Pursuant to Chapter VIII, Section 3 of the Monroe Town Charter, I hereby deliver to the Town Council my proposed budget for fiscal year 2020-2021.

Once again, this year’s proposed budget was developed with an overarching goal of controlling taxes, while ensuring that we continue to invest in our infrastructure, deliver cost-effective services to our community, provide excellence in education, and maintain the financial health of the Town.

I continue to implement deliberate practices to minimize the tax burden through conservative spending, fostering growth in our grand list, and applying budget-neutral solutions to improve services where necessary and appropriate. While many of these solutions were found last year, I will continue to identify and implement similar ideas in the 2021 fiscal year. For example, my budget proposes to use existing grant funds to provide the Department of Public Works with additional resources in the form of seasonal workers during peak demand for various activities such as roadside maintenance.

I continue to control municipal spending while maintaining services and meeting our contractual commitments. Despite a 10% anticipated increase in medical insurance costs, a similar rise in the state pension program for our police department, and continued increases in the costs of recycling, I am proud that my budget proposes a municipal expenditure increase of 0.60%.

Without question, the most challenging aspect of this year’s budget is addressing the Board of Education (“BOE”) appropriation, which comprises 2/3 of the entire Town budget. The BOE has submitted to me a budget request representing a 4.88% increase over the current fiscal year.

I continue to strongly support our Monroe Public Schools. By way of example, in the last two years alone, I have personally:

- Supported numerous capital projects to improve our schools. 100% of all projects and any borrowing costs (debt service) are paid from the municipal budget, and are not included in the BOE budget, including:
  - Over $440,000 during the prior two budget cycles for purchases of Chromebooks and laptops for both teachers and student use in classrooms.
  - Recently approved municipal bonding of over $250,000 to improve the BOE radio system for improved security features.
- Supported the transfer of $465,000 from last year’s municipal budget surplus to pay for BOE medical expenses.
- Supported the Board of Finance in making a $356,000 payment for the BOE’s non-certified staff pension plan that had been deferred.
- Supported access to $505,000 in prior year funds set aside by the Board of Finance in a statutory reserve fund.

In addition, I fully support the transfer of approximately $700,000 from the Board of Finance Contingency towards the BOE budget for the current fiscal year.

In my 2020-2021 budget, I have included the following actions in full support of the BOE:

- Appropriations from our fund balance, totaling $1,500,000, to fund BOE budget shortfalls in medical insurance costs that are from their prior, self-insured health plan.
- Recommendation to include a $1,000,000 Board of Finance Contingency for unresolved and unanticipated municipal and BOE expenses, such as open municipal collective bargaining agreements and BOE costs for special education that are difficult to predict.
As First Selectman, I have a responsibility to propose a budget that balances my desire to maintain an award-winning school system, along with appropriate and effective municipal services, while also honoring my commitment to control taxes. My responsibilities include consideration of many concerned residents who simply cannot afford runaway taxes. I must consider our senior citizens on fixed incomes who fear being forced to leave their homes simply because they can no longer afford to live in Monroe. I must consider our business and commercial property owners who are being strangled by Connecticut’s economy and simply must consider local tax rates when deciding where to locate, move, and/or expand. I must consider the hundreds of Monroe families that utilize our food pantry because they cannot afford groceries, let alone a tax increase. I must consider the families who must use our Community & Social Services programs, such as Project Warmth, because they can’t afford to heat their homes. My responsibility is to present a budget that Monroe voters can trust to be fair, and one that I believe taxpayers will accept at referendum.

The BOE component of the 2020-2021 budget is, by far, the single largest budgetary driver in the tax rate calculation. The municipal spending increase of less than 1%, coupled with a 4.88% BOE increase, would result in an overall projected increase to our mill rate of 3.27%. My budget proposes an adjustment to the BOE appropriation to reflect a 4.01% increase in BOE expenditures, which results in a projected increase to the mill rate of 2.62%.

Due to the state-mandated property revaluation that was just completed by our Assessor’s Office, the mill rate increase is not in proportion to the tax levy. Since the property revaluation affects each taxpayer differently, I encourage taxpayers to go to our online calculator at http://monroect.org/taxcalc to research the potential impact to your tax bill.

Monroe is a wonderful community, and I greatly appreciate the work of our municipal staff, our volunteers including those serving on municipal boards and commissions, our school staff and the Board of Education. I will eagerly support the BOE in their efforts to address what appear to be isolated, structural budgetary issues, while sustaining a robust education system. While in no way minimizing the challenges that they are facing, I strongly encourage and applaud their efforts to identify long-term solutions for budgetary stability.

As this process continues forward to the annual referendum on May 5, 2020, our team will devote many more hours, as our Town Council and Board of Finance conduct their review the budget and may make further refinements as they deem appropriate. I will continue to work with them, and will maintain open lines of communication with our Board of Education leadership, to incorporate any further adjustments as new information surfaces.

Together, we must present a final budget that will be supported by the voters of Monroe.

Kenneth M Kellogg, First Selectman