

# Town of Monroe



## ***Senior Center Budget Presentation 2008-09 Fiscal Year***

**Tom Buzi  
First Selectman  
March 18<sup>th</sup>, 2008**



# ***Budget Considerations***

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- ***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***

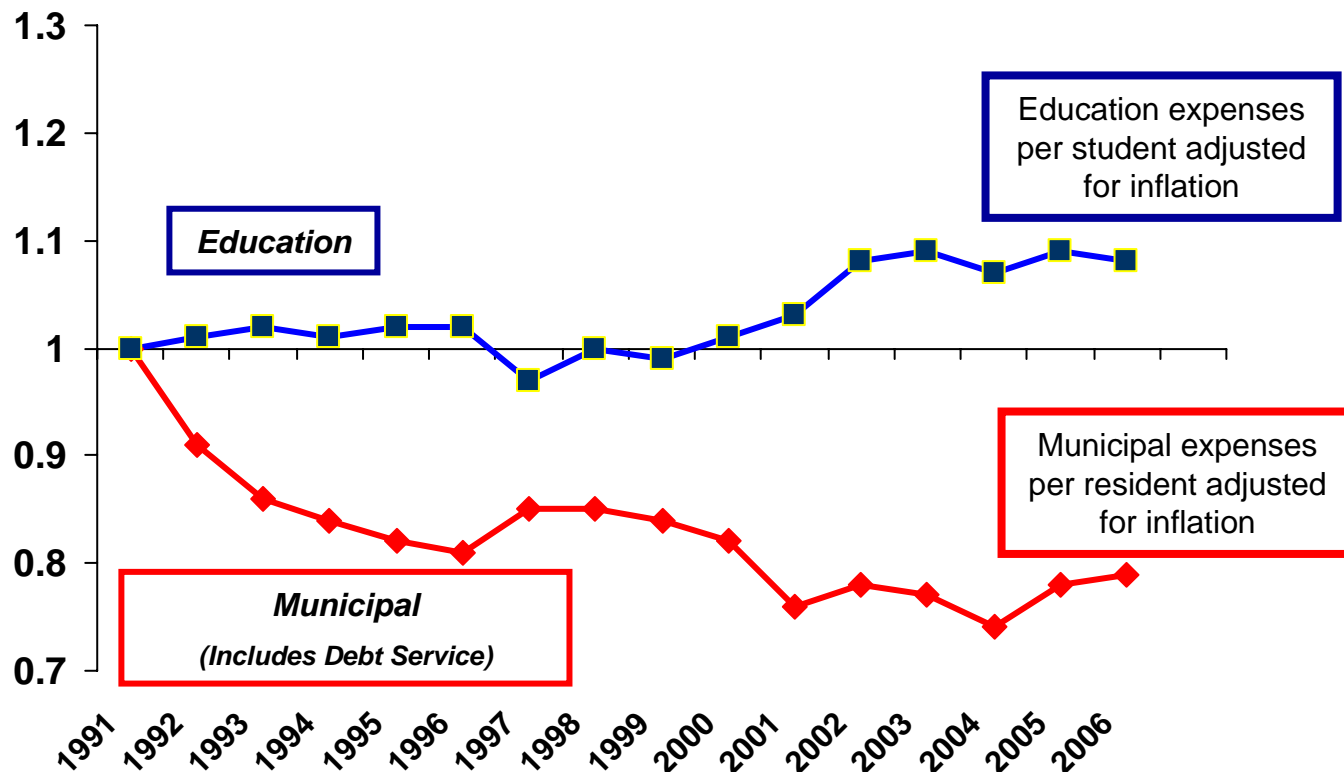
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- ***Fund essential services – needs based***
  - ***Education***
  - ***Emergency services***
- ***Increase Road Maintenance Funding***
- ***Assets***
  - ***Initiate long term vehicle replacement plan***
  - ***Fund emergency radio system***
  -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

***Need to develop a balanced plan***



# Spending History



**Municipal funding lags CPI**



# Spending Outcomes

## Education

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

## Municipal

- **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**



# Town Financial Plan

<u>Option #3</u>	<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	\$16,025,332	\$788,547	5.18%
Debt Service	\$5,330,823	\$5,418,151	\$87,328	1.64%
Education Totals	\$50,097,464	\$52,312,119	\$2,214,655	4.42%
Other Expenditures	<u>\$85,000</u>	<u>\$120,000</u>	<u>\$35,000</u>	41.18%
Total Expenditures	\$70,750,072	\$73,875,602	\$3,125,530	4.42%
Excess Expenditures Over Revenue	\$57,129,138	\$60,755,717	\$3,626,579	6.35%
<u>Funding Sources</u>				
Undesignated Fund Balance	\$370,000	\$370,000	\$0	0.00%
Supplemental Taxes	\$415,000	\$425,000	\$10,000	2.41%
Operating Transfers		\$186,858	\$186,858	N/A
Prior Years Taxes	\$200,000	\$200,000	\$0	0.00%
Current Years Taxes	<u>\$56,144,138</u>	<u>\$59,573,859</u>	<u>\$3,429,721</u>	6.11%
Total Sources of Funding	\$57,129,138	\$60,755,717	\$3,626,579	6.35%
<u>Estimated Grand List</u>				
@ 98.5% Collection Rate	\$2,047,566,716	\$2,064,459,214	\$16,892,498	0.83%
Mill Rate	27.42	28.87	1.45	5.29%



# ***Mill Rate Impacts***

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- ***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***



# Reduction Summary

	<u>Current Budget 2007-08</u>	<u>Requested Budget 2008-09</u>	<u>Requested Dollar Change</u>	<u>% Change</u>	<u>Proposed Budget 2008-09</u>	<u>Reduction</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
General Government	\$5,880,068	\$6,236,625	\$356,557	6.06%	\$6,092,285	(\$144,340)	3.61%
Public Safety	5,205,919	5,663,476	457,557	8.79%	5,417,133	(246,343)	4.06%
Public Works	2,290,834	2,684,901	394,067	17.20%	2,584,779	(100,122)	12.83%
Sanitation	319,431	415,063	95,632	29.94%	360,408	(54,655)	12.83%
Health & Welfare	191,203	171,944	(19,259)	-10.07%	174,015	2,071	-8.99%
Culture & Recreation	1,343,830	1,895,781	551,951	41.07%	1,391,212	(504,569)	3.53%
Special Projects	<u>5,500</u>	<u>5,500</u>	<u>0</u>	0.00%	<u>5,500</u>	<u>0</u>	0.00%
Subtotal Municipal	\$15,236,785	\$17,073,290	\$1,836,505	12.05%	\$16,025,332	(\$1,047,958)	5.18%
Debt Service	\$5,330,823	\$5,487,791	\$156,968	2.94%	\$5,418,151	(\$69,640)	1.64%
Reserve	\$85,000	\$145,000	\$60,000	70.59%	\$120,000	(\$25,000)	41.18%
Education	\$47,415,681	\$50,202,406	\$2,786,725	5.88%	\$49,550,000	(\$652,406)	4.50%
Grants	1,483,269	1,643,808	160,539	10.82%	1,643,808	0	10.82%
Contra	<u>1,198,514</u>	<u>1,118,311</u>	<u>(80,203)</u>	-6.69%	<u>1,118,311</u>	<u>0</u>	-6.69%
Subtotal Education	\$50,097,464	\$52,964,525	\$2,867,061	5.72%	\$52,312,119	(\$652,406)	4.42%
Town Total	\$70,750,072	\$75,670,606	\$4,920,534	6.95%	\$73,875,602	(\$1,795,004)	4.42%

**\$1.8M reduction - difficult choices made**



# 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 Municipal Revenue	\$3,473,307	\$3,486,696	\$13,389	0.39%
Revenue - Education	<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***



# Municipal Expense Summary

	<u>Current Budget 2007-08</u>	<u>Requested Budget 2008-09</u>	<u>Requested Dollar Change</u>	<u>% Change</u>	<u>Proposed 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%	\$6,092,285	\$212,217	3.61%
Public Safety	\$5,205,919	\$5,663,476	\$457,557	8.79%	\$5,417,133	\$211,214	4.06%
Public Works	\$2,290,834	\$2,684,901	\$394,067	17.20%	\$2,584,779	\$293,945	12.83%
Sanitation	\$319,431	\$415,063	\$95,632	29.94%	\$360,408	\$40,977	12.83%
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%	\$1,391,212	\$47,382	3.53%
Special Projects	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$0</u>	0.00%	<u>\$5,500</u>	<u>\$0</u>	0.00%
Total Municipal	\$15,236,785	\$17,073,290	\$1,836,505	12.05%	\$16,025,332	\$788,547	5.18%

***Need to understand cost drivers***



# Municipal Cost Drivers

	<u>Current Budget 2007-08</u>	<u>Proposed Budget 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>
<u>Municipal Cost Drivers</u>	\$15,236,785	\$16,025,332	\$788,547	5.18%
DPW - Increased Road Maintenance		(240,000)		
Gen. Govt. - Benefits		(113,888)		
Sanitation - Recycling/Tipping Fees		(30,000)		
Gen. Govt. - Utilities - Buildings/P&R		(24,284)		
Gen Govt. - Economic Development		(21,000)		
Gen Govt. - Network Requirements		(20,949)		
Gen. Govt - Social Services Reorg		<u>\$23,657</u>		
Baseline Increase	\$15,236,785	\$15,598,868	\$362,083	2.38%

***Budget increases address Town needs***



# Debt Service

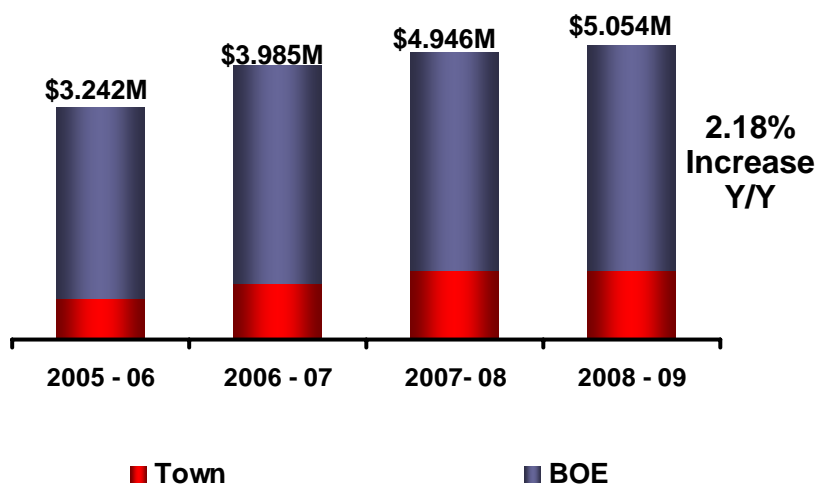
	<u>Current Budget 2007-08</u>	<u>Submitted Budget 2008-09</u>	<u>Dollar Change</u>	<u>Per Cent Change</u>	<u>First Select. Budget 2008-09</u>	<u>Dollar Change 2008-09 VS. 2007-08</u>	<u>Per Cent Change 2008-09 VS. 2007-08</u>
Bond Redemption	\$1,000	\$1,000	\$0	0.00%	\$0	-\$1,000	-100.00%
Bond Principle	\$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**



# Education 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**



# Expense Budget History

<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 &amp; Grants</u>	<u>Total</u>	<u>% Mill Rate Increase</u>	<u>Fund Balance Used</u>
2008- 2009	4.50%	5.18%	1.64%	41.18%	4.47%	-0.05%	4.42%	5.29%	\$370K
2007 - 2008	4.24%	4.00%	5.58%	0.00%	4.08%	-0.79%	3.29%	5.14%	\$370K
2006- 2007	5.50%	2.20%	15.15%	0.00%	5.30%	0.75%	6.05%	8.44%	\$370K
2005 - 2006	5.97%	2.90%	24.18%	-1.08%	6.07%	0.90%	6.97%	5.11%	\$1.710K
2004 - 2005*	7.12%	3.32%	15.37%	0.02%	6.39%	-0.99%	5.40%	5.60%	\$1.895K
2003 - 2004	5.91%	4.89%	-6.85%	50.00%	4.74%	0.48%	5.22%	4.23%	\$970K
2002 - 2003	5.30%	2.36%	8.57%	-0.49%	4.06%	0.21%	4.27%	4.97%	\$970K

\* Revaluation Year

**2008-09 budget addresses disparity**



# Equalizing the Mill Rate

<u>Fiscal Year</u>	<u>% Expense Increase</u>	<u>% Mill Rate Increase</u>	<u>Fund Balance Used</u>	<u>% Mill Rate Increase</u>	<u>Fund Balance Used</u>	<u># of Budget Referendums</u>
2008- 2009	4.42%	5.29%	\$370K	5.29%	\$370K	?
2007 - 2008	3.29%	5.14%	\$370K	5.14%	\$370K	6
2006- 2007	6.05%	8.44%	\$370K	8.44%	\$370K	4
2005 - 2006	6.97%	5.11%	\$1.710K	9.10%	\$370K	4
2004 - 2005*	5.40%	5.60%	\$1.895K	8.10%	\$370K	2
2003 - 2004	5.22%	4.23%	\$970K	5.70%	\$370K	4
2002 - 2003	4.27%	4.97%	\$970K	6.30%	\$370K	4

\* Revaluation Year

***UDFB usage drives different results***



# ***Median Household Increase***

<b>Sale Period</b>	<b>May, 2006</b>
<b>Median Sale Value</b>	<b>\$472,000</b>
<b>Assessment</b>	<b>\$264,880</b>
<b>Taxes @ Current Mill Rate</b>	<b>\$7,263</b>
<b>Taxes @ Proposed Mill Rate</b>	<b>\$7,647</b>
<b>% Increase - Proposed</b>	<b>5.29%</b>
<b>Difference</b>	<b>\$384</b>
<b>Weekly Cost of Increase</b>	<b>\$7.35</b>
<b>Tax Increase w/ Senior Tax Relief @ \$500</b>	<b>-\$116</b>

***Senior tax relief drives taxes down***



# Senior Tax Relief

<u>New Program</u>			<u>Old Program</u>	
<u>Income Range</u>	<u>Tax Reduction as % of Property Tax</u>	<u>Max. Tax Reduction for any Year</u>	<u>Income Range</u>	<u>Town Only Benefit</u>
\$0 - \$18,600	13%	\$1,300	\$35,301 - \$40,595	\$315
\$18,601 - \$27,700	12%	\$1,200	\$40,596 - \$44,125	\$145
\$27,701 - \$42,376	10%	\$1,000	\$44,126 - \$52,950	\$85
\$42,377 - \$50,850	8%	\$800		
\$50,851 - \$55,000	5%	\$500		

**50% increase in Senior Tax Relief \$'s**



# Area Town Comparison

<u>Town</u>	<u>Per Cent Expense Increase</u>	<u>Mill Rate Per Cent Increase</u>	<u>Grand List Per Cent Increase</u>
Monroe	4.42%	5.29%	0.94%
Shelton	5.05%	6.52%	2.22%
Easton	6.25%	6.25%	0.29%
Trumbull**	6.88%	11.90%	0.13%
Fairfield**	5.55%	5.46%	1.01%
Newtown*	7.10%	8.96%	28.88%
*Revaluation			** \$2M UDFB

**Similar issues exist - Monroe fares better**



# Reduction Analysis

(Excludes BOE Contra & Grants)	<u>2007-08</u>			<u>2008-09</u>		
	Debt Service Town Ops. <u>Reserves</u>	<u>Education</u>	<u>Total</u>	Debt Service Town Ops. <u>Reserves</u>	<u>Education</u>	<u>Total</u>
Submissions	<b>21,188,273</b>	<b>48,490,681</b>	<b>69,678,954</b>	<b>22,706,081</b>	<b>50,202,406</b>	<b>72,908,487</b>
First Selectman Reduction	<u>N/A</u>	<u>(125,000)</u> <span style="color: green;">▲</span>	<u>(125,000)</u>	<u>(1,030,598)</u>	<u>(552,406)</u> <span style="color: green;">▲</span>	<u>(1,583,004)</u>
TC/BOF Start Point	21,188,273	48,365,681	<b>69,553,954</b>	21,675,483	49,650,000	<b>71,325,483</b>
Per Cent Increase (Y/Y)	7.10%	6.33%	<b>6.56%</b>	4.95%	4.71%	<b>4.79%</b>
<u>Adjustments</u>						
Town Council Adjustments	(177,948)	N/A	<b>(177,948)</b>	(64,000)	N/A	(64,000)
Board of Finance Adjustments	<u>(110,355)</u>	<u>(450,000)</u>	<b>(560,355)</b>	<u>(48,000)</u>	<u>(100,000)</u>	<u>(148,000)</u>
Subtotal	20,899,970 <span style="color: green;">▲</span>	47,915,681	<b>68,815,651</b>	21,563,483	49,550,000	<b>71,113,483</b>
Per Cent Increase (Y/Y)	5.64%	5.34%	5.43%	4.41%	4.50%	<b>4.47%</b>
<u>Total Referendum Reductions</u>	<u>(247,362)</u>	<u>(500,000)</u>	<b><u>(747,362)</u></b>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>
Final Approved Budget	<b>20,652,608</b>	<b>47,415,681</b>	<b>68,068,289</b>	<b>21,563,483</b>	<b>49,550,000</b>	<b>71,113,483</b>
Per Cent Inceas (Y/Y)	4.39%	4.24%	<b>4.28%</b>	4.41%	4.50%	<b>4.47%</b>
Reduction % - Submissions	<b>-2.53%</b>	<b>-2.22%</b>	<b>-2.31%</b>	<b>-5.03%</b>	<b>-1.30%</b>	<b>-2.46%</b>
Reduction % - TC/BOF Start Point	<b>-2.53%</b>	<b>-1.96%</b>	<b>-2.14%</b>	<b>-0.52%</b>	<b>-0.20%</b>	<b>-0.30%</b>

***Which budget is a better value proposition?***



# Value Proposition

Proposed Budget 2008-09 *	\$71,113,483
Approved Budget 2007- 08*	<u>\$68,068,289</u>
Difference	\$3,045,194
Percent Increase 2008- 09	4.47%
Percent Increase 2007- 08	4.28%
Difference (BPS)	0.21%
2008-09 budget @ 4.28% Increase	\$70,981,612
Difference 4.36% vs. 4.28% increase	\$131,871
\$ per BPS	\$6,280

\*Excludes BOE Grants & Contra

## 2008-09 Budget Contains these items:

- *\$2.0M for Emergency Radios*
- *\$800K for Vehicle Replacements*
- *\$50K for HVAC Repair for Jockey Hollow Fire Station*
- *4% Increase for Fire Services*
- *\$240K for Road Maintenance*
- *\$30K for Recycling/Tipping Fees*
- *\$21K for F/T ED/Grants Coordinator*
- *Continue to maintain our School District*
- *Increase Senior Tax Relief almost 50%*

**2008-09 budget moves Monroe forward**



# Summary

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- ***Delivered a needs based budget***
  - ***Education***
  - ***Emergency services***
  - ***Capital Projects***
  - ***Senior Tax Relief***
- ***Budget Increases Road Maintenance Funding***
- ***Lowest % increase starting point in recent budget history***
- ***Expense review reduced submitted budget by \$1.875M***
- ***Revenue decrease negatively impacts mill rate***

***Budget moves Monroe forward***