

**COMBINED BOARD OF SELECTMAN AND BOARD OF FINANCE  
PUBLIC BUDGET HEARING  
MINUTES OF MEETING  
FEBRUARY 19, 2013**

Pursuant to the call and written notices, the Public Budget Hearing of the Board of Selectman and the Board of Finance was held on Tuesday, February 19, 2013 at 7:00 p.m. in Seminar Room 300, Board of Education Administrative Offices, and 501 Kings Highway East, Fairfield, CT.

**BOARD OF FINANCE**

Thomas Flynn, Chairman Robert Bellitto, Jr., Vice Chairman, Ken Brachfeld, James Brown, Mary LeClerc, Robert Stone, and Cathy Albin.

**ABSENT**

Christopher DeWitt and James Walsh

**BOARD OF SELECTMAN**

First Selectman Michael Tetreau, Robert Mayer, Chief of Staff and Chief Fiscal Officer, Selectman Kevin Kiley, Selectman Cristan McCarthy Vahey

**ALSO PRESENT**

Caitlin Bosse, Clerk of Board of Finance, Linda Gardner, Budget Director

**1. CALL TO ORDER**

The meeting was called to order at 7 00 p.m. by Chairman Flynn.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

Chairman Flynn asked for a moment of silence for former Town Attorney Saxel's wife who passed away.

**3. FIRST SELECTMAN  
Summary Budget Presentation**

First Selectman Tetreau presented the following summary of the proposed fiscal year 2013-14 budget which calls for 6.38 percent tax increase:

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The first goal is to maintain the services that the residents need and expect at a cost they can afford; second, is to restore the Town's financial stability. He highlighted what he considered are the principal ones.

The overall objective is to manage the tax burden while putting them in position to get out from under several of their long term expense commitments, so they can reduce the budget growth in the coming years.

In last year's budget, a series of Cost Drivers were identified. Most of these commitments are still there and have a major impact on this year's budget. Many of the costs will be peaking this year and then begin to trend lower for future budgets. This puts the Town in a better position to manage and control future tax increases.

A priority in last year's budget was strengthening the Town's financial foundation and flexibility. The Negative Outlook has been removed and now has a AAA Credit Rating with a Stable Outlook from all three Rating Agencies.

This budget does not require a reduction in programs of services for either the town or the Board of education.

Progress has been made in several Labor contracts and is continuing to look for improved economics and opportunities for improved productivity. The goal is to work together and to make the best of the current economic challenges.

Selectman Tetreau addressed two sources of Budget Revenue; Tax Revenue and Non Tax Revenue. He noted Non Tax revenues in this budget are relatively flat compared to the prior year with a reduction over \$79,000. Last year, Non Tax Revenue dropped about \$700,000.

These include a required contribution to the Town's Pension Fund, additions to the Surplus Fund and to the Contingency Fund, Debt Service, Salaries, Workman's Compensation, Health insurance for Town employees, and Retirees Health Insurance.

Selectman Tetreau further noted on the Expense side, it is the Cost Driver categories that make up the majority of the proposed tax increase. The balance of the budget consists of Town Department requests including Department of Education. Selectman Tetreau recommends \$2.9 Million in reductions from the proposed budget. This includes \$1.1 Million from the OE and \$1.8 Million from Town Department.

On the Town side, they did see Workers Compensation; OPEB. The key to managing future tax increase is to manage the Cost Drivers. Starting with next year's budget, they are projecting

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lower growth for Dept. Service, Paving, Pension, Fees and Professional Services and Supplemental Contribution to Surplus.

The Town is continuing to work with labor unions to better manage the cost of salaries, health insurance, pension and retiree health insurance. Out of the seven town unions, three of whose contracts ended June 2010, Police, Public Works, and Middle Management, have yet to negotiate a settlement.

Selectman Tetreau's mentioned his presentation included his decision to create a Services Evaluation Committee to study whether there are town services that can be reduced, eliminated or restructured.

Chairman Flynn noted one of the things this Board has tried to do in the last couple of years is to think more strategically, rather than tactically; for example, not getting bogged down in debating ten police cruisers versus eleven.

Chairman Flynn also noted what the town needs to do is look at what services it is delivering and whether that method of delivery is the most efficient. Although he agrees certain of these numbers are going to come down, others will go up if they continue to do things the same way.

Robert Bellitto questioned Selectman Tetreau on how he plans to attract large commercial bases to Fairfield. He said it would be advisable to work with developers to bring in more commercial property.

Selectman Tetreau noted there are only two sites that would work: the former Exide Battery Plant and the Fairfield Metro Center.

Some Board members felt it would be good to have more revenue sources; that could come from the commercial developments and could be possible at the Exide or Metro station sites.

**4. Discussion of Budget Items on the following topics:**

**Revenue and Fund Balance**

Mr. Mayer presented these items. A lengthily discussion took place between the Boards and Mr. Mayer on the proposed Revenue Budget ending June 30, 2014 and the Fund Balance.

Mr. Mayer noted state aid is flat. State revenue in general is down about \$656, 000.

Selectman Tetreau addressed the proposed \$925,000 which was added to the Town's Surplus Fund. He noted bond rating agencies in Connecticut have a surplus that is approximately ten percent while Fairfield is approximately five percent. He also noted last year, the bond rating agencies removed a

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negative outlook for Fairfield and all three agencies are currently giving it the highest possible AAA credit rating.

Both Boards would like to see the surplus increase.

Cathy Albin requested an executive summary so the Board can be more prepared for budget.

**Debt Service**

Chairman Flynn noted this item is based on the latest waterfall estimates and everything that was approved by town bodies. No discussion followed.

**5. ADJOURN**

There being no further business to come before the Board, Cathy Albin moved and Ken Brachfeld seconded to adjourn the meeting at 9:45 p.m. Motion passed unanimously.

Respectfully Submitted,

Josephine M. Keogh