Budget Document Structure

• Standardized Format Across Departments (Consistent with Previous Years)
  – Departmental Overviews, Metrics, Highlights, etc.
  – Financials (Expenditures, Revenue where Appropriate)
  – Details of Build for Each Line Item
FIRST SELECTMAN’S PROPOSED BUDGET

• Guiding Principles
  – Overarching Goal to Control Taxes
  – Conservative Approach to Spending
  – Continue to Improve Roads & Infrastructure
  – Support a Robust Education System
  – Maintain & Improve Municipal Services
  – Maintain Financial Health of the Town
### Municipal Expenditures Key Drivers

<table>
<thead>
<tr>
<th>Driver</th>
<th>Dept.</th>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>All</td>
<td>Municipal collective bargaining agreements open.</td>
<td>TBD (Contingency)</td>
</tr>
<tr>
<td>Insurance</td>
<td>HR</td>
<td>Currently anticipating a 10% increase in medical insurance. Final rates anticipated in April.</td>
<td>↑ $ 215k</td>
</tr>
<tr>
<td>CMERS (Pension)</td>
<td>Police</td>
<td>Second increase in employer contribution rate, set by state Retirement Commission.</td>
<td>↑ $ 71k</td>
</tr>
<tr>
<td>Winter Road Safety</td>
<td>Public Works</td>
<td>Trend of increased road salt and staff hours (types of storms – more ice, longer duration)</td>
<td>↑ $ 51k</td>
</tr>
<tr>
<td>Recycling</td>
<td>DPW</td>
<td>Disposal of recycling continues to increase.</td>
<td>↑ $ 40k</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td>Stable borrowing, refunding (refinancing).</td>
<td>↓ $ 44k</td>
</tr>
<tr>
<td>Capital Financing</td>
<td></td>
<td>Retirement of internal financing program last fiscal year.</td>
<td>↓ $ 170k</td>
</tr>
</tbody>
</table>
CONSERVATIVE APPROACH

• Control of Municipal Expenditures
  Examples:
  – Cost reductions based on trend data.
  – Securing favorable fuel rates.
  – No increase in FTE headcount.*
  – Reducing or eliminating line-item contingency.

* Seasonal DPW workers proposed – grant funded
CONSERVATIVE APPROACH

• Actions to Reduce Property Tax Impact

Examples:
  – Reasonable Utilization of Fund Balance
  – Use of Alternate Funding Sources where Feasible
    • Police Private Duty Fund – patrol vehicles & equipment
    • Town Aid Road – grant funds for roads, seasonal DPW workers, etc.
    • Parks & Rec Program Fund – golf cart replacement
## CONTINUE TO IMPROVE ROADS

### Increase in Total Funding:

<table>
<thead>
<tr>
<th>Funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital (bonding)</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Town Aid Road (grant)</td>
<td>$727,000</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>$593,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,320,000</strong></td>
</tr>
</tbody>
</table>
CONTINUE TO IMPROVE ROADS

Pavement Management in Monroe
Comparison of Monroe Average PCI to 36 Other Towns

- 2010 Avg = 64
- 2018 Avg = 75
- 2020 Predicted Avg ≥ 78

INCREASED INVESTMENT IN ROADS

$39 Million — Total Increase in Net Assessed Value

($7 Million) — Increased Contingency for Adjustments, Appeals, Tax Benefits

*Higher than typical due to revaluation year*

$32 Million — Total Grand List Growth Built into Budget

<table>
<thead>
<tr>
<th>Residential</th>
<th>Commercial</th>
<th>Undeveloped Land</th>
<th>Motor Vehicle</th>
<th>Business Personal Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>↑</td>
<td>↑</td>
<td>↓</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

Grand List
Continued Support for Education

• Recent History of Strong Support
  – Capital Projects Fully Funded by Municipality
    • $440,000 – Chromebooks and laptops
    • $250,000 – BOE Radio System
  – Transfer of Municipal Surplus
    • $465,000 in for BOE Medical Expenses
    • $365,000 for BOE Pension Payment
  – Access to $505,000 in Statutory Reserve Fund
CONTINUED SUPPORT FOR EDUCATION

• Current Year & FY2020-2021 Budget:
  – Support transfer of ≈ $700,000 from Contingency to address BOE current fiscal year shortfall.
  – Recommending additional $1,000,000 Contingency for both municipal and BOE exposures, such as Special Education costs.
  – Recommended appropriation of $1,500,000 from our Fund Balance to fund the BOE shortfall in medical insurance from prior health plan.
UNDESIGNATED FUND BALANCE

Prior Board of Finance Policy: 5-10%
UNDESIgnATED FUND BALANCE

Current Board of Finance Policy: Range of 8.33%-16.67% (1-2 months), with target of 12.5% (1½ months)
## The Bottom Line

<table>
<thead>
<tr>
<th></th>
<th>Municipal Departments</th>
<th>Board of Education</th>
<th>Resulting Projected Mill Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requested Increase to Operating Expenditures</td>
<td>$1,325,652 4.58%</td>
<td>$2,794,102 4.88%</td>
<td>8.07%</td>
</tr>
</tbody>
</table>
The Bottom Line

- Budget Responsibilities
  - Balance desire for robust education and municipal services with commitment in controlling taxes.
  - Consider Impact to all Residents and Taxpayers
    - Residents who have gotten zero wage increases.
    - Senior Citizens who want to stay in their home.
    - Businesses looking to locate, move or expand.
    - Families using our Food Pantry and Project Warmth.
### The Bottom Line

<table>
<thead>
<tr>
<th>Total Requested Increase to Operating Expenditures</th>
<th>Municipal Departments</th>
<th>Board of Education</th>
<th>Resulting Projected Mill Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,325,652</td>
<td>4.58%</td>
<td>$2,794,102</td>
<td>4.88%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>8.07%</strong></td>
</tr>
</tbody>
</table>
### The Bottom Line

<table>
<thead>
<tr>
<th></th>
<th>Municipal Departments</th>
<th>Board of Education</th>
<th>Resulting Projected Mill Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requested Increase to Operating Expenditures</td>
<td>$1,325,652 4.58%</td>
<td>$2,794,102 4.88%</td>
<td>8.07%</td>
</tr>
<tr>
<td>Adjustments to Departments Revised Increase</td>
<td>(1,150,804) 0.60%</td>
<td>174,848 3.27%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: The revised increase for the Board of Education is highlighted.*
<table>
<thead>
<tr>
<th></th>
<th>Municipal Departments</th>
<th>Board of Education</th>
<th>Resulting Projected Mill Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requested Increase to Operating Expenditures</td>
<td>$1,325,652  4.58%</td>
<td>$2,794,102  4.88%</td>
<td>8.07%</td>
</tr>
<tr>
<td>Adjustments to Departments Revised Increase</td>
<td>(1,150,804)  0.60%</td>
<td>(500,000)  4.01%</td>
<td>2.62%</td>
</tr>
<tr>
<td>Adjustments to BOE Revised Increase</td>
<td>174,848</td>
<td>2,294,102</td>
<td></td>
</tr>
</tbody>
</table>

The tax impact will vary individually due to recently completed state-mandated property revaluation.

Tax Calculator: [www.monroect.org/TaxCalc](http://www.monroect.org/TaxCalc)
CAPITAL BUDGET

• Preliminary Capital Budget for FY21 included:
  — Department submissions
  — Recommended Top Priority Projects

• Requires further evaluation and prioritization through a collaborative effort with Town Council & Board of Finance.

• Final Capital Budget and 5-Year Capital Improvement Plan will be incorporated into the proposed budget that will go to referendum.
FURTHER REFINEMENT

• Town Council Review of Municipal Departments and Submission to Board of Finance.
• Board of Finance Review, including Board of Education Budget.
• Further Adjustments as New Information Available
  — Medical Insurance (April)
  — Assessment Appeals (Filed by Feb 20th)
  — Board of Education Addressing Budgetary Stability
• Commitment to Communicate and Collaborate to Present a Final Budget that Taxpayers will Support.
THANK YOU

TOWN OF MONROE BUDGET 2020-2021