



TOWN OF FAIRFIELD
Budget Recommendation
By
First Selectman Mike Tetreau

Fiscal Year 2014-2015



Presentation Outline

1. Opening Remarks
2. Budget Overview
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 **OPENING REMARKS**



Opening Remarks

- This is the 3rd Budget that I have presented.
- Each one has been a different challenge.
- Thank you to the Department Managers and our Finance Department.
- Thank you to Dr. Title and the School Administration.
- And thank you to all our volunteers who contribute their time to make our Town special.



Challenges

- Economy still recovering from Recession.
- Hurricanes and Snowstorms.
- PCBs in Our Schools.
- Unfunded State Mandates – especially Special Education.
- Public Safety and School Security.
- Slow Grand List Growth.
- Minimal Growth in Non Tax Revenues.



Positives

- Strong Financial Foundation
- Budget Cost Drivers – More Manageable
- Full AAA Rating Restored & Validated
- Strong Local Economy – Low Commercial Vacancy Rates
- Vibrant Downtown – Restaurants, Arts, Culture, Entertainment



Vision for Fairfield

- We are family friendly, neighborhood oriented community that values our top quality school system. We are committed to keeping our Town and Schools Safe & Secure.
- We help our Seniors stay in our town and provide services so they enjoy living here.
- We are a destination for Culture, Arts, Dining, Entertainment and Shopping for the region.
- We are a leader in Energy Conservation and Sustainability.



Vision for Fairfield - continued

- We continue to strengthen our financial foundation and make responsible decisions about our long term obligations.
- We honor our rich heritage and continue to preserve our historic character.
- We value and respect our open space, parks, beaches and recreational opportunities.
- We want Fairfield to be a good value for all who live here both today and tomorrow.



Budget Objectives

- Manage our expenses and still provide high quality services to our residents.
- The plan for enhanced School Security proposal is being completed and will be an addition to this budget.
- No significant reduction in essential services.
- Fund our long term obligations – Pension, OPEB (Retiree Medical), Surplus.
- Provide the support and funding for our top quality School System.
- Continue to Strengthen our Financial Foundation.



 **BUDGET OVERVIEW**

Budget Recommendations

- I am recommending a budget of \$286,715,615 which represents a 2.67 percent increase in the mill rate.
- This budget includes \$156,218,051 for the Board of Education to support and maintain our highly valued and highly recognized school system representing a 3.32% increase.
- Overall, I have reduced Department requests by \$3,863,421.

BOE Recommendation

- Board of Education
 - BOE is our largest budget driver.
 - BOE request represents 61% of overall increase.
 - I am recommending an \$800,000 reduction to the BOE request:
 - \$200,000 due to decreased Pension contribution.
 - \$200,000 due to lower Electricity costs.
 - \$400,000 for BOE to find savings from other areas.

School Expenses

- Additional School Costs

- Certain School costs are included in the Town Budget

- Debt Service

- Workers Compensation

- Insurance – Liability, Errors & Omissions

- Health/Nurses

- Police/Crossing Guards, DARE, School Resource Officers

- Purchasing

- Unemployment Insurance

- Finance, DPW, Other

- For a total of \$23,988,427

Total School Expenses

- Total School Expense in the Budget
 - Adding in these Town Costs, the adjusted cost of our Schools is \$180,206,478.
 - This is a number that we report to the State every year.
 - This represents 63% of the overall budget.
 - This makes a very strong statement about our commitment to Education.

Cost Drivers

- Highlights

- In addition to the BOE, the top 3 Drivers are Pension, OPEB and Salaries.
- Pension costs should be stable for the next few years.
- Overall Cost Drivers are more stable, experiencing slower growth.
- Our Employee Labor Unions have worked with this Administration to agree on settlements that contributed to slower growth.

Cost Savings

- Cost Saving Measures/Productivity Improvements
 - Energy Conservation/Sustainable Fuels
 - Healthcare Services Bid
 - Recent Labor Union Settlements
 - Electricity & Fuel Costs Purchases
 - Ticketing/Permit Software & Technology
 - Tax Collection Software
 - New Town Website
 - Safety Committee/Training reducing Workers Comp expense

Staffing

- Personnel Adjustments

- Health Department – 3 part time employees to meet State Mandates for care of Students.
- Finance Department – 1 part time position to address Auditor recommendation.
- IT Department – Half year of Full Time position to support Network and new Phone System project.



HISTORY AND TRENDS

Ten Year History Comparison

	2013	2003
Population	59,404	57,715
Total Expense	\$270,596	\$168,342
Expenses Per Capita	\$4,555	\$2,917
Pension Contribution	\$5,436	\$0
OPEB Contribution	\$8,867	\$1,850
Full Time Employees	465.2	471.0
Total BOE Expenses	\$148,808	\$93,228
Property Tax Revenue	\$250,020	\$146,606
Tax Rev Per Capita	\$4,209	\$2,540
Avg Salary Per Employee	\$67,515	\$51,014
Health Insurance/Empl	\$21,356	\$7,698
Debt Service Gen Fund	\$22,436	\$12,413

Ten Year Expense Growth

2003-2013	\$102 Million
Board of Education	\$55.5 Million
Debt Service	\$10 Million
OPEB	\$7 Million
Health Insurance	\$6.3 Million
Pension	\$5.5 Million
Employee Salaries	\$7 Million
Other	\$10.7 Million

Most Recent 5 Year Trend

- Last 5 years

- We are moving in the right direction. The five year period from 2011 – 2015 will see the lowest Expense and Tax Rate growth in the last 20 years.
- Most importantly, we are now funding our Long Term Obligations that were not fully included in many of the past years.



**COMPARISON TO
OTHER TOWNS**

Town Comparison – June 2013

	Fairfield	Greenwich	W. Hartford	Westport
Population	59,404	61,331	63,268	27,068
Expenses/PP	\$4,555	\$5,762	\$4,045	\$6,897
Tax/PP	\$4,209	\$5,198	\$3,328	\$6,428

Town Comparison – FY 2014

	Tax Increase	Pension ARC	OPEB ARC	Use Surplus
Fairfield	2.40%	Yes	Yes	No – Added to Surplus
Trumbull	1.88%	No	No	Yes
Greenwich	2.75%	Yes	No	Yes
Westport	.9%	Yes	Yes	Yes
Shelton	0%	No	No	Yes



 **SUMMARY**

Five Points in Summary

- This budget strikes a balance – Tax Increase vs. Needed Investments.
- Commitment to meet Long Term Obligations
- Negotiated Labor Agreements are saving Town money.
- Town is committed to supporting High Quality Education and School System.
- Fairfield is the best Value in Fairfield County.