

TOWN OF POMFRET
Board of Finance

Citizens' Guide to the Town Budget



This guide is designed to help residents and taxpayers better understand the process that goes into our town's budget and how citizens can participate in the budget process.

What is the Town budget?

Simply put, the town's operating budget is its annual fiscal plan and roadmap. It is an itemization of the revenues and expenditures that are expected during the regular course of business during the fiscal year, which runs from July 1 to June 30. Items like salaries, benefits, utilities, supplies, and debt payments are included in the budget. A comparison to your household budget is as follows:

Your Household

- Income
- Savings accounts
- Home maintenance
- Utilities
- Food, gas, home supplies
- Mortgage and loan payment
- Car purchase and home improvements

The Town

- Revenue
- Fund balance
- Facilities maintenance (roads, buildings, parks)
- Utilities
- Supplies and equipment
- Debt service
- Capital projects

What is not included in the operating budget?

Major construction projects, land acquisitions, and unexpected emergencies are authorized by the voters at a town meeting and are not included in the operating budget.

Is the Fire Department included in the town budget?

No. The Fire District is the entity that levies taxes which provide operating revenue for the Fire Department. Residents can attend the Fire District annual meeting and vote on its budget. The Fire District sets its own mill rate, which is added to the town's mill rate on your tax bill.

What is the Board of Education budget?

The education budget includes the operating costs of Pomfret Community School, as well as transportation, special education costs, and high school tuition. It is the responsibility of the superintendent and the Board of Education to put this budget together by estimating the expenditures and state funding for the upcoming fiscal year, which also runs July 1 to June 30.

When is the budget prepared?

The budget process is quite long, beginning in December and continuing until the month of May or later, depending on when the voters approve the budget at a town meeting or referendum.

Budget Calendar

December – January	<p>Departments prepare their budgets and submit them to the Selectmen.</p> <p>The superintendent of schools prepares a budget and submits it to the Board of Education.</p>
February – March	<p>The Board of Selectmen reviews the departmental budgets and presents it to the Board of Finance.</p> <p>The Board of Education reviews the superintendent’s budget, makes adjustments, and presents it to the Board of Finance.</p>
March – April	<p>The Board of Finance reviews both budgets as well as anticipated revenues. If necessary, they ask the Board of Selectmen and the Board of Education to make adjustments and resubmit their budgets to the Board of Finance.</p> <p>The Board of Finance holds a public hearing in April where the preliminary budgets are presented to the citizens and public input is requested.</p>
May	<p>The Board of Finance reviews the budgets again, discusses public input, and looks at updated revenue projections if available. The Board votes on final budgets to be recommended and voted on at the annual town meeting.</p> <p>The Board of Selectmen holds the annual town meeting where the final recommended budgets are presented. The budgets are either voted on or sent to a referendum.</p>
May – June	<p>If the budgets are voted down, the Board of Finance makes adjustments and sends the budgets back to another town meeting or referendum.</p> <p>When the budgets are approved by the voters, the Board of Finance sets the mill rate.</p>

How can citizens participate in the budget process?

At each level of the budget process, the public has the opportunity to have input into the budget. Citizens can attend:

- Board of Selectmen meetings
- Board of Education meetings and budget workshops
- Board of Finance meetings and budget workshops
- The public hearing in April
- The town meeting in May

Residents can also fill out the online Budget Survey during the month of February or contact any of the three boards via letter or email.

How does the budget impact taxes?

An operating budget must be balanced, which means the expenditures must equal to the revenue. The higher the operating budget, the higher the taxes unless there are other sources of revenue.

What kinds of revenue does the town get?

Revenue sources include grants, licenses, fees, building permits, recreation programs, as well as educational cost sharing and special education reimbursement from the state.

What is the fiscal year?

Most citizens keep their finances on a calendar year basis, beginning January 1. The State of Connecticut has adopted a Uniform Fiscal Year. This means all municipalities must operate on a year that begins July 1 and ends June 30 the following year.

What is the mill rate?

The mill rate is a figure representing the amount per \$1,000 of the assessed value of property which is used to calculate the amount of property tax.

How is the mill rate calculated?

The mill rate is used to balance the budget through taxes. It is calculated as follows:

$$\begin{array}{r} \text{Total expenditures for town and school} \\ - \text{Revenue from all sources other than taxes} \\ \hline \text{Amount to be raised by property taxes} \end{array}$$

A = Amount to be raised by taxes

B = Grand List (value of all taxable property in town)

$$\text{Mill rate} = \mathbf{B} \div \mathbf{A} \times 1,000$$

How can I find out how much I will pay in taxes based on the mill rate?

To calculate what a given tax rate (mill rate) means for your house:

$$\text{Your assessed property value} \div 1,000 \times \text{Mill rate} = \text{Your taxes}$$