



**TOWN of MONROE**  
**MUNICIPAL OFFICES • LIBRARY • POLICE DEPARTMENT**

# **TOWN OF MONROE BUDGET 2023-2024**

**KENNETH M. KELLOGG, FIRST SELECTMAN**

**FEBRUARY 13, 2023**



# FIRST SELECTMAN'S PROPOSED BUDGET

- Consistent Guiding Principles
  - Overarching Goal to Control Taxes
  - Conservative Approach to Spending
  - Continue to Improve Roads & Infrastructure
  - Support a Robust Education System
  - Deliver Effective Municipal Services
  - Maintain Strong Financial Health of the Town



# BUDGET DOCUMENT STRUCTURE

- Consistent Format
  - Standardized Across Departments
  - Department Overviews, Metrics, Highlights, etc.
  - Financials
    - Expenditures
    - Revenue where appropriate
  - Details Supporting the Build for Each Line Item



# GRAND LIST GROWTH

Current Projected Grand List Growth *as of 1/31/2023*

CATEGORY	IMPACT <sup>(1)</sup>	
<b>Residential</b>	↑	\$ 6,415,605
<b>Commercial<sup>(2)</sup></b>	↑	17,843,086
<b>Vacant Land</b>	↓	(721,245)
<b>Motor Vehicles</b>	↑	17,927,901
<b>Exemptions</b>	↓	1,687,290
<b>NET CHANGE IN GRAND LIST</b>	<b>↑</b>	<b>\$ 43,152,637</b>

*(1) Change from 2021 GL as of 4/29/2022 to the 2022 GL as of 1/31/2023.*

*(2) Includes commercial, industrial, public utilities and personal property.*



# MUNICIPAL EXPENDITURES

## KEY DRIVERS

Driver	Dept.	Description	Impact
<b>Wages &amp; Salaries</b>	All	<ul style="list-style-type: none"> <li>Contractual (collective bargaining) and non-union increases.</li> <li>Impact of minimum wage increase on certain part-time and seasonal positions.</li> <li>Offset by savings in departmental changes.</li> </ul>	↑ \$ 268 K
<b>Utilities</b>	All	<p>Currently budget estimates significant cost increases:</p> <ul style="list-style-type: none"> <li>Gasoline (16%)</li> <li>Diesel (48%)</li> <li>Heating oil (49%)</li> <li>Propane (36%)</li> <li>Natural gas (30%)</li> <li>Water (13%)</li> <li>Electricity (30%)</li> </ul>	↑ \$ 141 K
<b>CMERS (Pension)</b>	Police	<ul style="list-style-type: none"> <li>Impact of continued employer contribution rate increase set by state Retirement Commission.</li> </ul>	↑ \$ 60 K



# MUNICIPAL EXPENDITURES

## KEY DRIVERS

Driver	Dept.	Description	Impact
<b>Recycling</b>	DPW	<ul style="list-style-type: none"> <li>Costs of both contracted hauler as well as continued increase in costs of disposal.</li> </ul>	↑ \$ 79 K
<b>Roads</b>	DPW	<ul style="list-style-type: none"> <li>Increased operating budget for road maintenance, in addition to proposed bonding and use of grants.</li> </ul>	↑ \$ 68 K
<b>OPEB</b>	HR	<ul style="list-style-type: none"> <li>Reduction in actuarially determined employer contribution to the plan.</li> </ul>	↓ \$ 86 K
<b>Debt Service</b>		<ul style="list-style-type: none"> <li>Net change in costs of debt service</li> </ul>	↑ \$60 K
<b>Other Operating Expenses</b>	All	<ul style="list-style-type: none"> <li>Increased cost of routine vendor goods and services, driven by supply chain challenges and vendor labor cost increases.</li> </ul>	↑ \$ 101 K

**Net Increase in Municipal Operating Expenditures: 1.85%**



# DEPARTMENTAL CHANGES

- Migrate grounds maintenance functions from Parks & Recreation to Public Works
  - Maintainer positions move into DPW and continue to operate as primary resources for maintaining grounds at Town facilities.
  - Parks Maintenance Supervisor in P&R and the Highway Supervisor in DPW are consolidated into a single, new General Foreman position.



# DEPARTMENTAL CHANGES

- Migrate grounds maintenance functions from Parks & Recreation to Public Works
  - One cohesive unit under DPW leadership in directing all road and facility maintenance for both routine and storm response (e.g., plowing roads & parking lots.)
  - Streamlined and consistent approach to vehicle and equipment procurement, repair, and maintenance, utilizing DPW expertise.





# DEPARTMENTAL CHANGES

- Migrate grounds maintenance functions from Parks & Recreation to Public Works
  - Allows P&R Director to focus on programming, sponsorships, special events, and to further develop and expand recreation opportunities.



# DEPARTMENTAL CHANGES

- Migrate grounds maintenance functions from Parks & Recreation to Public Works

Budgetary Impacts	Change FTE		Net Impact
Director of Public Works	-	Additional Responsibilities	\$ 3,700
Deputy Director of Public Works	-	Additional Responsibilities	\$ 10,200
Highway Supervisor	(1.00)	Eliminated	\$ (91,457)
Park Maintenance Supervisor	(1.00)	Eliminated	\$ (73,079)
General Foreman	1.00	New Position	\$ 85,000
<b>Subtotal Salary &amp; Wages</b>			<b>\$ (65,636)</b>
Payroll Taxes			\$ (5,021)
401(a) Match			\$ (2,386)
457 Contribution			\$ 1,043
Health Insurance Premiums		Estimated minimum savings	\$ (10,340)
<b>Payroll Taxes &amp; Benefits</b>			<b>\$ (16,705)</b>
<b>Total Projected Savings</b>	<b>(1.00)</b>		<b>\$ (82,341)</b>



# DEPARTMENTAL CHANGES

- Migrate Oversight of Planning & Zoning and Building Departments into Economic Development
  - Consolidate Town Planner (technical responsibilities) and Planning & Zoning Administrator functions.
  - Current Town Planner would assume vacant P&Z Administrator role and focus on zoning, wetlands, planning matters.
  - Structure utilized successfully in other communities.



# DEPARTMENTAL CHANGES

- Migrate Oversight of Planning & Zoning and Building Departments into Economic Development
  - Director of Economic & Community Development assumes oversight responsibilities.
  - Consolidates bulk of permitting within same department responsible for facilitating the process – recognized as a best practice.
  - Part-time position added to assist with special projects (e.g., grants, Sustainable CT, community projects).



# DEPARTMENTAL CHANGES

- Migrate Oversight of Planning & Zoning and Building Departments into Economic Development

Budgetary Impacts	Change FTE		Net Impact
Town Planner	(1.00)	Eliminated	\$ (95,000)
P&Z Administrator	-	Additional Responsibilities	\$ 8,200
Director of Economic & Community Dev.	-	Additional Responsibilities	\$ 18,000
Special Projects Coordinator (PT)	0.50	New Position	\$ 25,350
<b>Subtotal Salary &amp; Wages</b>			<b>\$ (43,450)</b>
Payroll Taxes			\$ (3,324)
401(a) Match			\$ (2,064)
<b>Payroll Taxes &amp; Benefits</b>			<b>\$ (5,388)</b>
<b>Total Projected Savings</b>	<b>(0.50)</b>		<b>\$ (48,838)</b>

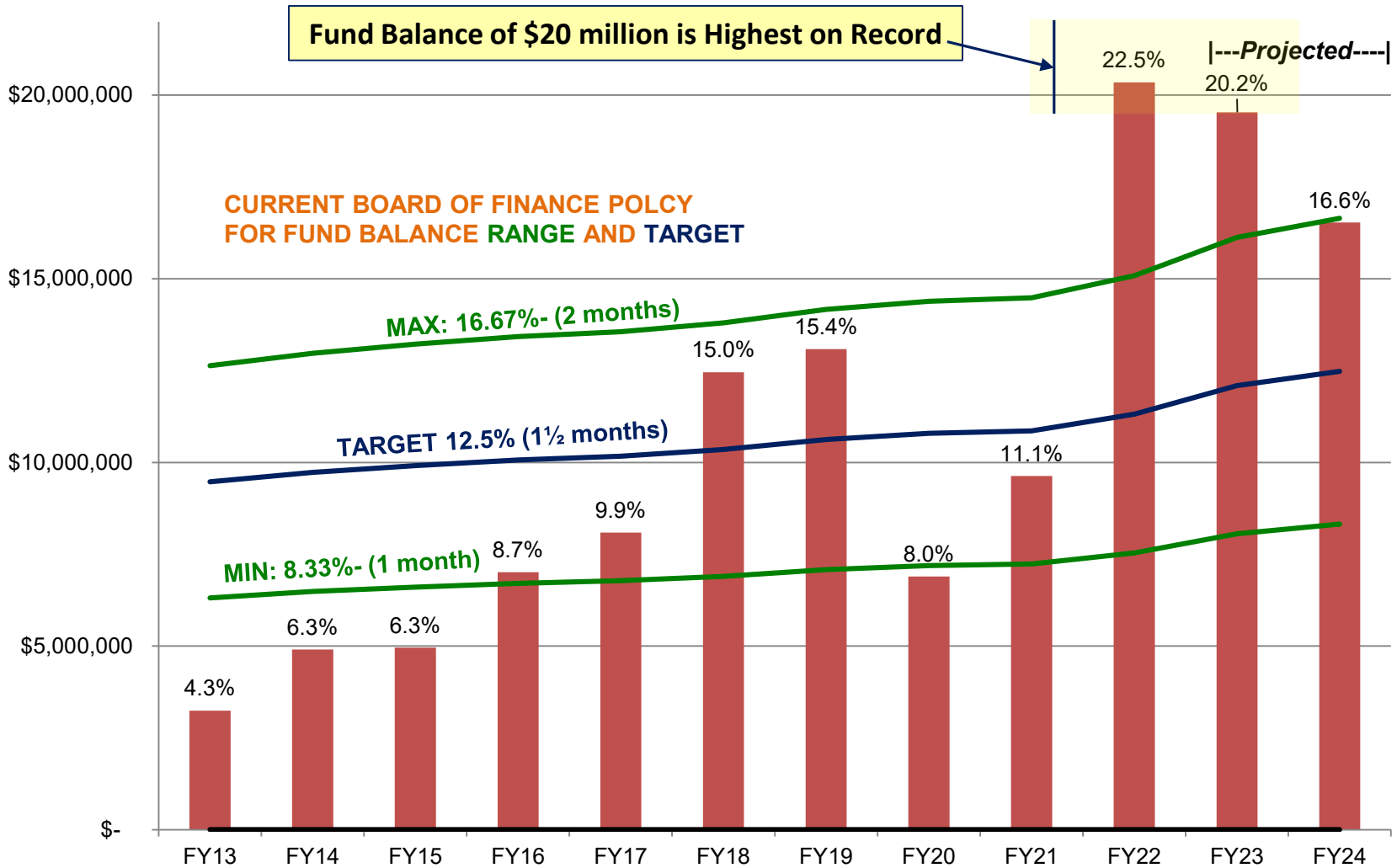


# CAPITAL BUDGET

- Capital Budget:
  - Approx. \$5.7 million in projects identified for bonding and \$394k incorporated in operating budget.
  - Continued use of alternate funding sources, including grants, totaling \$1.1 million.
  - Included projects have already been reviewed and recommended by Town Council Strategic Planning Committee.

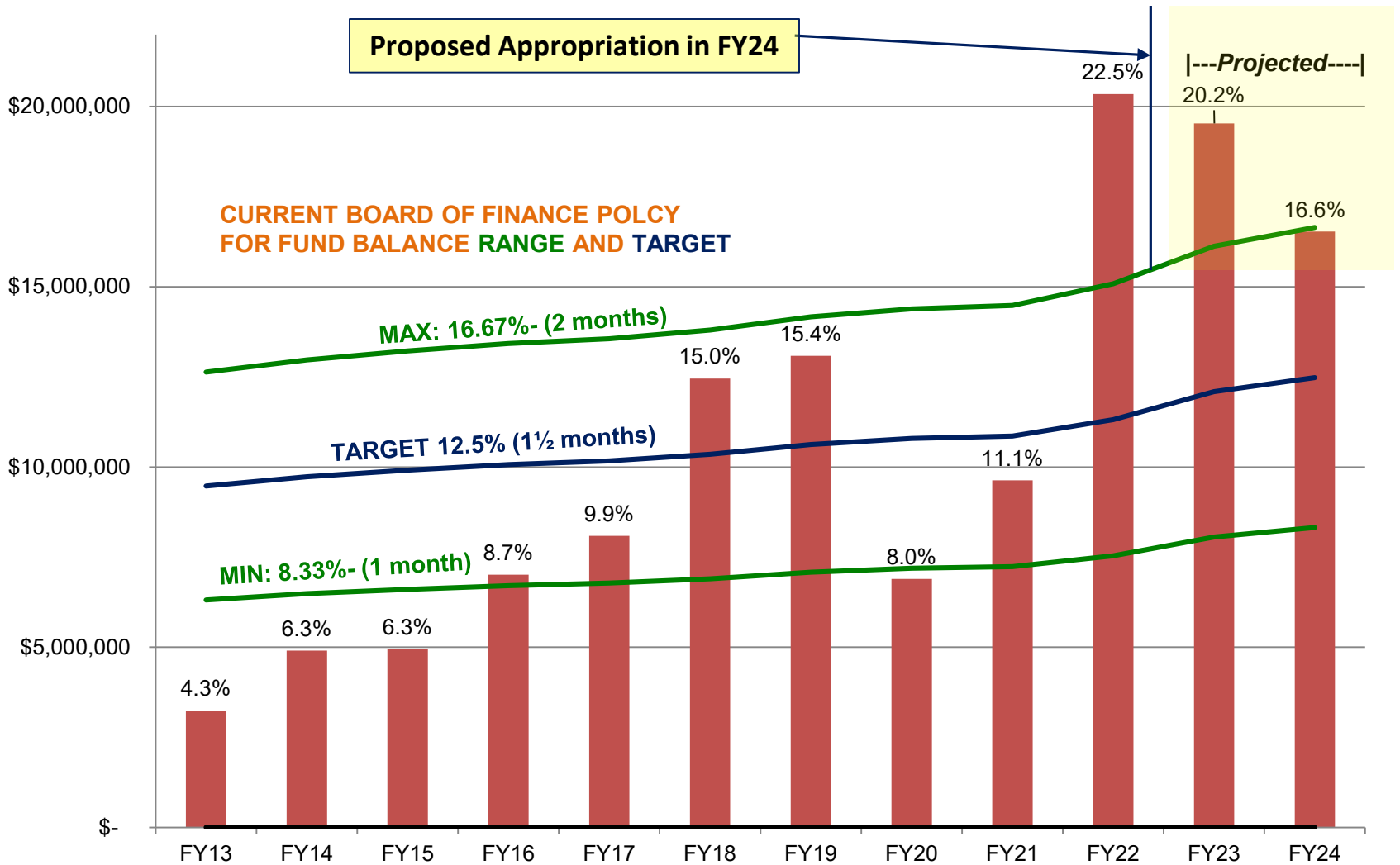


# UNASSIGNED FUND BALANCE AT THE END OF EACH FY





# UNASSIGNED FUND BALANCE AT THE END OF EACH FY







# ACTIONS TO REDUCE PROPERTY TAX IMPACT

## *Potential Tax Rate Increase Was Almost 10%*

- Reductions in Proposed Increases:
  - Lowered BOE increase based upon projected availability of grant funds.

	Increase	
Superintendent Proposed Budget	\$3,575,758	
Reductions by Board of Education	<u>(475,000)</u>	
<b>Revised Increase</b>	<b>\$3,100,758</b>	<b>4.80%</b>

- Lowered Municipal increase requests:

	Increase	
Initial Departmental Submissions	\$1,593,754	
Reductions by First Selectman	<u>(1,024,343)</u>	
<b>Revised Increase</b>	<b>\$569,411</b>	<b>1.85%</b>



# ACTIONS TO REDUCE PROPERTY TAX IMPACT

*Potential Tax Rate Increase Was Almost 10%*

- Further lowered by:
  - Significant Grand List Growth
  - Utilization of Grants and Unassigned Fund Balance

**Projected Tax Increase of Proposed FY24 Budget: 2.58%**



# THE BOTTOM LINE

Fiscal Year	Tax Rate Change
2018-2019 Final	↓ 1.45%
2019-2020 Final	↑ 0.97%
2020-2021 Final	↓ 0.28%
2021-2022 Final	↑ 2.48%
2022-2023 Final	↑ 1.38%
<b>2023-2024 Proposed</b>	<b>↑ 2.58%</b>
<b>Six-Year Average:</b>	<b>↑ 0.95% per year</b>



# FURTHER REFINEMENT

- New Information Expected During this Process
  - Medical Insurance premium rates
    - Potential reduction; currently budgeted at capped rates.
  - Town & BOE in process of locking in fuel prices
    - Potential reduction from current budget.
  - Assessment Appeals
    - Filed by Feb 20<sup>th</sup>.



## FURTHER REFINEMENT

- New Information Expected During this Process
  - Water Distribution Services – hydrants
    - Aquarion notice just received; calculating impact
    - Expect slight increase from current budget.
  - CMERS (Police Pension)
    - Budgeted on projected rate received from state.
    - Final rate typically received in March.
  - CT General Assembly's Action on Governor's Budget
    - Potential for state aid to be higher than currently projected in Town budget.



## FURTHER REFINEMENT

- Town Council Review of Municipal Departments and Submission to Board of Finance by March 15<sup>th</sup>.
- Board of Finance Review, including Board of Education Budget, by April 20<sup>th</sup>.
- Annual Budget Referendum on May 2<sup>nd</sup>.



# THANK YOU

**TOWN of MONROE**  
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