

**Kenneth M. Kellogg**  
First Selectman

# Town of Monroe



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## **BUDGET REFERENDUM VOTE – TUESDAY, APRIL 3, 2018**

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The budget proposal for fiscal year 2018-2019 projects a 1.44% reduction in real estate taxes, the most significant local tax bill. **Under this budget, Monroe families will see their real estate tax bill go down – unrelated to property valuation – for the first time in at least twenty years.** This year's budget has been developed with an overarching goal of controlling taxes, while also ensuring that we invest in our infrastructure such as roads, continue to provide excellence in education, and maintain the good financial health of the Town. Additional guiding principles were to anticipate and plan for further reductions in state funding, restore certain service levels where appropriate, improve customer services, and to invest in improvements to our development and permitting process.

This budget was accomplished through a conservative approach, growth in our grand list, a decrease in debt service, and leveraging and maintaining the health of our fund balance. While the budget looks to restore some services lost last year, such as re-opening the library for half days on Wednesdays and the nutrition program at the Senior Center, we simply must make tough decisions and control spending. Minimizing the tax impact is also accomplished by addressing certain capital expenditures in a strategic fashion and through special appropriations in the current fiscal year using anticipated surplus. Compared to the fiscal year 2017-2018 budget as approved during last year's referendum, this budget reflects an overall increase of 2.5% in expenditures (including both municipal and education.) The largest driver of this increase on the municipal budget is restoration of road resurfacing and repairs to the operating budget.

This budget also takes a conservative approach to anticipated state funding. Given the ongoing uncertainty in this area, this budget anticipates roughly \$1.08 million, or 17.7%, less funding in the combined education cost sharing and municipal stabilization grants than what is currently included in the state's FY19 budget, as currently approved by the state legislature.

Another component of our overall tax picture is car taxes, which historically are levied at the same tax rate as real estate. However, changes in state law over the past two years forced towns like Monroe to artificially lower the rate on motor vehicles. This year, Monroe is not subject to this arbitrary "cap." The Board of Finance, which sets the rates after the budget has been adopted, has indicated that they intend to return to one rate. While this does result in a one-time car tax adjustment, the net impact is still a reduction in the overall tax levy. In fact, even if Monroe was forced to maintain a lower tax rate for vehicles, the real estate tax rate would still go down under this budget.

For the current fiscal year, our "capped" mill rate for motor vehicles is 32.00, while our real estate rate is 35.76. **This budget proposal projects a single new mill rate of 35.24.** To determine your projected tax bill for next year, utilize the tax calculator available online at [www.monroect.org/taxinfo](http://www.monroect.org/taxinfo).

Again, my goal was, and remains, to lower the overall tax burden. This year's budget process was a remarkable demonstration of collaboration. Our department heads, Town Council, Board of Education, and Board of Finance are to be commended for their efforts. The budget is now presented to the citizens of Monroe. Please exercise your right to vote at referendum on Tuesday, April 3, 2018.