

GENERAL FUND BUDGET  
MAYOR'S TRANSMITTAL LETTER

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BILL FINCH  
Mayor

April 1, 2013

Dear Honorable City Council members:

In accordance with the City Charter, I am hereby presenting the Mayor's proposed 2013-2014 budget for the City of Bridgeport.

The City's FY2013-14 budget presents some unique challenges, all of which are tied to the budget currently proposed by Governor Malloy. The budget I am presenting to you today reflects all of the Governor's proposed budget cuts – estimated at \$10 million in lost revenue. It does not include the proposed car tax elimination, which would be a local option in the first year of the Governor's proposed budget representing an additional \$17 million in lost revenues. These cuts make a major impact on our mill rate and City services.

To put it in perspective: the Governor's proposed budget would make drastic cuts to Payment in Lieu of Taxes (PILOT) for colleges and hospitals, and state-owned property which will cost Bridgeport \$18.4 million or 2.7 mills. The tax value of the two hospitals and colleges in Bridgeport is \$24.2 million. Statutorily, Bridgeport should receive \$18.6 million. That would be about a \$5 million discount. But that is not the case. We are slated to receive just \$7.5 million. Working together with the state over the years, we have approved the terms of this arrangement: Local officials have approved the land use, and planning and zoning needed to approve the construction of these facilities, and state officials made a commitment to cities and towns by approving a statute to fund a fair, discounted amount for these structures.

Urban centers like Bridgeport serve as a regional hub, housing and maintaining critical service centers for the entire region such as hospitals, colleges, water pollution centers, correctional facilities, affordable housing units, and transportation hubs. These are all necessities of a region or county, but can be a major burden to the city in which they are located.

In addition, the Governor's budget proposes a direct cut of \$6.2 million in Pequot gaming funds. Bridgeport at one time received almost \$17 million from the Pequot/Mohegan grant. Under the current proposal, which moves these funds to the Local Capital Improvement Program (LoCIP) severely limits what the City can do with these funds. This change will not allow for cities and towns to use these funds for annual debt reduction or other general operating uses; and Bridgeport does not put capital projects or purchases into its operating budget.

In addition, Bridgeport is also home to two State-owned correctional facilities. By statute, our City should be receiving a little over \$10 million. We were receiving \$2.8 million, 27 cents on the dollar, but under the Governor's proposed budget these funds to our city will be eliminated entirely.

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Despite the potential loss of revenue envisioned if the Governor's budget is approved by the Legislature, we continue to take measures to save our taxpayers money and expand our efforts to create a leaner, more efficient workforce.

For the past five years, we've done more with less by cutting spending, reducing our workforce, reining in police overtime, increasing recycling rates, lowering our utility costs, and working collaboratively with nearly every labor union in the City to gain concessions.

These actions have garnered the City positive bond ratings, and our track record during the last five years has made us a proven leader in government efficiency.

Our City has been at the forefront of successful labor union negotiations. To date we have:

- Negotiated health care premium cost sharing increases to 25% for existing employees, and cost sharing rates starting at 25% for new employees with a 1-percent increase per year every year of employment.

This action has saved City taxpayers more than **\$8 million**, and we are very appreciative of the collective efforts of our union members to help shoulder the cost of healthcare. As a result of these union concessions, the active employees' health insurance spending in the FY2013-14 budget has held even with no major increases. But due to the challenges we have been presented with, I must reach out again and ask the Unions to collectively find savings of \$1.6 million; a small challenge that we will work on, so that our workforce suffers no loss in staff.

In addition to workforce efficiencies, we are also saving taxpayer dollars thanks to my BGreen 2020 initiative. In the three years since we announced the BGreen 2020 Greenprint, we have:

- Increased our recycling rates by 60% by switching to single stream recycling. In return for its efforts, the City received a rebate of \$95,239 from CRRRA. Recycling more means spending less money on tipping fees and healthier air for our residents to breathe. This recycling increase helped generate approximately \$429,000 combined in tip fee savings and revenue – better than any town in our 10-town recycling group.
- Recorded real savings in our utility bills through a partnership with UI and Sylvania to change old-fashioned incandescent lights to LED lights in almost half of the City's decorative light poles. We're using less energy while maintaining safety and better illuminations for Bridgeport residents.
- Saved nearly \$4 million through effective energy management, energy conservation measures, municipal consolidation efforts, and an ARRA-funded major overhaul and upgrade of HVAC and boiler replacements, and a new roof at the Burroughs-Saden library.

Thanks to the actions of my administration and the City Council, we are working more closely with the Board of Education to provide better educational opportunities for our children than ever before.

The Board of Education recently extended Superintendent Paul Vallas' contract for another three years. I believe that under his direction we will continue to blaze a path in education reform for our City that will

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give every child the education they deserve and allow our children to compete on equal footing with their peers in the suburbs in the 21<sup>st</sup> century economy.

Under my administration, we will have four new high schools opening in Fall of 2013 – three science, technology, engineering and math-focused academies in the Fairchild Wheeler Interdistrict High School and a new Bridgeport Military Academy, which will focus on a first-responder curriculum. High school juniors and seniors are now able to take college-level courses for free through a collaborative arrangement with our local colleges enabling them to get a jump on their higher education. Supt. Vallas' long-term vision includes expanding early childhood education with a 'cradle to the classroom' approach, and implementing a universal curriculum.

In the past year, we have added 20 new police officers and 21 firefighters to the ranks of our public safety personnel, thanks in part to federal grants which will help defray their salaries for up to three years. The police department is now responsible for school security, and together with the BoE and the Department of Homeland Security, we have implemented a Safe Corridors program to ensure students have a safe path to and from schools, and make our schools more secure. With the hiring of Assistant Chief James Nardozzi, we are placing a laser-like focus on reducing overtime expenses – this year's budget shows a \$1 million reduction – by reducing lost time due to sick and injured personnel, and implementing new time and attendance software programs that will assist the department in accurately scheduling personnel where and when they are most needed.

Overall, the proposed FY2013-14 budget reflects minimal departmental budget growth – the growth that is included reflects contractual obligations, and focuses on public safety and essential core services.

For FY2013-14, appropriations have increased by 2.25 percent; revenues decreased by 1 percent, and are driven by two factors:

**Pension funding increases** – This includes the state Legislature mandated increase to our closed fund contribution plans, and the conversion to the state CMERS pension fund for fire department, and soon, police department pensions. This conversion will help stabilize the City's long-term financial contributions to pensions, and end the City's defined benefit pension funds.

**Debt service growth due to an historic investment in education infrastructure** – My administration has pursued a very aggressive school construction initiative to give Bridgeport students state-of-the-art facilities and to pump millions of dollars into our local economy. These school construction projects take advantage of a 'grandfathered' local funding level of a 20-percent match, with 80-percent funding coming from the state. The City has successfully constructed new buildings at Jettie Tisdale, Geraldine Johnson, Barnum/Waltersville and Cesar Batalla Schools, and the Discovery Interdistrict Magnet School. Demolition of Roosevelt School has been completed to make way for a new LEED certified school. Longfellow School will soon be demolished to make way for a new LEED certified school, which when finished will connect to the nearby regional Aquaculture School. Land has been selected on the former General Electric factory site for a high school to replace Harding High School. Black Rock School will be renovated to expand to K-8, and Central High School also will undergo an approximate \$70 million renovation. Construction on the first new high school in 50 years will be complete in the fall of 2013 when Fairchild Wheeler Interdistrict Magnet High School opens its doors with new science, technology, math and engineering academies.

The proposed budget I am submitting today includes an approximate 2.5 mill increase, which assumes that all of the Governor's proposed cuts are not restored. I assure you that in the weeks to come, we will

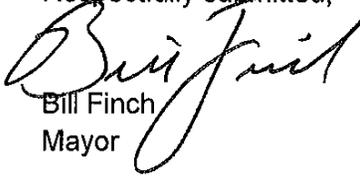
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work closely together both here at home, and at the state Legislature to minimize the impact the Governor's proposed budget will have on our proposed City budget.

I have proven to you during the last five years that I will spend your tax dollars with the utmost responsibility. Working together, we will do everything in our power to ensure that your tax dollars are being used properly to invest in our collective future.

Respectfully submitted,

  
Bill Finch  
Mayor