

## **TOWNSHIP OF MONROE – 2018 BUDGET MESSAGE**

### **Mayor Gerald W. Tamburro**

In fulfillment of the requirements of the Faulkner Act, I am submitting the 2018 Municipal Budget recommendations.

For the ninth consecutive year, municipal aid remains flat with no increase from the State of New Jersey. The New Jersey Homestead Rebates are expected to continue at their significantly reduced level.

Despite those challenges, our tax collection rate was almost 99% in 2017. With careful planning over the past several years the Township has been upgraded by Standard and Poor's to AA+ bond rating, which shows our fiscal health and demonstrates stable and consistent budgeting. This is not an easy task and required careful stewardship of your tax dollars. I want to specifically thank the Township Council, the Business Administrator and our longtime Chief Financial Officer and his staff, who have helped us achieve this rating. This rating benefits our residents in lower interest rates.

Monroe Township, like many other municipalities, faces several unplanned expenses and continued flat municipal aid from the State.

At its core, government is about working together for the public good and nothing is more important than protecting and serving our residents. As such, our greatest unplanned expense in 2018 is Public Safety. As many of you know, the increase in school shootings has reached an alarming level. At the request of our parents and the entire community, the Council and I took action in February with an interim plan to place armed, off-duty Monroe Township Police Officers in our schools. This temporary action will cost us \$450,000 and will be in place this Spring until the Board of Education develops a policy to arm their security staff, those of whom are retired New Jersey police officers. There is nothing more important than our children's safety.

In addition, in 2018, we offered our hard-working employees, a 2.5% raise, since many of our employees were reaching the final year of the full phase-in of health insurance cost sharing. As result, many of our employees have been taking home less money year-over-year for the past four years. This year, because of state mandated, Chapter 78 laws, all township employees now pay up to 35% of the cost of their health insurance premiums.

With an increase of \$100,000 in our 2018 budget we continue to support our library in excess of what state law requires. The library is one of our greatest resources and serves our entire community, from young to old. I could not be prouder of their success and I congratulate Irene Goldberg and her staff and Council President Steve Dalina, who serves as my appointee to the Library Board.

Finally, to tighten our belt further and stretch our dollars, we will not be hiring any new, full-time employees going forward in 2018, except to replace those who retire or leave. With one exception, in public safety, we will hire three new officers, one of which is a replacement.

We continue to cut costs across this budget including operating expenses and continue to reduce our professional services where possible. Unlike other municipalities, the Administration works closely with the Council before formal introduction of the budget. I want to thank Council President Steve Dalina and the entire Township Council for their insight and hard work during this budget cycle.

With these budget challenges, especially the unanticipated increase for school security, and no increase in municipal aid from the State, we have worked hard to introduce a budget that limits the municipal purpose tax rate increase to 1.9 cents.

This year's proposed municipal tax rate will be \$0.476 per \$100 assessed value. That is an addition of \$19 per 100,000 of assessed value, and \$58 for the average homeowner.

This year we made some tough decisions that has allowed us to keep our average municipal tax increase under 1% for the past five years combined. Let me repeat, our average municipal tax increase is under 1% annually since 2014. We have also remained under the state mandated 2% levy cap for 2018 and the previous five years.

Equally as important, the total proposed overall County, Municipal, and Board of Education budgets will keep our overall tax rate increase under the 2% cap as well at 1.79%.

Let me give you a breakout of your total property tax bill. The municipal portion, which is the only portion of property taxes that are under the direct control of the Mayor & Council, is 20% of your total property taxes. The Board of Education makes up the largest portion of property taxes at 56%; the County at 18%; and the Fire Districts at 6%. For the average taxpayer, all of your municipal services **cost less than \$1,500 a year.**

For the 27<sup>th</sup> consecutive year, there will be **no increase in basic residential water & sewer rates**, which are the lowest in Middlesex County and among the lowest in all of central New Jersey. Later this Spring, we will look at the rates for large-scale users and other opportunities in the ratepayer system that can help our residents.

The 2018 capital plan is modest and keeps us at less than 24% of our borrowing capacity and contributes to our financial standing and strong bond rating.

Noteworthy capital improvement projects this year focus on roads and traffic improvements.

We will begin construction on road improvements at Spotswood and Ellingham Avenue, funded in part through a state grant, as well as water main and road improvements on Monmouth Road. We are also investing another \$850,000 for township-wide road improvements for the fall.

Monroe Township remains one of the premier communities in Central New Jersey with a great location and more open space than any other municipality in our County.

We continue to pursue open space and farmland preservation with a goal of 50% open space in our community. This past year, we made the Rural Residential/Farmland Preservation Zone, 10-acre minimum zoning, up from 6-acres, which will help in this open space goal. This zone represents over 5,000 acres of our community.

We are extremely proud of our quality municipal services, including our amazing recreation, senior services and unparalleled emergency medical services. We are consistently recognized as one of the safest towns in New Jersey, and this is the result of our police department's skill and effort and our investment as a community.

We will continue to work together with Middlesex County, our Fire Districts, and the Board of Education for the betterment of our residents and our community. I know we can achieve more by working together and I will continue that effort in 2018.