2017 Capital Reserve Fund	\$ 2,498,022
School Enrollment - K-12 (2017)	839	2017 Outstanding Debt	\$ 3,415,000
Net taxable 2017 grand list	\$695,278,625	Per Capita Debt (including RSD17)	\$ 532
# Full-time town employees	13	FY17-18 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:

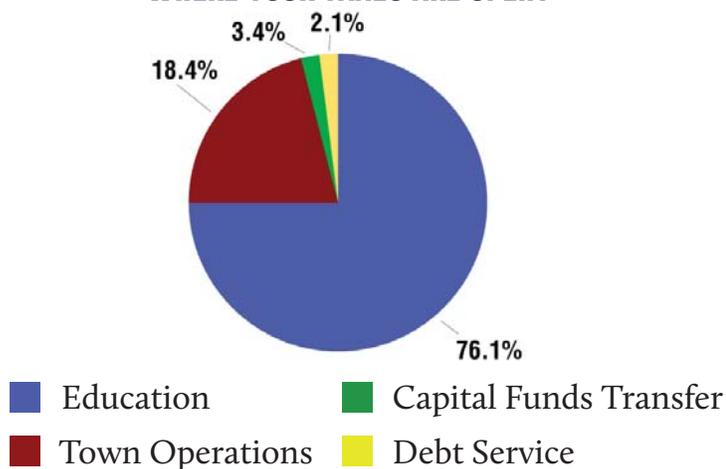
**The operating budget**, which covers the cost of running the town in coming fiscal year.

**The capital budget**, which covers the cost of major projects expected to start in the coming year. These costs do not represent an additional expenditure beyond the operating budget.

### 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.

**2017-2018 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 FY17-18, the town is receiving about \$1.9 million from the state for educational costs and about \$417 thousand for other town costs. The governor's proposal for FY18-19 includes a combined total of about \$2 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"





### 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. For FY 18-19, the Board of Finance proposes funding \$1.7 million in capital needs.

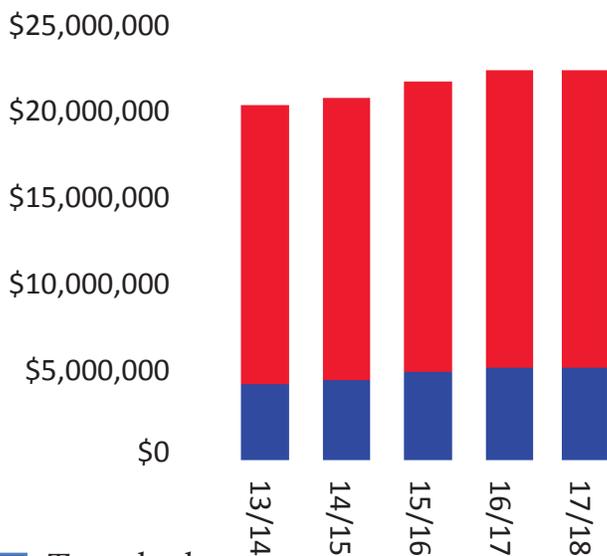
### KILLINGWORTH'S FISCAL HEALTH

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 to direct support for the town and to 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—will change your tax bill, separately from any change in the mill rate.

The mill rate for the year we are in, FY17-18, 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 FY18-19.

Looked at another way, each mill of the property tax rate generates one-thousandth of the grand list in revenue to the town. The 2017 grand list is about \$691 million, close to level with last year's, and each mill of Killingworth's property tax rate will generate about \$695 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](http://www.townofkillingworth.com/offices/tax_assessor.html)

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## ESTIMATED EXPENDITURES SUMMARY

Description	2016-2017 Actual	2017-2018 Approved Budget	2018-2019 Proposed Budget	2018-2019 \$ Change	2018-2019 % Change
General Government	\$ 1,361,673	\$ 1,486,657	\$ 1,507,305	\$ 20,648	1.4%
Transfers to Capital Reserves	\$ 730,000	\$ 750,000	\$ 750,000	\$ -	0.0%
<b>Total General Government</b>	<b>\$ 2,091,673</b>	<b>\$ 2,236,657</b>	<b>\$ 2,257,305</b>	<b>\$ 20,648</b>	<b>0.9%</b>
Public Safety	\$ 575,339	\$ 564,643	\$ 581,168	\$ 16,525	2.9%
Highway	\$ 860,030	\$ 983,968	\$ 959,405	\$ (24,563)	-2.5%
Sanitation & Health	\$ 280,477	\$ 302,231	\$ 309,594	\$ 7,363	2.4%
Conservation & Land Use	\$ 68,715	\$ 79,805	\$ 81,567	\$ 1,762	2.2%
Recreation	\$ 137,450	\$ 150,134	\$ 134,891	\$ (15,243)	-10.2%
Misc/Community Services	\$ 478,431	\$ 448,476	\$ 433,055	\$ (15,421)	-3.4%
Welfare	\$ 8,639	\$ 10,100	\$ 10,100	\$ -	0.0%
Debt & Lease Obligation	\$ 3,874,463	\$ 465,999	\$ 454,441	\$ (11,558)	-2.5%
<b>Total Operating Budget</b>	<b>\$ 8,375,217</b>	<b>\$ 5,242,013</b>	<b>\$ 5,221,526</b>	<b>\$ (20,487)</b>	<b>-0.4%</b>
Education Budget	\$ 16,831,153	\$ 16,681,237	\$ 16,757,250	\$ 76,013	0.5%
<b>Total Estimated Expenditures</b>	<b>\$ 25,206,370</b>	<b>\$ 21,923,250</b>	<b>\$ 21,978,776</b>	<b>\$ 55,526</b>	<b>0.3%</b>

## 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.

*Sources for the information included in this Citizen's Guide: CERC 2017 Town Profile for Killingworth; Town audited financial statements for 2016-17; Approved KW 2017-18 Budget; RSD17 Board of Education proposed budget for 2017-18; KW 2016 & 2017 Grand List; CT Office of Policy & Management Municipal Fiscal Indicators.*

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