

TOWN OF FAIRFIELD

Budget Recommendation

By

First Selectman Mike Tetreau

Fiscal Year 2019

Presentation Outline

1. Introduction
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5. Summary

INTRODUCTION

Opening Remarks

- Thank you to Department Managers, CFO Bob Mayer and our Finance Department
- Thank you to Dr. Jones and the School Administration
- Thank you to all our volunteers who contribute their time to make our Town special

Budget Objectives

- Manage our expenses and still provide high quality services to our residents
- Fund all our essential services
- Fund our long term obligations – Pension, OPEB (Retiree Medical), Surplus, Sr Tax Relief
- Provide support and funding for our top quality School System
- Continue to Strengthen our Financial Foundation

BUDGET OVERVIEW

Town-side Budget Recommendation

- Town-side Budget Recommendation is \$131.3 Million
- 1.22 Percent Increase over prior year
- This a total dollar increase of \$1.58 Million

Town-side Expense Drivers

- Primary Expense Drivers for the Town-side Budget
 - Salaries and Wages
 - Health Insurance
 - Annual Pension Contribution
 - Annual OPEB Contribution
 - Supplemental Contribution to Surplus

Positive Expense Decreases

- Lower Expenses include:
 - Debt Service expense
 - DPW Paving
 - Workers Comp expense

BOE Recommendation

- BOE Budget Recommendation is \$173.9 Million
- Represents a 3.10 percent increase in expenses
- Supports the Superintendent's request
- This is a total dollar increase of \$5.23 Million

BOE Expenses in Town-side Budget

- Certain BOE costs are included in Town-side Expenses
 - Debt Service
 - Workers Compensation
 - Insurance – Liability, Errors & Omissions
 - Health/Nurses
 - Police/Crossing Guards, School Security Officers
 - Purchasing
 - Unemployment Insurance
 - Finance, DPW, Other
- Total Additional BOE Costs of \$23.4 million

Total BOE Expenses

- Total BOE Expenses in the Budget is \$197.3 Million
- Number is Reported to the State every year
- Represents 65% of the Overall Budget
- Continues to make a strong statement about Fairfield's commitment to Education especially with reductions in State Education funding

Revenue Driver Highlights

- Negative
 - Loss of Tax Revenue from GE Property
 - Loss of Municipal Aid from State
- Positive
 - Grand List Growth
 - Non Tax Revenue Growth
 - Building Fees, New Leases, Parks & Rec Fees
 - Use of Certain Reserve Accounts

Overall Budget Recommendation

- Overall Budget Recommendation is \$305.3 Million
- This is a total dollar increase of \$6.81 Million
- An Increase of 2.28 percent over last year
- Mill Rate estimate is 26.46 or a 2.48% increase

HISTORY AND TRENDS

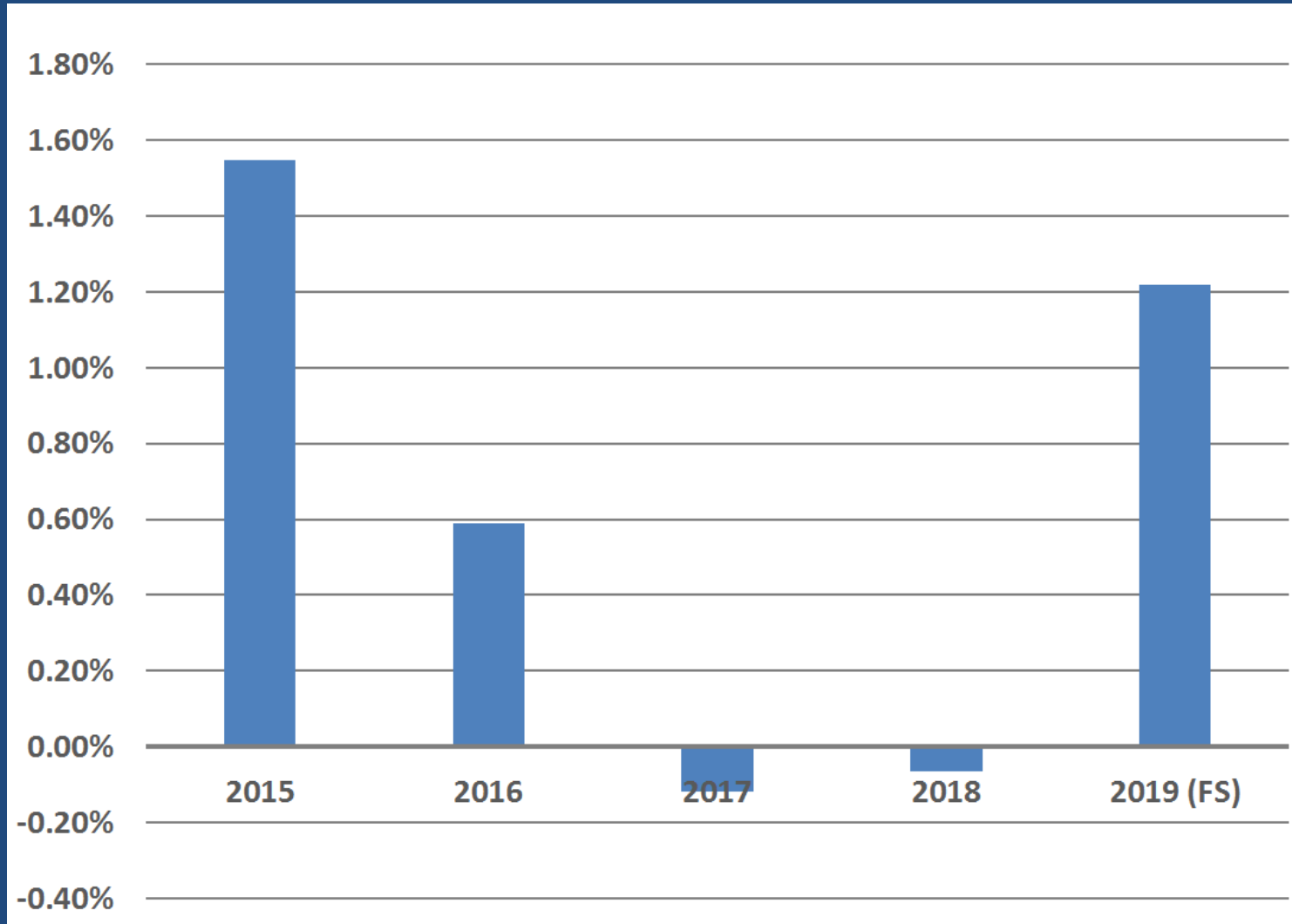
Ten Year History Comparison

| | 2017 | 2007 |
|---------------------------------|------------|------------|
| Population | 61,016 | 57,930 |
| Total Expense (General Fund) | \$292,200K | \$217,032K |
| Expenses Per Capita | \$4,789 | \$3,746 |
| Pension Contribution (Employer) | \$7,116K | \$0 |
| OPEB Contribution | \$9,237K | \$2,000K |
| Full Time Employees (Town) | 459.6 | 470.0 |
| Total BOE Expenses | \$163,657K | \$125,216K |
| Property Tax Revenue | \$271,812K | \$192,784K |
| Tax Rev Per Capita | \$4,455 | \$3,328 |
| Avg Salary Per Employee (Town) | \$76,231 | \$59,264 |
| Health Insurance/Empl (Town) | \$20,094 | \$14,745 |
| Debt Service General Fund | \$23,054K | \$20,140K |

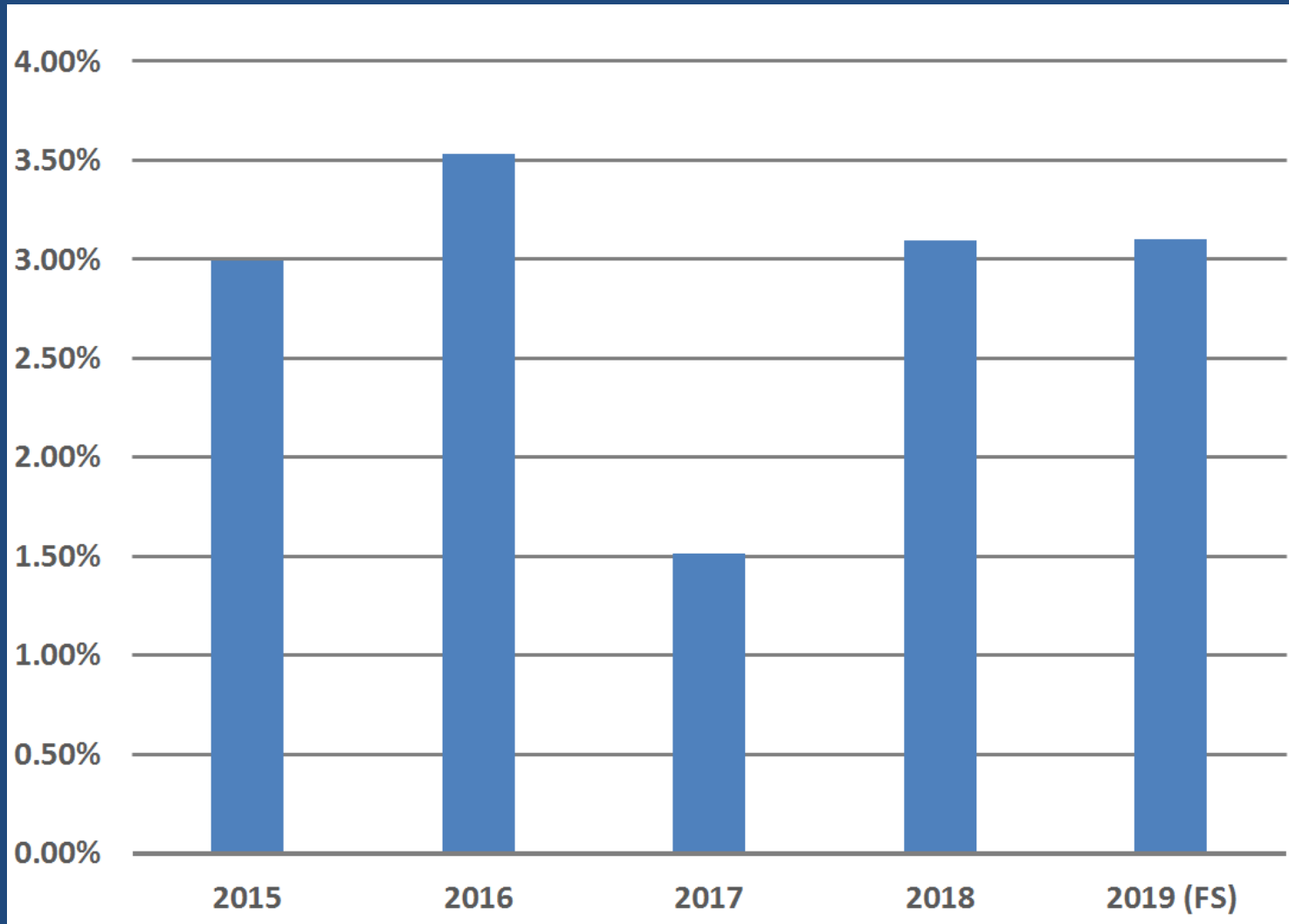
Ten Year Expense Growth

| | |
|--------------------|-----------------------|
| 2007-2017 | \$75.2 Million |
| Board of Education | \$38.5 Million |
| Debt Service | \$2.9 Million |
| OPEB | \$7.2 Million |
| Health Insurance | \$2.4 Million |
| Pension | \$7.1 Million |
| Employee Salaries | \$7.2 Million |
| Other | \$9.9 Million |

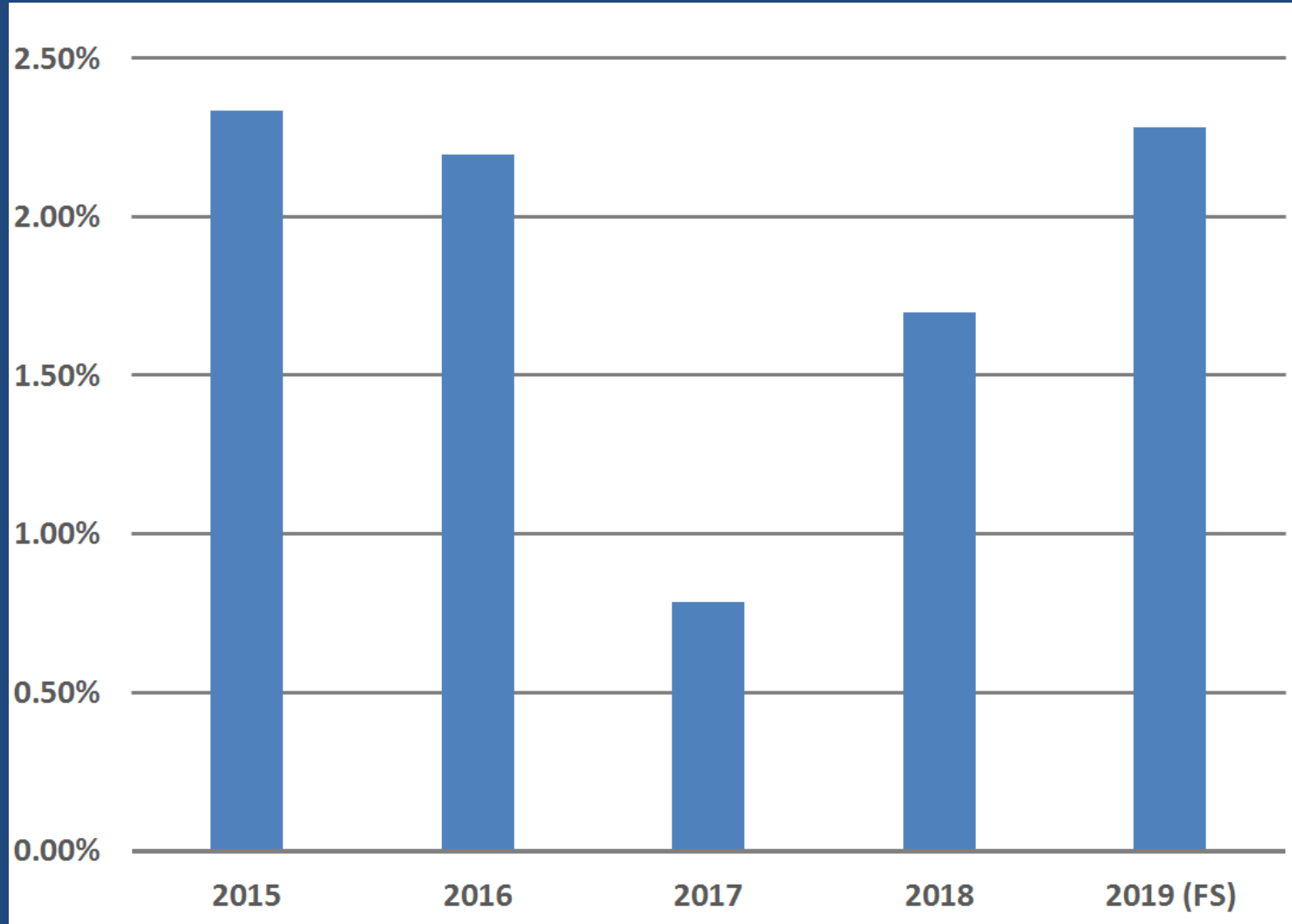
Town-side Budget Trend



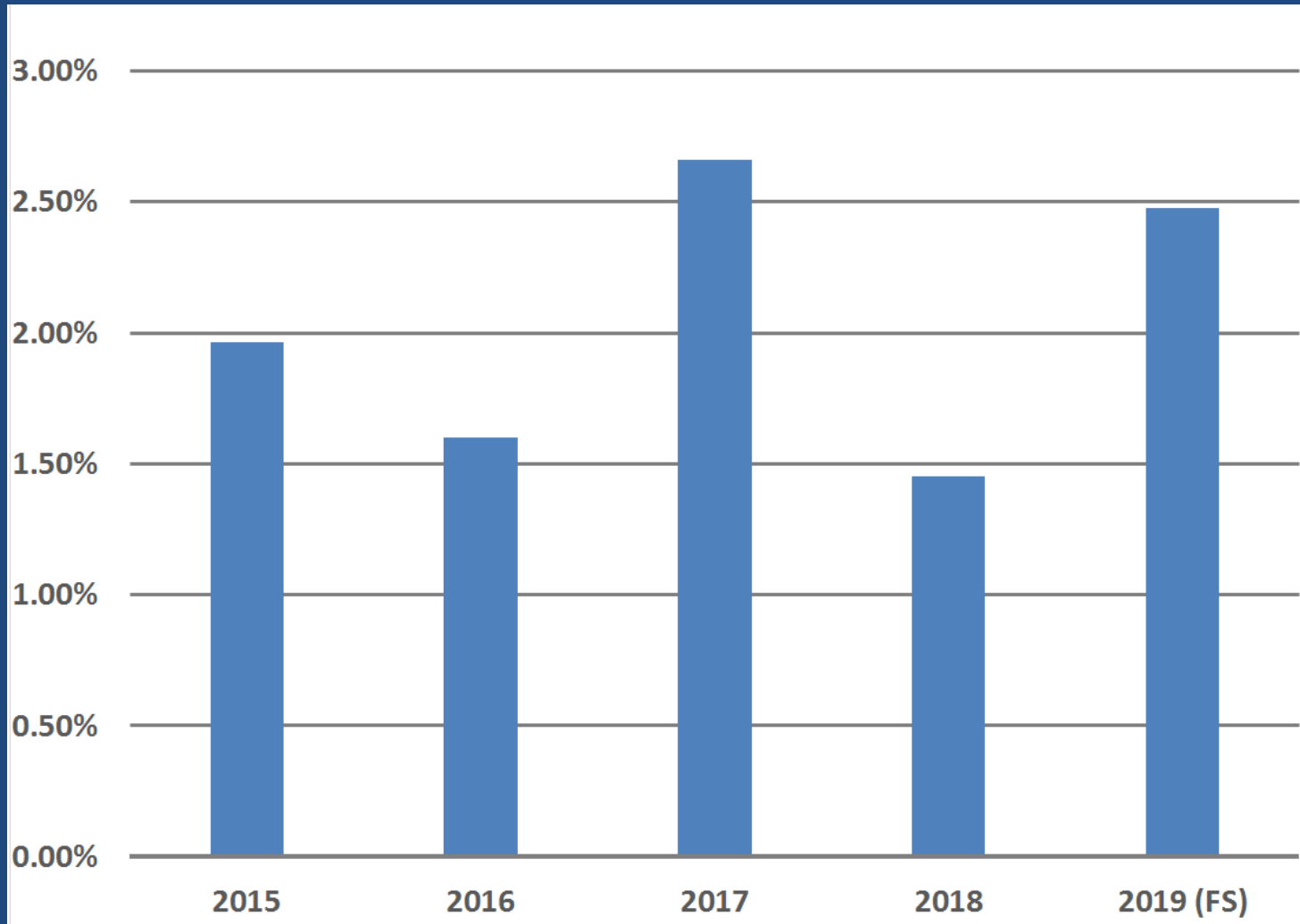
BOE Budget Trend



Town & BOE Combined Budget Trend



Mill Rate Increase Trend



Five Year Average Summary

- Town Expense Budget increase - 0.63%
- BOE Expense Budget increase – 2.85%
- Combined Expense Budget increase – 1.86%
- Mill Rate increase – 2.03%

COMPARISON TO OTHER TOWNS

Town Comparison

June 2017

| Town | Population | Spending per Capita | Taxes per Capita |
|-----------|------------|---------------------|------------------|
| Fairfield | 61,016 | \$4,789 | \$4,455 |
| Greenwich | 62,434 | \$6,587 | \$5,802 |
| Westport | 27,840 | \$7,267 | \$6,628 |

Town Tax Increase FY 2018

| Town | Tax Increase | Pension ARC | OPEB ARC | Use Surplus |
|-----------|--------------|-------------|---------------|-----------------------|
| Fairfield | 1.45% | Yes | Yes | No - Added to Surplus |
| Greenwich | 1.49% | Yes | Yes - Partial | Yes – 2.8% |
| Westport | .0% | Yes | Yes | Yes – 2.1% |

Spending per Capita 2012

| Town | Spending Per Capita | Rank in CT | Increase since 1996 |
|------------|---------------------|------------|---------------------|
| Westport | \$7,333 | 1 | 136% |
| Weston | \$6,618 | 2 | 135% |
| New Canaan | \$6,389 | 3 | 157% |
| Wilton | \$6,338 | 4 | 136% |
| Darien | \$5,837 | 5 | 143% |
| Greenwich | \$5,535 | 6 | 92% |
| Easton | \$5,478 | 7 | 122% |
| Ridgefield | \$5,248 | 8 | 118% |
| Fairfield | \$4,558 | 11 | 113% |

Source: 'Taxes at Home' by the Yankee Institute – August 2015

SUMMARY

Summary

- Meets the challenges facing our town today
- Meets our Long Term Obligations – Pension, OPEB, Senior Tax Relief and protecting our AAA Rating
- Continues support for High Quality Education and our School System
- Recognizes the need to keep Fairfield affordable while maintaining valuable services for all