

GENERAL FUND BUDGET  
MAYOR'S TRANSMITTAL LETTER

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BILL FINCH  
Mayor

April 6, 2010

Honorable Council Members:

In accordance with the City Charter, I am hereby presenting the Mayor's proposed 2010-2011 budget for the City of Bridgeport. This coming year's budget reflects the challenges presented by the difficult world and national economy and its effect on the city's finances.

Two major factors are driving the decisions made in the 2011 budget:

- Declining revenues, particularly a substantial decline in state funding and,
- Increasing expenses outside of the City's control such as healthcare and pension plan contributions.

These two factors have combined to create a very difficult environment for city operations and are reflected in the budget line items included here. Despite these two challenging cost variables, this proposed budget includes a \$3.3 million reduction in actual expenditures over the previous year.

Despite the City's very aggressive stance on collecting tax payments, revenues continue to decline in this economic environment at the local, state and federal level. Interest on investment income has also decreased. At the same time, expenses are on the rise, including health care costs, unsustainable pension payments, and a projected \$4 million decline in state revenues. As an example of how pension contributions have increased due to losses in the stock market; in 2006 the City contributed 13.6% of payroll into Fire pension Plan B compared to our current contribution of 27.3%. During that same timeframe, our contribution to Police pension Plan B increased from 14% to 25.38%.

Closing the budget gaps in previous years required extraordinary efforts on the part of all city departments, including concessions and givebacks, departmental budget cuts and reductions in staff to realize approximately \$8 million in savings in the 2008-09 budget and in 2009-10, we presented a budget which, for the first time in recent memory, reduced expenditures by \$2 million dollars. In order to balance our budget this year, we will again need major concessions from our city's workforce.

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In preparing the 2010-11 budget, we have asked department heads to focus on maintaining necessary core services, and then have pared those budgets back to the absolute minimum. The only department experiencing a significant increase is the Emergency Operations Center which is slated to open during the 2010-11 budget year, and in fact is a merger of current Police and Fire dispatch functions. The only other increases in departmental spending allowed in this budget reflect contractual salary increases and increased pension contributions. Keeping taxes at a reasonable level is a priority for my administration, especially so, given the extraordinarily difficult economic times all of our taxpayers are facing. With deep cuts in state and federal funding on the horizon, we seek to strike a balance between providing necessary, core services and the ability and willingness of our citizens to pay their taxes. My recommended budget only includes the voter-approved 1-mill rate increase to provide additional funding to the Bridgeport Library System, and no other mill rate increase.

Once again we have included department goals, objectives and service indicators. This additional detail provides the City Council and the public with legitimate information on the activity of departments, including data on units of service, progress made toward existing projects and statistics about the accomplishments of each department. Thus, we can view the funding of departments in the context of their operations. We also have redesigned the display of departmental budgets so that every cost associated with each department, e.g.: healthcare, pension, Medicare, etc., are included.

This year, department heads were asked to undertake an innovative process to potentially save the city money while increasing the health and safety of its employees, called "greenlining." This process introduces sustainable green products that can reduce: toxicity and pollution, waste generation, non-renewable energy consumption, depletion of natural resources; and will support sustainable manufacture and purchasing.

There are some important points to keep in mind regarding the 2010-11 budget:

- For the second year in a row, the proposed budget reduces expenditures by approximately \$3.3 million, the only big city in the state able to reduce expenditures.
- Revenues across the board are decreasing at the local, state and federal level – The City of Bridgeport expects to experience a \$4 million dollar decrease in state funds based on Governor Rell's most recent deficit mitigation plan.
- Expenses, outside of the city's control, particularly healthcare costs and pension contributions are increasing.
- Costs in every major department are being held level through this budget, except for the opening of the Emergency Operations Center, and contractual salary increases and pension contributions.

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- This recommended budget only includes the voter-approved 1-mill rate increase to provide additional funding to the Bridgeport Library System and no other mill rate increase.
- This budget reflects a smaller, more efficient government with a significantly reduced workforce.
- The city has achieved significant reductions in energy costs and tipping fees. These are reflected in this year's budget.

The challenges are many, but I am cheered by the many advances we have been able to record despite having to "do more with less." Following are some advances and cost savings we have realized by looking closely at city expenditures and efficiencies.

- Our curbside recycling route tonnage for the July-December 2009 time period increased 13 percent over the previous year, and recorded an almost 20 percent increase over the same time two years ago. Using the current tip fee rates, it represents a more than \$9,000 savings over the previous year and almost \$13,000 from two years ago. We are on track to more than double those savings during this fiscal year.
- Continued upgrades to lighting in city-owned buildings have improved energy efficiency while slowing the rate of expense increases. Total electricity consumption at top five buildings is down 6.5 percent from FY08 to FY09. By working with United Illuminating to reconfigure streetlights during the past two year, we have reduced kilowatt-hours consumed by streetlights by 14 percent from FY08 to FY09, approximately \$300,000 less per year. These savings are projected to continue as we continue to use redesigned streetlights, which are more efficient and less expensive to operate.
- Completion of a City health care dependent audit allowed us to remove 139 people from our plan, for an annual savings in the range of \$400,000 to \$800,000. In addition, we analyzed group benefits contracts for potential savings opportunities through renegotiation of contracts or new RFPs. We were able to save \$1.7 million on our prescription benefits program, and about \$131,000 combined on disability and group life contracts per year.
- An energy retrofit at the Beardsley Zoo will translate into 30 to 40 percent decreases in energy costs per year.
- The Lighthouse after-school program's 2009 evaluation showed that 98 percent of parents are satisfied with the program, and Lighthouse students are outperforming the district on standardized test scores.
- Our Office of Veterans Affairs provided 17,280 meals to 626 adults, 238 children, 231 seniors and 103 disabled veterans through the Veterans Food Pantry. In addition, the City secured a new 22-passenger vehicle to transport Bridgeport veterans to the VA Medical Center in West Haven, which should enable the City to increase the number of rides to the Medical Center.

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- The Police Department is on track to record nearly \$1 million in overtime saving for the current year, while posting a 9 percent reduction in Part 1 (The Police Department recorded a 9 percent reduction in Part 1 (e.g.: homicides, rape, robbery, etc.) and recorded an increase in solve rates for all serious crimes.

My administration & I are committed to making Bridgeport the cleanest, greenest, safest, most affordable city, with schools and neighborhoods that improve each year. In light of this, I am proposing a fiscally responsible budget that reflects regulatory requirements, core operations, and those services essential to meeting the goals of my administration. A thorough examination of the existing programs and services the city provides has allowed us to evaluate those priorities that matter most to the health and well being of Bridgeport's residents. Core operations such as Police & Fire Services, Education Funding, and Public Health & Sanitation will always receive first priority in budgeting decisions because maintaining and securing the health & safety of our residents is central to the prosperity of our city.

We have once again ranked our priorities in order to make rational decisions about what services we provide and what services are necessary to ensure that Bridgeport remains a vibrant and diverse community. In lean years, we work to fund mandated & core operations first, then fund departments and services essential to core operations. Services that contribute to quality of life are considered, and finally non-essential services are reviewed. To clarify what departments fall where, we have produced Table I (on the next page). Funding priority is weighted heavily towards the left side of this chart, order is alphabetical. Total personnel for each department appear in parentheses within each section.

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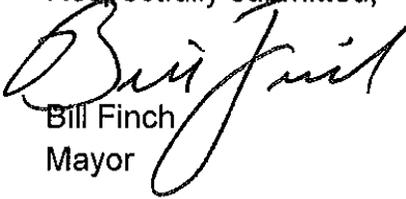
STATE & LOCAL ELECTORAL MANDATES	CORE OPERATIONS	ESSENTIAL SERVICES TO SUPPORT CORE OPERATIONS	QUALITY OF LIFE	NON- ESSENTIAL SERVICES
Board of Education (0)	Building & Zoning (19)	Archives (.5)	Department on Aging (6)	Airport (14)
City Clerk (6)	Economic & Community Development (18.5)	Central Grants (6)	Employee & Organizational Development (0)	Arena at Harbor Yard (0)
Ethics Commission (0)	Education & Nutrition (2362.5)	City Attorney (21)	Health & Social Services: Communicable Disease, Laboratory, Clinics, Parent Aide Program (8)	Beardsley Zoo (13)
Legislative Council (2)	Environmental Health & Licensure, Lead Prevention, Housing Inspections, Sanitation (50)	Finance (18.5)	Human Services (2)	Captain's Cove (0)
Mayor/CAO (15)	Fire (299)	Health Administration (2)	Libraries (51)	Fairchild Wheeler Golf Course (3)
Registrar of Voters (5)	Personnel Services: Civil Service, Benefits, Human Resources, Labor Relations (26)	Information Technology (15), Minority Business Resource Center (2)	Lighthouse Program (4)	Harbor Yard Stadium (0)
Town Clerk (7)	Police (473), Harbor Master (1)	Office of Policy & Management (5.5)	Persons with Disabilities (0)	Miscellaneous properties under 10,000 SF (0)
Vital Statistics (5)	Roadway, Facilities, Parks & Fleet Maintenance (103)	Public Facilities Administration (15.5), Engineering (6)	Parks & Recreation Administration (7)	Print Shop (7.5)
	Emergency Operations Center (EOC) (60)	Purchasing (6) Tax Assessor Collector, and Treasurer (33)	Veterans Affairs (1)	Weights & Measures (2)
<b>3,698.5 TOTAL GENERAL FUND WORKFORCE</b>				
<b>40</b>	<b>3,409</b>	<b>131</b>	<b>79</b>	<b>39.5</b>
<b>PERCENTAGE OF GENERAL FUND WORKFORCE</b>				
<b>1.08%</b>	<b>92.18%</b>	<b>3.54%</b>	<b>2.14%</b>	<b>1.07%</b>
<b>PERCENTAGE OF WORKFORCE DELIVERING MANDATED, CORE &amp; CORE-SUPPORTIVE OPERATIONS:</b>				
<b>96.81%</b>				

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In closing, I believe the budget prepared for your review is realistic in light of the estimated revenue forecast for fiscal year 2010-11. I welcome your suggestions for improvement and look forward to the opportunity to review my budget with the City Council.

Respectfully submitted,



Bill Finch  
Mayor