



March 28, 2008

Dear Town Council Members,

I am pleased to present to the Town Council my Proposed Fiscal Year 2009 Operating Budget for the Town of Stratford. While developing this year's operating budget, I have remained steadfast in my commitment to improve the fiscal integrity of the Town. Over the last two years, my administration has focused on fiscal responsibility and has carefully managed the funds allocated by the Town Council to achieve our shared objectives. My proposed budget reaffirms my administration's vision of providing a high level and variety of municipal services while at the same time making Stratford one of the most affordable communities in Fairfield County.

The FY 2009 proposed budget has been developed with the understanding that rising energy and health insurance costs, education needs and numerous unfunded federal and state mandates create upward pressure on the revenue needs of this community.

In developing this budget my administration recognized the myriad of diverse economic pressures, such as increasing heating oil, electricity, gasoline, food, health and housing costs that impact all of our residents and we have strived to hold any property tax increase as low as possible while continuing to fund the municipal services our community has grown accustomed to and demands.

My proposal increases the budget 2.25% which includes a recommended increase in spending of 0.04% on the total Municipal budget and a 4.56% increase on the Board of Education budget.

I am proposing a mil rate of 30.87, which is a 0.75 mil or 2.49% increase over the current mil rate. This three quarters of a mil increase is by far one of the lowest property tax increases in Fairfield County.

The operating budget has two main components: proposed expenditures and anticipated revenues. The proposed FY 2009 budget is \$175,532,956, which is \$3,862,141 or 2.25% over the FY 2008 Town Council Adopted Budget. This increase is attributable to

increases in the Board of Education of \$3,827,048 and Municipal Services of \$2,467,191, a reduction in our Capital/Debt Service of \$2,676,525 which we will experience in fiscal year 09, and a slight increase in Retirement Benefits of \$244,427.

In FY 2008, the average property tax bill was \$5,587. Under my proposed operating budget for FY 2009, the average tax bill would be \$5,726, an increase of \$ 139 or 2.49%. The following chart shows the comparison between FY 2008 and the FY 2009 proposed operating budget:

Category	2008 Adopted Budget	2009 Mayor Proposed	Amount Change	Percent Change
Operating Budget	\$ 171,670,815	\$ 175,532,956	\$ 3,862,141	2.25%
Other Revenues	\$ 38,913,141	\$ 38,009,719	\$ (903,422)	-2.32%
Grand List	\$ 4,527,621,341	\$ 4,569,672,962	\$ 42,051,621	0.93%
Collection Rate	98.25%	98.25%		
Mill Rate	30.12	30.87	0.75	2.49%
Tax Bill	\$ 5,587.88	\$ 5,726.59	\$ 138.71	2.49%

To prepare the FY 09 operating budget, members of my administration were directed to implement a “zero based” budget approach. Each department’s budget was started from zero and built back up with every cent being necessary to maintain existing services at properly staffed levels.

The proposed operating budget is divided into eleven major areas of service as follows:

Administration	\$ 3,828,690	2.18%
Contingencies	\$ 2,886,412	1.63%
Debt/Capital	\$ 11,811,965	6.73%
Employee Benefits	\$ 28,028,194	15.97%
Finance	\$ 1,961,348	1.12%
Fire	\$ 11,296,837	6.44%
Health/Human Svcs	\$ 2,755,763	1.57%
Library	\$ 2,765,455	1.58%
Police	\$ 10,211,741	5.82%
Public Works	\$ 12,291,988	7.00%
Board of Education	\$ 87,694,563	49.96%
Total Expenditures	\$ 175,532,956	100.00%

My proposed budget addresses several new financial issues facing the Town of Stratford, in addition to the increasing public safety needs of our community.

For the first time in this Town's history, I have included the initial payment into a separate fund which I propose be established to address the proper funding of our accrued retiree health benefits. Our total cost and liability for Other Post-Employment Benefits was recently calculated by our actuaries to be \$98 million dollars, and this proposed funding of a trust account is a first step toward addressing these liabilities. This new financial disclosure is another hurdle our local government must face along with the ever-increasing cost of funding public education, workers' compensation insurance and employee pensions.

In addition, I have challenged department heads to manage overtime by cutting the cost associated with non-routine work hours by 20% for Fiscal Year 2009 as a cost containment effort which will have a direct impact on the Town's bottom line performance.

My proposed budget incorporates the addition of two new community resource police officers and a school resource officer to continue to address citizen's concerns. In addition, I remain committed to the recruitment and training of men and women to fill vacant public safety positions in an expeditious manner.

For Fiscal Year 2009, the Board of Education and Superintendent of Schools proposed an operating budget of \$88,836,800, which is a 5.93% increase over the current FY 2008 budget. In my proposed operating budget for FY 2009, I am recommending a Board of Education Budget of \$87,694,563, an increase of \$3,827,048, or 4.56%, over the current FY 2008 budget. My proposed overall budget for FY 2009 meets the ultimate goal of our school system by providing quality education for the children of Stratford while balancing the economic realities that the residents in our community currently face.

For the last 12 years, the Town of Stratford's education system has been short changed under the Education Cost Sharing grant formula (ECS) due to the imposition of the funding cap by the State. We all recognize the difficulty our schools face in delivering high quality education services to our communities' most precious assets, our children. In this budget, our Town's direct education costs account for 50% of overall town expenditures and 55.4% if education related expenses that are carried on the municipal side of the budget, including debt service, facilities repairs and maintenance, library, parks and public safety services are factored in.

Simply put, the lack of funding from the State of our fair share of ECS dollars has cost the Town's taxpayers in excess of \$54 million of taxes they had to pay and this disturbing trend under this flawed educational funding formula continues. The ECS formula is not adequate to address the cost of educating Stratford's children. Unfortunately, the rate of increase in the cost of education is not offset by a sufficient increase in ECS funding and this is causing undue hardship on our taxpayers and students alike by forcing local property tax dollars alone to shoulder the burden of the shortfall in State funding.

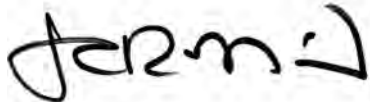
This year, I am proposing that the Town continue to improve its infrastructure and to address its capital equipment needs. At the direction of the Town Council, I will be replenishing the undesignated fund balance with \$117,000 for repairs to the HVAC system at the Birdseye Municipal Complex. In the Fiscal Year 2009 operating budget, I am recommending funds for facilities improvements; phase two funding of a legally mandated revaluation of the 2009 Grand List; leasing of badly needed equipment for the Public Works Department and police cars and finally, safety improvements for our schools. Bonding for major improvements in Town facilities and schools will be included in the Five Year Capital Plan to be submitted to you under separate cover.

I am proud to report that this budget continues the solid and responsible fiscal management practices that my administration has implemented over the past two years. My administration has increased the Town's general fund balance, improved the Town's credit rating status, reinvigorated idle economic development opportunities, and utilized tight expenditure controls which have concluded fiscal years on a positive basis.

My administration has prepared this budget in the midst of a national economic downturn and I am confident that we are prepared to manage effectively during this challenging economic cycle while continuing to provide excellent services and controlling costs.

I would like to thank Suzanne Ryan McCauley, Chief Administrative Officer, John Norko, Finance Director and Susan Collier, Assistant Finance Director, for their assistance in the development of this budget. This budget document is the product of countless hours of effort and commitment by the dedicated employees of the Town of Stratford, and I thank all who contributed to my Proposed Fiscal Year 2009 Operating Budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JRM", with a stylized flourish at the end.

James R. Miron, Mayor
Town of Stratford