



Town of Fairfield

Office of the First Selectman

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TO: Board of Selectmen, Board of Finance, RTM, and Citizens of Fairfield

FROM: First Selectman Mike Tetreau

SUBJECT: 2019-2020 Budget Recommendation

Overview

Please find attached my budget recommendation for Fiscal Year 2020. I wish to express my gratitude for the exceptional work of our Town Department managers, our School Superintendent Dr. Toni Jones, Chief Fiscal Officer Bob Mayer, Budget Director Linda Gardiner and their teams for their many hours and dedication in preparation of this budget.

We face several ongoing challenges. Municipal aid was reduced by \$4 million over the last several years including a \$2.5 million reduction in Educational Cost Sharing funds. Our tax revenue is still short the almost \$2 million from the sale of the GE property to tax exempt Sacred Heart University. These funds are not coming back. Our goal is to mitigate the ongoing impact of these revenue losses on our residents.

An additional challenge is the implementation of the Trump Tax plan. This plan caps the SALT (State and Local Tax) deduction. Previously, there was no limit. While this does not have a direct impact on Town government, it does have an impact on many of our residents and property owners. While we do not know the exact impact or the exact number of our residents that will see higher taxes due to this new plan, it is certainly a concern that the plan may increase the overall tax burden of our residents.

Budget Details

On the town side, this recommendation proposes a budget of \$136.1 million. This represents an increase of 3.54 percent over last year. The primary drivers of this increase are the partial restoration of funds for paving roads, the partial restoration of Public Works capital requests, the restoration of funding for library books and materials, the restoration of a full time position in the Conservation Department and an increase in the Economic Development budget for enhanced marketing of our town to help grow our commercial tax base.

In recent years, we have reduced expenses on the town side to cover reduced municipal aid and to fund BOE budget increases, but restoring funding to some of these town side essentials is necessary this year.

This budget recommendation also includes a BOE budget of \$181.7 million. This represents a 4.6 percent increase over last year. This is a \$700,000 reduction in the BOE original request. The 4.6 percent increase is the largest increase in over a decade and is double the average increase over the past 10 years. The BOE budget represents 57 percent of our total budget and is the largest driver for our total tax increase.

Due to a projected Tax Sale, use of certain reserve accounts and Grand List growth of almost one percent, the projected mill rate for this budget is 26.95 or a 2.24 percent increase. This increase maintains our Town's strong financial foundation. It funds all critical long term obligations.

In Summary

I know Town boards will carefully review these recommendations. Working together, we will keep Fairfield fiscally strong, maintain services and competitive value for our residents, and continue to grow our Grand List. Working together, we will continue to make Fairfield a great value and an affordable place to live, work and raise a family.

Thank you for your support.

A handwritten signature in blue ink, appearing to read "Mike", with a long, sweeping underline that extends to the left and then curves back under the signature.