



# **TOWN OF FAIRFIELD**

**Budget Recommendation**

**By**

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**Fiscal Year 2020**

# Presentation Outline

1. Introduction
2. Budget Overview
3. History and Trends
4. Comparison to Other Towns

# 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 \$136.1 Million
- 3.54 Percent Budget Increase over prior year
- This a total dollar increase of \$4.65 Million

# Town-side Expense Drivers

- Primary Expense Drivers for the Town-side Budget
  - Salaries and Wages
  - Paving
  - Supplemental Contribution to Surplus
  - Capital Replacement
  - Debt Service



# Positive Expense Drivers

- Lower Expense increases include:
  - Health Insurance
  - Pension
  - Workers Comp expense

# BOE Recommendation

- BOE Budget Recommendation is \$181.7 Million
- Represents a 4.59 percent increase in expenses
- Reduces the Superintendent's request by \$700,000
- This is a total dollar increase of \$7.97 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 \$24.4 million

# Total BOE Expenses

- Total BOE Expenses in the Budget is \$206.1 Million
- Number is Reported to the State every year
- Represents 65% of the Overall Budget
  - 65 cents of every tax dollar goes to Education
- Continues to make a strong statement about Fairfield's commitment to Education especially with continued uncertainty in education funding from the State

# Revenue Driver Highlights

- Negative – ongoing issues
  - Loss of Tax Revenue from GE Property
  - Loss of Municipal Aid from State
- Positive
  - Grand List Growth – almost 1%
  - Investment Income
  - Increase in PILOT fees
  - Tax Sale and use of Reserves

# Overall Budget Recommendation

- Overall Budget Recommendation is \$317.8 Million
- This is a total dollar increase of \$12.6 Million
- The recommended Mill Rate is 26.95
- This represents a 2.24% increase

# Five Year Average Summary

- Town Expense Budget increase – 1.05%
- BOE Expense Budget increase – 3.14%
- Combined Expense Budget increase – 2.21%
- Mill Rate increase – 2.01%

# Five Year Average Summary

This is the lowest 5 year average tax increase in the last 25 years.

This Five Year accomplishment is even more significant when considering the following:



# Five Year Average Summary

- CT has not recovered from the worst recession since the Great Depression. This has limited our Grand List growth.
- Loss of several million dollars in State Aid including a reduction to Education Cost Sharing from \$3.5 million to \$1.2 million
- Loss of almost \$2 million in property tax revenue with the purchase of the GE property by SHU
- The Town has continued to invest in major capital projects including Riverfield, Ludlowe HS, Holland Hill, Sherman, etc

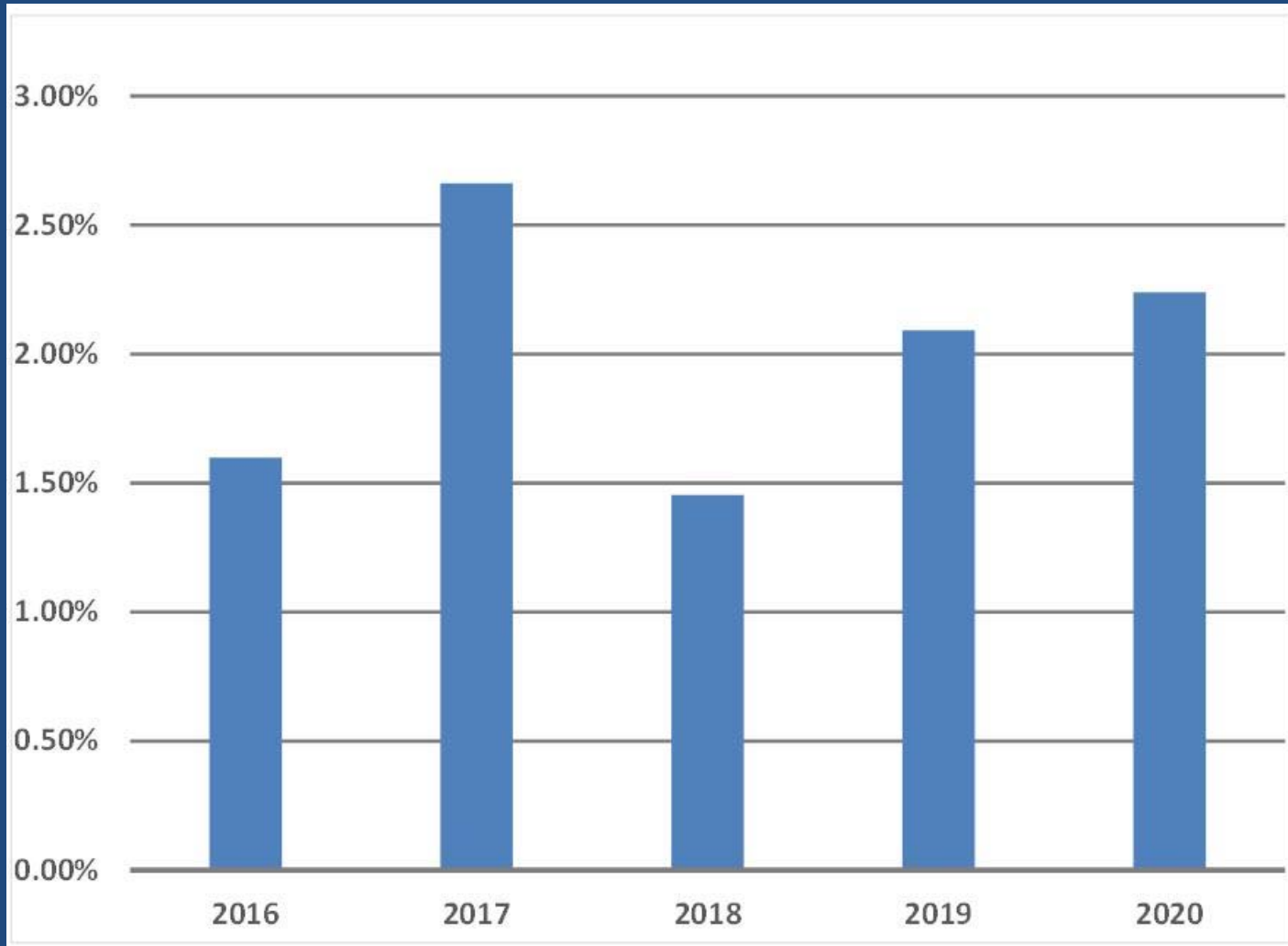
# SUMMARY

# Summary

- Meets the challenges facing our town today
- Meets our Long Term Obligations – Pension, OPEB, Senior Tax Relief and protects 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

# HISTORY AND TRENDS

# Mill Rate Increase Trend



# Ten Year History Comparison

	2018	2008
Population	61,160	57,548
Total Expense (General Fund)	\$295,508K	\$229,341K
Expenses Per Capita	\$4,832	\$3,985
Pension Contribution (Employer)	\$9,170K	\$0
OPEB Contribution	\$9,550K	\$1,761K
Full Time Employees (Town)	457.6	474.0
Total BOE Expenses	\$168,124K	\$131,356K
Property Tax Revenue	\$277,956K	\$202,652K
Tax Rev Per Capita	\$4,545	\$3,521
Avg Salary Per Employee (Town)	\$75,883	\$61,771
Health Insurance/Empl (Town)	\$21,379	\$15,671
Debt Service General Fund	\$22,066K	\$20,060K

# Ten Year Expense Growth

<b>2008-2018</b>	<b>\$66.2 Million</b>
Board of Education	\$36.8 Million
Debt Service	\$2.0 Million
OPEB	\$7.8Million
Health Insurance	\$2.4 Million
Pension	\$9.2 Million
Employee Salaries	\$5.4 Million
Other	\$2.6 Million

# COMPARISON TO OTHER TOWNS



# Town Comparison June 2018

Town	Population	Spending per Capita	Taxes per Capita
Fairfield	61,160	\$4,832	\$4,545
Greenwich	62,418	\$6,589	\$5,969
Westport	28,042	\$7,239	\$6,665

# Town Tax Increase FY 2019

Town	Tax Increase	Pension ARC	OPEB ARC	Use Surplus
Fairfield	2.09%	Yes	Yes	No - Added to Surplus
Greenwich	0%	Yes	Yes	Yes – 2.69%
Westport	0%	Yes	Yes	Yes – 1.73%

# 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*