

Town of Monroe



Budget Presentation 2008-09 Fiscal Year

**Tom Buzi
First Selectman
February 11th, 2008**



Budget Considerations

- ***Economy***
 - ***Potential for economic recession***
 - ***Rising commodity pricing***
- ***Voter concerns***
 - ***Affordable budget***
- ***Recent budget history***
- ***Grand List***
- ***Tackling Monroe's needs in small bites***

Looking at all factors



Budget Priorities

- ***Fund essential services – needs based***
 - ***Education***
 - ***Emergency services***
- ***Increase Road Maintenance Funding***
- ***Assets***
 - ***Initiate long term vehicle replacement plan***
 - ***Fund emergency radio system***
 - ***Repair Jockey Hollow Fire Station HVAC***
- ***Provide for increased Senior Tax Relief***

Focus on Town Needs



Thought of the Day

Albert Einstein's definition of Insanity:

“Doing the same thing over and over again and expecting a different outcome”

Need to change our past practices



Expense Budget History

<u>Fiscal Year</u>	<u>Initial Dollar Expense Increase</u>	<u>Per Cent Increase</u>	<u>Approved Dollar Expense Increase</u>	<u>Per Cent Increase</u>	<u># of Referendums</u>
2007 - 2008	\$3,864,118	5.64%	\$2,253,453	3.29%	6
2006- 2007	\$5,776,979	9.01%	\$3,878,062	6.05%	4
2005 - 2006	\$5,292,334	8.83%	\$4,178,535	6.97%	4
2004 - 2005	\$3,575,381	6.29%	\$2,819,870	5.40%	2
2003 - 2004	\$3,461,257	6.41%	\$2,819,870	5.22%	4
2002 - 2003	\$3,804,828	7.34%	\$2,212,833	4.27%	4

4.72% start point for 2008-09 expense budget



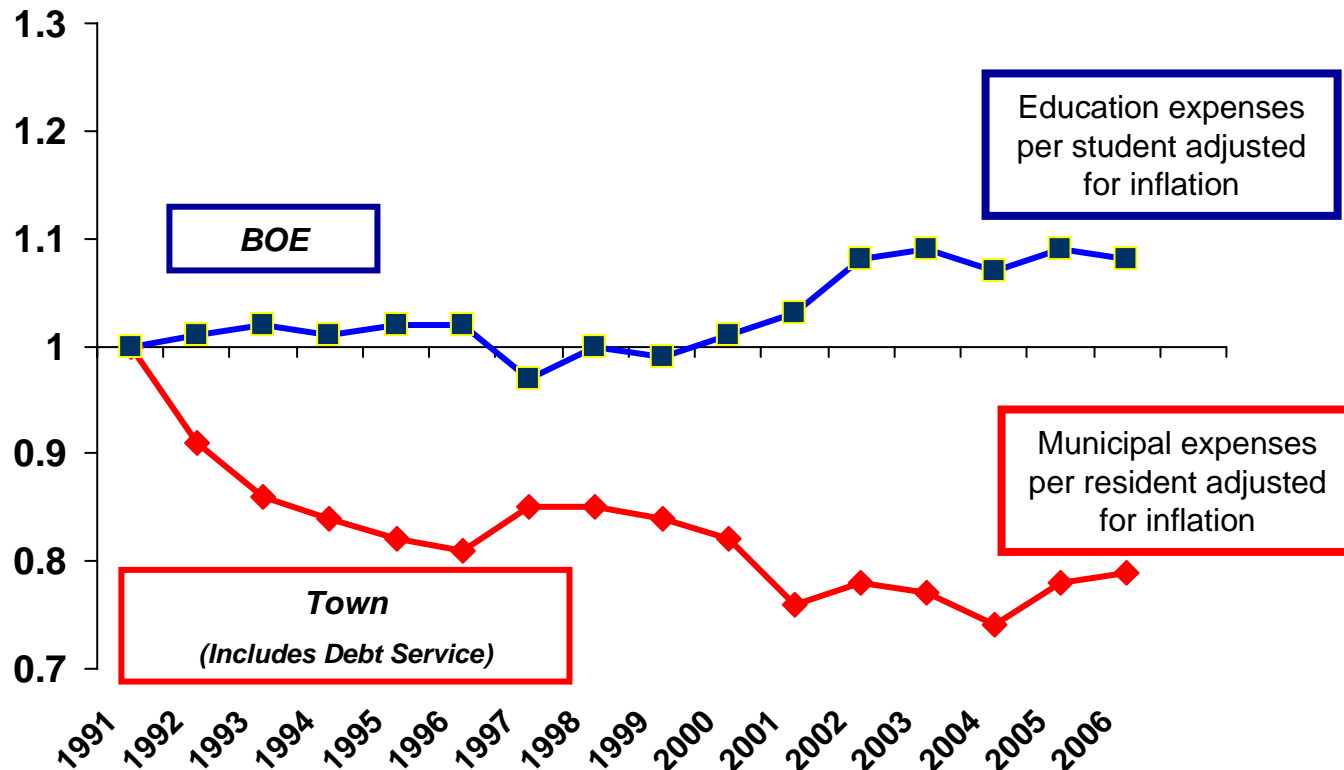
Approved Expense Budgets

<u>Fiscal Year</u>	<u>B.O.E</u>	<u>Town</u>	<u>Debt Serv.</u>	<u>Reserves</u>	<u>Subtotal</u>	<u>BOE Contra & Grants</u>	<u>Total</u>
2007 - 2008	4.24%	4.00%	5.58%	0.00%	4.08%	-0.79%	3.29%
2006- 2007	5.50%	2.20%	15.15%	0.00%	5.30%	0.75%	6.05%
2005 - 2006	5.97%	2.90%	24.18%	-1.08%	6.07%	0.90%	6.97%
2004 - 2005	7.12%	3.32%	15.37%	0.02%	6.39%	-0.99%	5.40%
2003 - 2004	5.91%	4.89%	-6.85%	50.00%	4.74%	0.48%	5.22%
2002 - 2003	5.30%	2.36%	8.57%	-0.49%	4.06%	0.21%	4.27%

2008-09 budget addresses disparity



Spending History



Town funding lags CPI



Spending Outcomes

BOE

- **Significantly improved facilities**
- **Solid administrative team**
- **Strong instructional staff**
- **Improved curriculum**
- **Excellent Special Education services**
- **Significantly improved technology base**

Town

- **Town facilities in need of significant repair**
- **\$8.4M Vehicle backlog**
- **Underfunded emergency services**
- **Roads in need of significant repair (\$63M)**
- **Under staffing is the norm**
- **Technology needs improvement**

Lack of funding balance poses problems



Expense Budget Summary

	<u>Current Budget 2007-08</u>	<u>Requested Budget 2008-09</u>	<u>Requested Dollar Change</u>	<u>Per Cent Change</u>	<u>First Select. Budget 2008-09</u>	<u>Dollar Change 2008-09 VS. 2007-08</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
Town	15,236,785	17,073,290	1,836,505	12.05%	\$16,137,332	900,547	5.91%
Debt Service	5,330,823	5,487,791	156,968	2.94%	\$5,418,151	87,328	1.64%
BOE	47,415,681	50,202,406	2,786,725	5.88%	\$49,650,000	2,234,319	4.71%
Reserve	<u>85,000</u>	<u>145,000</u>	<u>60,000</u>	70.59%	<u>\$120,000</u>	<u>35,000</u>	41.18%
Subtotal	68,068,289	72,908,487	4,840,198	7.11%	\$71,325,483	3,257,194	4.79%
BOE Contra	1,198,514	1,118,311	(80,203)	-6.69%	\$1,118,311	(80,203)	-6.69%
BOE State Grants	<u>1,483,269</u>	<u>1,643,808</u>	<u>160,539</u>	10.82%	<u>\$1,643,808</u>	<u>160,539</u>	10.82%
Totals	70,750,072	75,670,606	4,920,534	6.95%	74,087,602	3,337,530	4.72%

First Selectman reduced submitted budget by \$1.583M



Town Expense Budget Summary

	<u>Current Budget 2007-08</u>	<u>Requested Budget 2008-09</u>	<u>Requested Dollar Change</u>	<u>% Change</u>	<u>First Select. Budget 2008-09</u>	<u>Dollar Change 2008-09 VS. 2007-08</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
General Government	\$5,880,068	\$6,236,625	\$356,557	6.06%	\$6,116,285	\$236,217	4.02%
Public Safety	\$5,205,919	\$5,663,476	\$457,557	8.79%	\$5,437,133	\$231,214	4.44%
Public Works	\$2,290,834	\$2,684,901	\$394,067	17.20%	\$2,589,779	\$298,945	13.05%
Sanitation	\$319,431	\$415,063	\$95,632	29.94%	\$408,408	\$88,977	27.85%
Health & Welfare	\$191,203	\$171,944	-\$19,259	-10.07%	\$174,015	-\$17,188	-8.99%
Culture & Recreation	\$1,343,830	\$1,895,781	\$551,951	41.07%	\$1,406,212	\$62,382	4.64%
Special Projects	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$0</u>	0.00%	<u>\$5,500</u>	<u>\$0</u>	0.00%
Totals	\$15,236,785	\$17,073,290	\$1,836,505	12.05%	\$16,137,332	\$900,547	5.91%

Need to understand cost drivers



Town Cost Drivers

	<u>Current Budget 2007-08</u>	<u>First Selectman's Budget 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>
<u>Town Cost Drivers</u>	\$15,236,785	\$16,137,332	\$900,547	5.91%
DPW - Increased Road Maintenance		(240,000)		
Gen. Govt. - Benefits		(113,888)		
Sanitation - Recycling Cardboard		(78,012)		
Gen. Govt. - Utilities - Buildings/P&R		(24,284)		
Gen Govt. - Economic Development		(21,000)		
Gen Govt. - Network Requirements		(20,949)		
P&R - Wolfe Park Improvements		(15,000)		
Gen. Govt - Social Services Reorg		<u>\$23,657</u>		
Baseline Increase	\$15,236,785	\$15,647,856	\$411,071	2.70%

Budget increases address Town needs



Debt Service

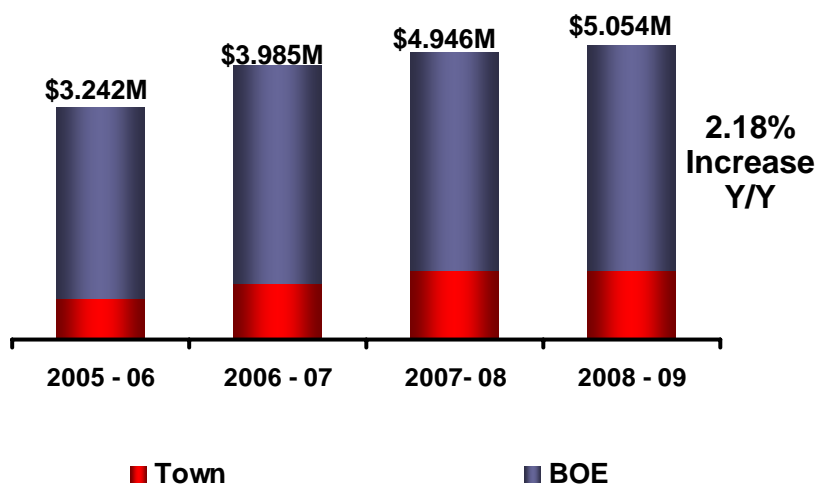
	<u>Current Budget 2007-08</u>	<u>Submitted Budget 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>	<u>First Select. Budget 2008-09</u>	<u>Dollar Change 2008-09 VS. 2007-08</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
Bond Redemption	\$1,000	\$1,000	\$0	0.00%	\$0	-\$1,000	-100.00%
Bond Principle	\$2,985,000	\$3,010,000	\$25,000	0.84%	\$3,010,000	\$25,000	0.84%
Bond Interest	\$1,961,733	\$1,941,101	-\$20,632	-1.05%	\$1,941,101	-\$20,632	-1.05%
New Debt	\$0	\$102,600	\$102,600		\$102,600	\$102,600	
Note Interest	\$0	\$0	\$0		\$0	\$0	
Bond Note Expense	\$1,000	\$1,000	\$0	0.00%	\$1,000	\$0	0.00%
Lease Payments	<u>\$382,090</u>	<u>\$432,090</u>	<u>\$50,000</u>	13.09%	<u>\$363,450</u>	<u>-\$18,640</u>	-4.88%
Totals	\$5,330,823	\$5,487,791	\$156,968	2.94%	\$5,418,151	\$87,328	1.64%

1.64% increase lower than 6 out of last 7 years



Debt Service

Debt Service Comparison



Debt Service currently provides payments for:

- **Masuk High School Renovation**
- **Jockey Hollow Construction**
- **Edith Wheeler Library Construction**
- **Open Space Purchases**

2008-09 Debt Service provides for:

- **Emergency Radio System (\$2M)**
- **Vehicle Replacements (\$800K)**
- **Jockey Hollow Firehouse Repair (\$50K)**

Markets indicate refinancing opportunity



Reserve Funding

<u>Reserve Type</u>	<u>Current Budget 2007-08</u>	<u>Submitted Budget 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>	<u>First Select. Budget 2008-09</u>	<u>Dollar Change 2008-09 VS. 2007-08</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
EMS Capital	\$30,000	\$50,000	\$20,000	66.67%	\$30,000	\$0	0.00%
Internal Service Fund	\$20,000	\$20,000	\$0	0.00%	\$20,000	\$0	0.00%
Revaluation	<u>\$35,000</u>	<u>\$75,000</u>	<u>\$40,000</u>	114.29%	<u>\$70,000</u>	<u>\$35,000</u>	100.00%
Totals	\$85,000	\$145,000	\$60,000	70.59%	\$120,000	\$35,000	41.18%

Reval Year/EMS ambulance request



Town Revenue

	<u>Budgeted Income 2007-08</u>	<u>Estimated Income 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>
Licenses, Permits, Fines	\$1,077,950	\$1,077,000	-\$950	-0.09%
Intergovernmental	\$1,057,357	\$1,068,236	\$10,879	1.03%
Charges for Services	\$423,000	\$431,460	\$8,460	2.00%
Interest, Dividends & Liens	\$825,000	\$825,000	\$0	0.00%
Miscellaneous	<u>\$90,000</u>	<u>\$85,000</u>	<u>-\$5,000</u>	-5.56%
Total Town Revenue	\$3,473,307	\$3,486,696	\$13,389	0.39%
BOE Revenue	<u>\$10,147,627</u>	<u>\$9,633,189</u>	<u>-\$514,438</u>	-5.07%
Totals	\$13,620,934	\$13,119,885	-\$501,049	-3.68%

Oxford Tuition Impact

Town of Monroe



Board of Education



Budget Review

- ***Cost Drivers***
 - ***Special Education***
 - ***Fuel/Electricity Costs***
 - ***Early Retirement Benefits***
- ***Oxford Tuition Revenue***

Competition for instructional dollars



BOE Test Results

	<u>School</u>	<u>District</u>	<u>State</u>
<u>Fawn Hollow</u>			
Grade 3 - Reading	76.5%	75.4%	52.3%
Writing	72.0%	73.3%	60.8%
Math	78.8%	81.1%	59.4%
Grade 4 - Reading	85.9%	83.6%	57.0%
Writing	83.1%	84.8%	65.1%
Math	91.5%	89.4%	62.3%
<u>Monroe Elementary</u>			
Grade 3 - Reading	81.7%	75.4%	52.3%
Writing	70.0%	73.3%	60.8%
Math	75.0%	81.1%	59.4%
Grade 4 - Reading	80.8%	83.6%	57.0%
Writing	82.2%	84.8%	65.1%
Math	83.6%	89.4%	62.3%
<u>Stepney Elementary</u>			
Grade 3 - Reading	70.6%	75.4%	52.3%
Writing	76.9%	73.3%	60.8%
Math	87.2%	81.1%	59.4%
Grade 4 - Reading	83.2%	83.6%	57.0%
Writing	88.5%	84.8%	65.1%
Math	91.2%	89.4%	62.3%

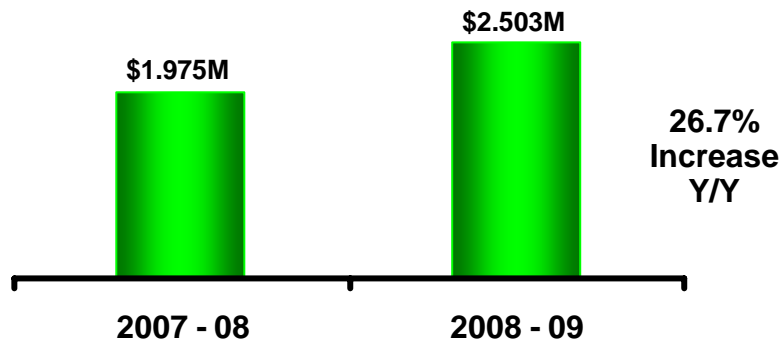
	<u>School</u>	<u>District</u>	<u>State</u>
<u>Chalk Hill</u>			
Grade 5 - Reading	73.8%	73.8%	61.4%
Writing	66.9%	66.9%	64.6%
Math	77.9%	77.9%	66.0%
Grade 6 - Reading	79.7%	79.4%	64.3%
Writing	67.0%	66.8%	63.0%
Math	73.1%	72.9%	63.9%
<u>Jockey Hollow</u>			
Grade 7 - Reading	85.4%	85.4%	65.9%
Writing	69.1%	69.1%	60.4%
Math	80.2%	80.2%	60.3%
Grade 8 - Reading	87.6%	87.6%	66.6%
Writing	79.4%	79.4%	64.0%
Math	76.4%	76.4%	60.8%
<u>Masuk High School</u>			
Reading	68.8%	N/A	45.6%
Writing	76.5%	N/A	52.9%
Math	66.7%	N/A	45.2%
Science	62.6%	N/A	44.4%

Monroe – 159 out of 169 towns in per pupil funding

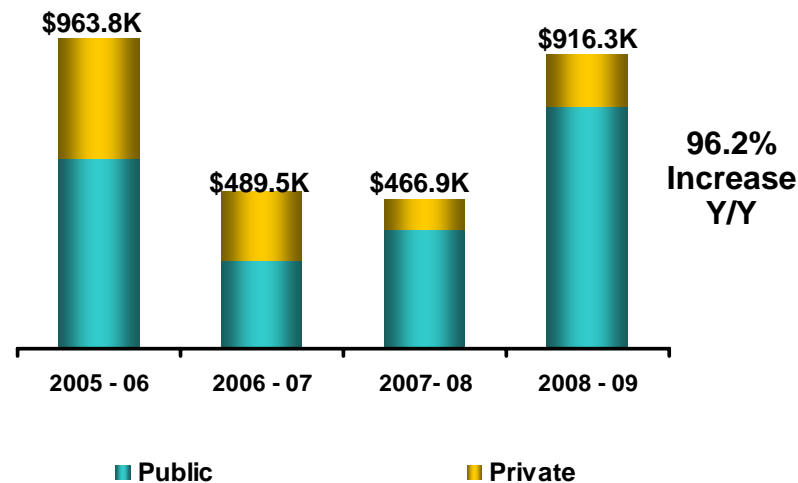


Special Education

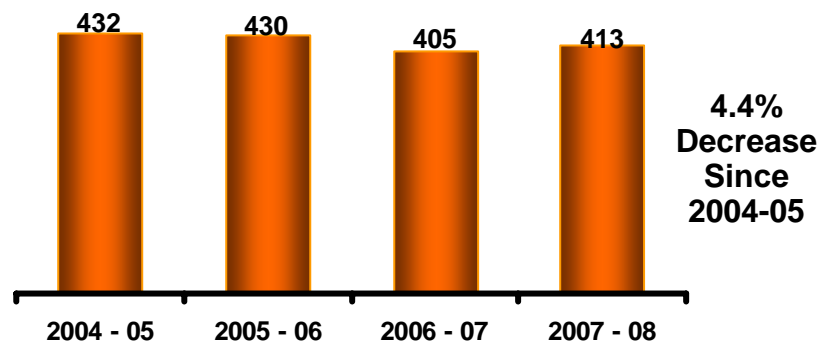
Special Education Costs



Special Education Placement Costs



Special Education Students

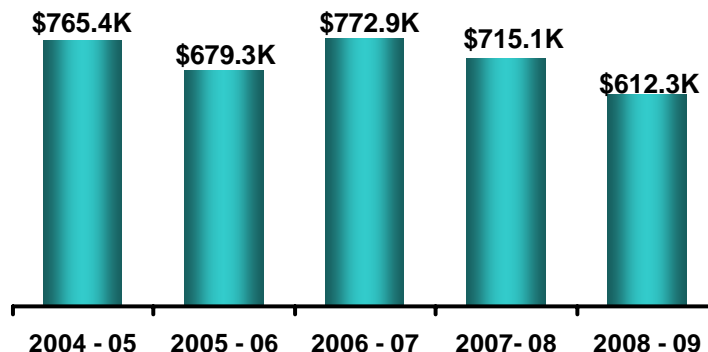


State mandated & underfunded by State

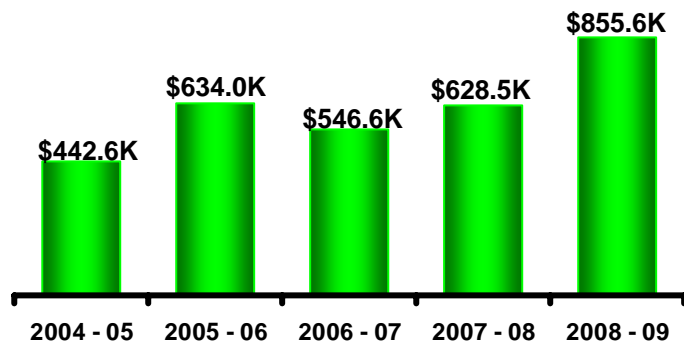


Retirements / Fuel Oil

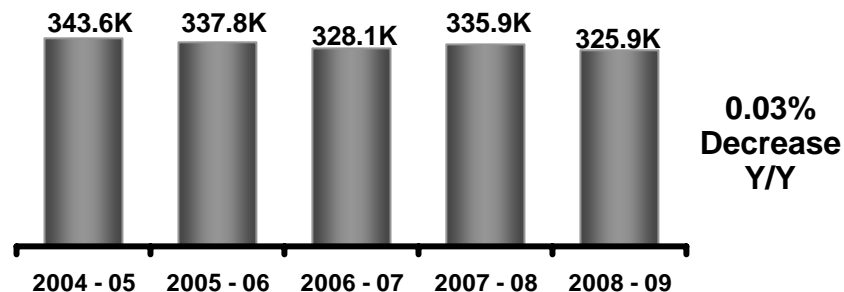
Early Retirement Benefit Costs



Fuel Oil \$'s



Fuel Oil - Gallons



Contractual & market driven costs



Town Revenue - BOE

<u>B.O.E. Revenue</u>	<u>Budgeted Income 2007-08</u>	<u>Estimated Income 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>
ECS	\$6,407,088	\$6,572,186	\$165,098	2.58%
Transportation	<u>\$151,921</u>	<u>\$121,996</u>	<u>-\$29,925</u>	-19.70%
Subtotal	\$6,559,009	\$6,694,182	\$135,173	2.06%
Individual Tuition	\$15,000	\$15,000	\$0	0.00%
Oxford Tuition	<u>\$891,835</u>	<u>\$161,888</u>	<u>-\$729,947</u>	-81.85%
Subtotal BOE Revenue	\$7,465,844	\$6,871,070	-\$594,774	-7.97%
State Grants	\$1,483,269	\$1,643,808	\$160,539	10.82%
Contra Accounts	<u>\$1,198,514</u>	<u>\$1,118,311</u>	<u>-\$80,203</u>	-6.69%
Total	\$10,147,627	\$9,633,189	-\$514,438	-5.07%

Town absorbing full cost of Masuk H.S.



BOE Summary

	<u>2008-09 Budget</u>
BOE Turn Key	\$49,667,906
Superintendents/BOE Recommendations	<u>\$534,500</u>
Total	\$50,202,406
First Selectman Recommendation	<u>\$49,650,000</u>
Difference	\$552,406
<u>Cost Drivers (Y/Y Change)</u>	
Special Education	\$527,278
Heat/Electricity/Propane/Natural Gas	\$365,023
Retirements	<u>-\$102,788</u>
Subtotal Cost Drivers	\$789,513
<u>Revenue Loss</u>	
ECS/Trans Revenue Increase	-135,173
State Grant/Contra Accounts	-80,366
Oxford Tuition	<u>\$729,947</u>
Subtotal Revenue Loss	\$514,408
Total Cost/Revenue Impacts	\$1,303,921

Tuition loss - incremental hurdle for Town

Town of Monroe



Mill Rate Calculation



Mill Rate Impacts

- ***Increased Grand List***
- ***Increased benefits for Senior Citizens***
 - ***New Senior Tax Relief ordinance***
 - ***Total benefit in program for Seniors is \$624K***
 - ***50% increase over 2007-08***
 - ***Good Tax Policy; Good Social Policy***
- ***Town absorbed \$22K cost for increased Veterans & Disabled benefits***
- ***Revenue decrease – Oxford tuition***

Providing balance in our tax policy



Mill Rate Calculation

	<u>Budget 2007-08</u>	<u>Recommended 2008-09</u>	<u>Dollar Change</u>	<u>% Change</u>
Town Revenue	\$3,473,307	\$3,486,696	\$13,389	0.39%
B.O.E. Revenue	<u>\$10,147,627</u>	<u>\$9,633,189</u>	<u>-\$514,438</u>	-5.07%
Total Revenue	\$13,620,934	\$13,119,885	-\$501,049	-3.68%
Town Operating Expense	\$15,236,785	\$16,137,332	\$900,547	5.91%
Debt Service	\$5,330,823	\$5,418,151	\$87,328	1.64%
Education Totals	\$50,097,464	\$52,412,119	\$2,314,655	4.62%
Other Expenditures	<u>\$85,000</u>	<u>\$120,000</u>	<u>\$35,000</u>	41.18%
Total Expenditures	\$70,750,072	\$74,087,602	\$3,337,530	4.72%
Excess Expenditures Over Revenue	\$57,129,138	\$60,967,717	\$3,838,579	6.72%
<u>Funding Sources</u>				
Undesignated Fund Balance	\$370,000	\$370,000	\$0	0.00%
Supplemental Taxes	\$415,000	\$425,000	\$10,000	2.41%
Prior Years Taxes	\$200,000	\$200,000	\$0	0.00%
Current Years Taxes	<u>\$56,144,138</u>	<u>\$59,972,717</u>	<u>\$3,828,579</u>	6.82%
Total Sources of Funding	\$57,129,138	\$60,967,717	\$3,838,579	6.72%
Estimated Grand List @ 98.5% Collection Rate	\$2,047,566,716	\$2,063,263,615	\$15,696,899	0.77%
Mill Rate	27.42	29.06	1.64	5.98%



Summary

- ***Delivered a needs based budget***
 - ***Education***
 - ***Emergency services – 4% increases for Fire Services***
 - ***Capital Projects***
- ***Budget Increases Road Maintenance Funding***
- ***Lowest % increase starting point in recent budget history***
- ***Selectman review reduced submitted budget by \$1.583M***
- ***Revenue decrease negatively impacts mill rate***

Let a respectful discussion begin