

## GENERAL FUND BUDGET

### BUDGET SUMMARY

### BUDGET & ACCOUNTING POLICIES

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## ACCOUNTING POLICIES

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### *FISCAL YEAR*

The City of Bridgeport's Fiscal Year begins July 1 and ends June 30.

### *BALANCED BUDGET*

The Charter of the City of Bridgeport mandates a balanced budget. For the purposes of meeting this requirement, each year a budget is adopted in which the projected expenditures are equal to the projected revenues.

### *BASIS OF ACCOUNTING*

The City of Bridgeport's accounting system is operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources or balances are recorded and segregated to carry on specific activities or attain certain objectives in accordance with specific regulations and limitations. The operations of the general fund are maintained on a modified accrual basis, with revenues recorded when measurable and available and the expenditures recorded when the services or goods are received and liabilities are incurred. In contrast, accounting records for the City's enterprise, pension and nonexpendable trust funds are managed on the accrual basis of accounting. The types of funds utilized by the City are as follows: general; special revenue; capital projects; enterprise; and trust and agency. The type and number of individual funds established is determined by GAAP and sound financial administration.

### *BUDGET PROCEDURE*

The Mayor's annual budget is developed by the City's Office of Policy & Management (OPM). The budget is submitted to the City Council, which in turn makes additions and changes as necessary before turning it over to the Mayor for approval. The City maintains budgetary control through the Office of Policy & Management. The objective of budgetary control is to ensure compliance with the legal provisions embodied in the annual adopted budget approved by the City Council. The level of budgetary control is established by organization, agency, appropriation and object. The City of Bridgeport also utilizes an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbrances reserve appropriations which have been obligated through purchase orders or other contractual documents. Encumbrances are reported as reservations of fund balance at the end of the year. Transfers of certain appropriations between departments require the approval of the City Council. The City of Bridgeport's Capital & General Fund Budgets must be adopted by the City Council and approved by the Mayor.

### *INTERNAL CONTROLS*

The management of the City of Bridgeport is maintained through a control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that cost and that the valuation of costs and benefits requires estimates and judgments be made by management. In addition, the City of Bridgeport has an internal audit staff responsible for monitoring the various City departments in compliance with the City Charter, ordinances, and all other policies and procedures.

As a recipient of Federal, State and local financial assistance, the City of Bridgeport is responsible for ensuring adequate internal control policies and procedures are in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management as well.

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BUDGET & ACCOUNTING POLICIES

*LEGAL DEBT LIMIT*

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,921,265,906. All long-term debt obligations are retired through General Fund appropriations or user charges. As of June 30, 2012, the City recorded long-term debt of \$693 million related to Governmental Activities and \$45.6 million related to Business-Type Activities, well below its statutory debt limit. The City's total debt increased by \$36.7 million during the fiscal year ended June 30, 2012. For more information on debt service, see the [debt service section](#).

*RISK MANAGEMENT*

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for insurable risks of loss except for general liability, workers' compensation and employee health and dental insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The City carries no insurance coverage for losses arising out of workers' compensation claims. These claims are paid from the General Fund. This is accounted for in the governmental activities of the government-wide statements.

The City maintains a group health and dental self-insurance plan to pay for medical claims of current and retired City employees and their covered dependents. Approximately 4,380 active employees and 4,012 retirees receive their health coverage through this plan. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the Internal Service Fund. The contract requires the City to maintain a \$2,500,000 certificate of deposit which is recorded as restricted cash in the accompanying balance sheet.

The liability for general liability, workers' compensation and group health insurance includes all known claims reported plus a provision for those claims incurred but not reported, net of estimated recoveries. The liability is based on past experience adjusted for current trends and includes incremental claim expenditures. The liability for workers' compensation claims is calculated using actuarial methods. Changes in the reported liability are as follows:

A reconciliation of changes in the aggregate liabilities for claims for the 2001-2011 fiscal years:

|             | <b>Liability: Start<br/>of fiscal year</b> | <b>Current year<br/>claims &amp;<br/>changes in<br/>estimates</b> | <b>Claim<br/>Payments</b> | <b>Liability: End<br/>of the Fiscal<br/>Year</b> |
|-------------|--|---|---------------------------|--|
| <b>2011</b> | 83,701,474                                 | 124,650,961   | 98,365,169                | 109,987,266                                      |
| <b>2010</b> | 72,277,783                                 | 119,677,303   | 108,253,612               | 83,701,474                                       |
| <b>2009</b> | 67,301,000                                 | 102,263,079   | 90,691,701                | 72,277,783                                       |
| <b>2008</b> | 65,740,860                                 | 88,167,399  | 86,607,259                | 67,301,000                                       |
| <b>2007</b> | 50,070,000                                 | 95,669,180  | 79,998,320                | 65,740,860                                       |
| <b>2006</b> | 54,076,619                                 | 71,379,804  | 75,386,423                | 50,070,000                                       |
| <b>2005</b> | 62,045,079                                 | 66,036,204  | 74,004,664                | 54,076,619                                       |
| <b>2004</b> | 61,964,745                                 | 66,974,067  | 66,893,733                | 62,045,079                                       |
| <b>2003</b> | 65,787,386                                 | 59,776,938  | 63,599,579                | 61,964,745                                       |
| <b>2002</b> | 81,968,096                                 | 42,867,583  | 59,048,293                | 65,787,386                                       |
| <b>2001</b> | 68,979,599                                 | 66,977,701  | 53,989,204                | 81,968,096                                       |

## GENERAL FUND BUDGET

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### BUDGET & ACCOUNTING POLICIES

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#### AUDIT

State Statutes require an annual audit conducted by independent certified public accountants. Portions of these audits are included in the City's Comprehensive Annual Financial Report, and these can be accessed through the City's website, [http://www.bridgeportct.gov/filestorage/89019/89745/2012\\_CAFR\\_Bridgeport.pdf](http://www.bridgeportct.gov/filestorage/89019/89745/2012_CAFR_Bridgeport.pdf)

#### UNDESIGNATED FUND BALANCE POLICY

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##### PURPOSE

To maintain a balance of funds within the total unreserved, undesignated fund balance to be available for unforeseen contingencies.

*Definition: Unreserved, undesignated fund balance is the remaining balance available following the reduction for "resources not available for spending" or "legal restrictions" (reservation) and "management's intended future use of resources" (designation).*

##### POLICY

The sum of all components identified for the undesignated fund balance level will be set at no less than 8.00% of annual operating expenditures and other financing uses (transfers out) of the prior audited fiscal year with the annual approval by the City Council. In the event that the undesignated fund balance exceeds 12.00%, the amount exceeding this percentage may be available for appropriation at the discretion of the Mayor with the approval of City Council.

##### RATIONALE

The City of Bridgeport recognizes the importance of maintaining an appropriate level of undesignated fund balance on a Generally Accepted Accounting Principles (GAAP) basis to withstand short-term financial emergencies. After evaluating the City's operating characteristics, its overall financial health, the diversity and flexibility of its tax base, the reliability of non-property tax revenues sources, the City's working capital needs, the impact of state policies regarding tax exempt properties and PILOT reimbursements on City revenues, Brownfield policies, the national, state and local economic outlooks, emergency and disaster risks, other contingent issues and the impact on the City bond ratings of all these factors, the City of Bridgeport hereby establishes goals regarding the appropriate handling and funding of the undesignated fund balance.

The City of Bridgeport's formal undesignated fund balance policy shall be to maintain adequate unencumbered reserves to accomplish the following objectives:

- (1) Have sufficient funds available for appropriation for unforeseen expenditures or unforeseen shortfalls in revenue after adoption of the annual budget ; and
- (2) Avoid unexpected spikes in the mill rate caused by non-reoccurring revenues.

##### REPLENISHMENT OF SHORTFALL

The undesignated fund balance of the General Fund may fall below the approved minimum level due to fluctuations between planned and actual revenues and expenditures, other financial emergencies or catastrophic events of an unforeseen nature. When an audited shortfall is reported in the Comprehensive Annual Financial Report (CAFR), it must be rebuilt during the following ensuing fiscal years. This will be achieved by adding an annual appropriation, during the budgeting process of a minimum of 10% of the difference between the fund balance policy level and the undesignated fund balance presented in the latest audited statements.

When dealing with the unanticipated sale of municipal assets, no less than 50% of the "gain on sale of city asset" must be deposited toward the undesignated fund balance until the 12.00% goal has been achieved.

The maintenance of undesignated levels is not to be construed as surpluses or over-taxation by the City. Rather, it is an element of sound fiscal management required for sustaining a high credit rating and financial management flexibility.

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## DESCRIPTION OF FUND STRUCTURE

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The accounts of the City of Bridgeport are organized on the basis of funds and account groups, utilizing a fund structure in which fund activities are aggregated for specific purposes. A fund is a combination of related accounts used to maintain control & accountability of resources that are dedicated to specific activities or objectives. The City of Bridgeport, like other state & local governments, uses fund accounting to ensure appropriate fiscal control and to demonstrate our compliance with accepted accounting principles set forth by the Governmental Accounting Standards Board.

Detailed financial schedules for all of the funds described below are *not* contained within this budget document. This document includes information on the General Fund, as well as some detail on Special Revenue Funds, the Internal Service Fund, and Capital Project Funds. Of these funds, only the General Fund is subject to appropriation. Detail on the other funds described below can be found in the City's Comprehensive Annual Financial Report, prepared by the Finance Department, and can be accessed through the City's website, <http://www.bridgeportct.gov/content/89019/89745/default.aspx> Grateful acknowledgement of the assistance of the Finance Department in providing certain schedules and detail from the 2012 CAFR is noted here, and we have provided attribution for these throughout the budget book, as is applicable.

### GOVERNMENTAL FUNDS

The City of Bridgeport maintains 21 individual governmental funds. The major funds of these 21 are discussed below.

THE GENERAL FUND is the primary operating fund of the city. It is the largest fund which encompasses traditional governmental services, and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is primarily supported by the property tax. General Fund revenues are displayed by type in the Revenue Summary section of this budget and by department in the Budget Detail section. Appropriations are also listed by department in the Budget Detail section. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

SPECIAL REVENUE FUNDS are used to account for revenues dedicated for a specific purpose. These funds are prescribed by Federal or State program guidelines regarding the distribution or use of revenues.

THE DEBT SERVICE FUND is used for the accumulation of resources for, and the payment of, general long term bonded debt to be issued in future years.

BOARD OF EDUCATION FUND This fund accounts for the operations of the Board of Education, except for those required to be accounted for in another fund.

CAPITAL PROJECT FUNDS are for various construction projects as well as the purchase of the City's fleet inventory. Capital Project Funds are used to account for the proceeds of general obligation bonds and other financing sources for the planning, acquisition and construction or improvement of major capital facilities such as new schools and urban renewal projects.

### PROPRIETARY FUNDS

ENTERPRISE FUNDS are used to report activities that are financed and operated in a manner similar to a private business enterprise. In the case of the City of Bridgeport, the Water Pollution Control Authority or WPCA, is one such fund which accounts for the activities of the City's two sewage treatment plants, sewage pumping stations, and collection systems

## GENERAL FUND BUDGET

### BUDGET SUMMARY

### BUDGET PROCESS

for the City of Bridgeport. These funds are covered in the Finance Department's Annual Financial Report, but not in this document.

THE INTERNAL SERVICE FUND was established by Ordinance to account for self-insured health benefit activities of the City, Board of Education (BOE) and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The Internal Service Fund is a proprietary type fund, which utilizes the accrual basis of accounting. The use of a separate fund for self insured benefit activities can help smooth the impact of severe claims fluctuations which can now occur in the General Fund. Funding will be provided through the annual General Fund Budget which will separately identify the City, BOE, BOE Grants and Nutrition portions. The amount budgeted will be the amount transferred to the Internal Service Fund. Contributions will be also be made by the WPCA and Grants. Employee contributions will be made directly to the Internal Service Fund. Interest and investment income earned by the fund will be used to pay expenses of the fund. Investment of available funds will be made by the City Finance Director and Treasurer in accordance with Connecticut General Statutes.

### *FIDUCIARY FUNDS*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in government-side financial statements because the resources contained within these funds are not available to provide services for the City's constituents. The City of Bridgeport has four pension trust funds that support the pensions of City employees. The accounting used for fiduciary funds is much like that used for proprietary funds, and again, is covered in some detail in the Finance Department's Annual Financial Report, but not in this document.

## THE BUDGET PROCESS

### *MAYOR RECOMMENDED PREPARATION*

City departments begin preparation and documentation processes for the budget in January. The Office of Policy & Management reviews all submitted department requested documents; verifies contractual obligation thresholds, calculates all formula-driven data, and presents a draft budget to the Mayor and selected staff. In accordance with the City Charter, Chapter 9, Section 5(c) the Mayor, no later than the first Tuesday in April of each year, must present to the City Council a proposed budget for the ensuing fiscal year as prescribed in that same section.

### *CITY COUNCIL PROCESS*

The City Council's Budget and Appropriations Committee, under City Council rules, will set a schedule for budget deliberations and in accordance with City Charter, shall hold at least one public hearing before taking final action on the proposed budget and mill rate. The City Council Budgets & Appropriations Committee reports its changes to the Council as a whole in the form of a budget amendment resolution. The City Council has the power to reduce or delete any item in the budget recommended by the Mayor by a majority vote of the council members present and voting. It shall have the power to increase any item in said budget or add new items to said budget only on a two-thirds (2/3) affirmative vote of the entire membership of the council. The budget adopted by the City Council shall be submitted to the Mayor not later than the second Tuesday in May of each year. The Mayor shall sign the adopted budget or within fourteen days after adoption of the budget, the Mayor may veto any action taken by the City Council. The veto power of the Mayor shall be that of line item veto only, and any such veto may be overridden by a two-thirds (2/3) vote of the entire membership of the City Council. If the Mayor shall disapprove any action of the City Council, he shall, no later than the close of business of the fourteenth day, return the proposed budget to the City Council with a statement of objections. Thereupon, the President of the City Council shall call a meeting to be held no later than seven days after the receipt of the Mayor's veto. If the City Council fails to adopt a budget by the second Tuesday in May of any year, the proposed budget of the Mayor shall become the budget of the City for the ensuing year.

## BUDGET TIMETABLE

### FISCAL YEAR 2013 - 2014

| <u>Dates:</u>  | <u>Day</u> | <u>Actions</u>  |
|--|------------|---|
| <b>Feb. 8, 2013</b>  | Friday     | Departments submit capital project request and back-up to OPM   |
| <b>Feb. 15, 2013</b><br><i>15-Feb</i>                                      | Friday     | Departments data enter request budget into MUNIS<br><i>DEPARTMENTS MUST SUBMIT STATUS OF FY2013 GOALS FOR FIRST SIX MONTHS TO OPM</i>   |
| <b>Feb. 18, 2013</b>   | Monday     | Last day for BOE to enter requested budget changes into MUNIS   |
| <b>March 05, 2013</b><br><b>( no later than)</b><br><i>Feb 18 - Mar 22</i> | Tuesday    | Mayor Submits Capital Budget to the City Council<br><br><i>Mayor formulates General Fund Budget. Budget goes to final production</i>  |
| <b>April 02, 2013</b><br><b>( no later than)</b>                           | Tuesday    | Per City Charter, Mayor Submits Proposed Budget to the City Council   |
| <b>TBD</b>   |            | BAC meetings and Public Hearing held  |
| <b>May 07, 2013</b><br><b>( no later than)</b>                             | Tuesday    | Capital Improvement Program is adopted and Submitted to Departments Directors   |
| <b>May 14, 2013</b><br><b>( no later than)</b>                             | Tuesday    | City Council Submits Adopted Budget to the Mayor  |
| <b>May 28, 2013</b><br><b>( no later than)</b>                             | Tuesday    | Last day for the Mayor to Veto the City Council's Adopted Budget  |
| <b>June 04, 2013</b><br><b>( no later than)</b>                            | Tuesday    | Last day for the City Council to vote on the Mayor's veto of the City Council's Adopted Budget  |
| <b>June 11, 2013</b><br><b>( no later than)</b>                            | Tuesday    | City Council sets mill rate<br><br><i>(mill rate is set no later than seven days after action on the budget is complete) This may be a vote necessary no later than June 4th.</i> |

GENERAL FUND BUDGET

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GENERAL FUND BY AGENCY

The General Fund is primarily funded by the property tax. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. This budget illustrates the initiatives taken by the Finch Administration to maintain fiscal integrity through this challenging economic downturn. This proposed budget illustrates this fiscally conservative approach, as total spending in the new budget is nearly \$1.3 million less than in the previous (2011) adopted budget. This marks the second consecutive year that city appropriations are reduced.

GENERAL FUND

BY AGENCY CATEGORY

| AGENCY CATEGORY             | FY2012<br>ACTUAL   | FY2013<br>ACTUAL   | FY2013             |                       | FY 2014            |                   | VARIANCE |
|-----------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|-------------------|----------|
|                             |                    |                    | CURRENT<br>BUDGET  | DEPARTMENT<br>REQUEST | MAYOR<br>PROPOSED  |                   |          |
| 01 GENERAL GOVERNMENT       | 39,847,405         | 30,459,366         | 40,779,159         | 41,906,587            | 41,504,611         | 725,453           |          |
| 02 PUBLIC SAFETY            | 145,709,580        | 117,329,359        | 145,147,506        | 150,231,424           | 149,396,827        | 4,249,321         |          |
| 03 PUBLIC FACILITIES        | 41,996,495         | 29,914,127         | 45,055,390         | 46,847,338            | 51,532,652         | 6,477,262         |          |
| 04 OPED                     | 12,878,677         | 9,513,328          | 11,033,724         | 11,484,386            | 11,125,786         | 92,062            |          |
| 05 HEALTH & SOCIAL SERVICES | 3,898,378          | 3,444,993          | 4,746,339          | 5,053,477             | 5,035,577          | 289,238           |          |
| 06 NONDEPARTMENTAL          | 4,027,382          | 3,706,648          | 5,466,023          | 6,330,973             | 4,504,128          | -961,895          |          |
| 07 LIBRARIES                | 6,060,999          | 3,856,031          | 6,748,214          | 6,974,136             | 6,748,214          | 0                 |          |
| 08 BOARD OF EDUCATION       | 215,841,144        | 125,624,125        | 219,813,895        | 232,911,776           | 219,813,895        | 0                 |          |
| 09 BOE FOOD SERVICES        | 11,705,594         | 8,523,522          | 13,788,890         | 14,046,476            | 14,046,476         | 257,586           |          |
| 10 BOE DEBT SERVICE         | 15,664,675         | 14,777,193         | 14,777,193         | 14,777,193            | 16,233,038         | 1,455,845         |          |
| 11 BOE DEDICATED USE        | 0                  | 0                  | 900,000            | 0                     | 0                  | -900,000          |          |
| <b>Grand Total</b>          | <b>497,630,329</b> | <b>347,148,692</b> | <b>508,256,333</b> | <b>530,563,767</b>    | <b>519,941,205</b> | <b>11,684,872</b> |          |

INTERNAL SERVICE FUND

The City, by Ordinance, established an Internal Service Fund to account for self-insured health benefit activities of the City, Board of Education and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The Internal Service Fund is a proprietary type fund, which utilizes the accrual basis of accounting.

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INTERNAL SERVICE FUND

| DESC                               | OBJECT | DESC                           | FY 2012             | FY 2013             | FY 2014             |
|------------------------------------|--------|--------------------------------|---------------------|---------------------|---------------------|
| 'GRANT HEALTH BENEFITS             | '44383 | 'INTERFUND CONTRIBUTION        | -899,519            | -637,938            | -612,167            |
| 'GRANT HEALTH BENEFITS             | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -211,281            | -173,662            | -288,733            |
| 'HEALTH BENEFIT ADMINISTRATION     | '44382 | 'MEDICARE PART D REIMBURSEMENT | 0                   | -500,000            | -500,000            |
| 'HEALTH BENEFIT ADMINISTRATION     | '44383 | 'INTERFUND CONTRIBUTION        | -44,034,424         | -44,476,223         | -48,281,582         |
| 'HEALTH BENEFIT ADMINISTRATION     | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -3,373,286          | -5,395,311          | -5,045,718          |
| 'HEALTH BENEFIT ADMINISTRATION     | '44385 | 'RETIREE CONTRIBUTIONS         | -600,000            | -940,666            | -700,000            |
| 'WPCA INTERNAL HEALTH SERVICE      | '44383 | 'INTERFUND CONTRIBUTION        | -102,007            | -68,497             | -110,036            |
| 'WPCA INTERNAL HEALTH SERVICE      | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -34,003             | -34,003             | -39,964             |
| 'BOE INTERNAL HEALTH SERVICE       | '44383 | 'INTERFUND CONTRIBUTION        | -44,172,448         | -44,396,775         | -43,678,672         |
| 'HEALTH BENEFIT ADMINISTRATION     | '44382 | 'MEDICARE PART D REIMBURSEMENT | 0                   | 0                   | -500,000            |
| 'BOE INTERNAL HEALTH SERVICE       | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -4,382,862          | -6,143,925          | -7,310,028          |
| 'BOE INTERNAL HEALTH SERVICE       | '44385 | 'RETIREE CONTRIBUTIONS         | -3,200,000          | -3,200,000          | -3,500,000          |
| 'BOE GRANTS INTERNAL HEALTH SER    | '44383 | 'INTERFUND CONTRIBUTION        | -5,024,540          | -5,902,650          | -4,653,557          |
| 'BOE GRANTS INTERNAL HEALTH SER    | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -691,780            | -1,967,550          | -1,746,243          |
| 'BOE FOOD SERVICES                 | '44383 | 'INTERFUND CONTRIBUTION        | -1,707,696          | -1,784,250          | -1,856,867          |
| 'BOE FOOD SERVICES                 | '44384 | 'ACTIVE EMPLOYEE CONTRIBUTION  | -234,609            | -594,750            | -572,433            |
| <b>GROSS REVENUE AND INTERFUND</b> |        |                                | <b>-108,668,455</b> | <b>-116,216,200</b> | <b>-119,396,000</b> |
| <b>CONTRIBUTIONS</b>               |        |                                |                     |                     |                     |
| 'GRANT HEALTH BENEFITS             |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -211,281            | -173,662            | -288,733            |
| CITY ACTIVE HEALTH BENEFIT         |        | 'MEDICARE PART D REIMBURSEMENT | 0                   | -500,000            | -500,000            |
| CITY ACTIVE HEALTH BENEFIT         |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -3,373,286          | -5,395,311          | -5,045,718          |
| CITY RETIREE HEALTH BENEFIT        |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -600,000            | -940,666            | -700,000            |
| <b>TOTAL CITY CONTRIBUTIONS</b>    |        |                                | <b>-3,973,286</b>   | <b>-6,835,977</b>   | <b>-6,245,718</b>   |
| WPCA HEALTH BENEFIT                |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -34,003             | -34,003             | -39,964             |
| BOE ACTIVE HEALTH BENEFIT          |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -4,382,862          | -6,143,925          | -7,310,028          |
| BOE ACTIVE HEALTH BENEFIT          |        | 'MEDICARE PART D REIMBURSEMENT | 0                   | 0                   | -500,000            |
| BOE RETIREE HEALTH BENEFIT         |        | 'RETIREE CONTRIBUTIONS         | -3,200,000          | -3,200,000          | -3,500,000          |
| <b>TOTAL BOE CONTRIBUTIONS</b>     |        |                                | <b>-7,582,862</b>   | <b>-9,343,925</b>   | <b>-11,310,028</b>  |
| BOE GRANTS HEALTH BENEFIT          |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -691,780            | -1,967,550          | -1,746,243          |
| 'BOE FOOD SERVICES                 |        | 'ACTIVE EMPLOYEE CONTRIBUTION  | -234,609            | -594,750            | -572,433            |
| <b>TOTAL FROM EMPLOYEES</b>        |        |                                | <b>-12,727,821</b>  | <b>-18,949,867</b>  | <b>-20,203,119</b>  |
| <b>INTERFUND CONTRIBUTIONS</b>     |        |                                |                     |                     |                     |
| 'GRANT HEALTH BENEFITS             |        | 'INTERFUND CONTRIBUTION        | -899,519            | -637,938            | -612,167            |
| CITY HEALTH BENEFIT                |        | 'INTERFUND CONTRIBUTION        | -44,034,424         | -44,476,223         | -48,281,582         |
| WPCA HEALTH BENEFIT                |        | 'INTERFUND CONTRIBUTION        | -102,007            | -68,497             | -110,036            |
| BOE HEALTH BENEFIT                 |        | 'INTERFUND CONTRIBUTION        | -44,172,448         | -44,396,775         | -43,678,672         |
| BOE GRANTS HEALTH BENEFIT          |        | 'INTERFUND CONTRIBUTION        | -5,024,540          | -5,902,650          | -4,653,557          |
| 'BOE FOOD SERVICES                 |        | 'INTERFUND CONTRIBUTION        | -1,707,696          | -1,784,250          | -1,856,867          |
| <b>NET NEED FROM CITY</b>          |        |                                | <b>-95,940,634</b>  | <b>-97,266,333</b>  | <b>-99,192,881</b>  |
| <b>TOTALS</b>                      |        |                                | <b>-108,668,455</b> | <b>-116,216,200</b> | <b>-119,396,000</b> |

GENERAL FUND BUDGET

BUDGET SUMMARY

APPROPRIATION IMPACTS

The primary source of revenues in the City of Bridgeport is property taxes. The second largest chunk of revenues comes from Intergovernmental Revenue—which includes aid to public schools, Education Cost Sharing, and funding for federal school lunch programming. The economic downturn, paired with the collapse of the housing market, had a deleterious impact on revenues, particularly those revenues that were to come from Bridgeport’s real estate market. Additionally, the real estate conveyance fees collected by the town clerk on real estate transactions are based upon the value of those transactions, and many foreclosure filings result in transactions whose value is negligible, which means that the fees collected on them are a fraction of what they would be in a healthy real estate market. This year’s revenues reflect a conservative approach to anticipating the turnaround of the economy. Additional measures the City has taken to handle the loss of revenues include, but are not limited to: more aggressive tax collection strategies, including the use of the bootfinder on vehicles with delinquent tax bills, fee increases, and the sale of excess city properties. The Revenue Detail section in the appendix of this document provides additional detail about the funding sources that support the General Fund Budget.

REVENUE SUMMARY

| ORG DESC                                  | FY2012<br>ACTUAL   | FY2013<br>ACTUAL   | FY2013<br>BUDGET   | FY2014<br>MAYOR<br>PROPOSED | VARIANCE          |
|---|--------------------|--------------------|--------------------|-----------------------------|-------------------|
| 01010000 COMPTROLLERS OFFICE              | 3,115,764          | 2,068,501          | 2,556,022          | 3,260,860                   | 704,838           |
| 01040000 TAX COLLECTOR                    | 275,318,493        | 233,883,075        | 285,683,587        | 305,792,810                 | 20,109,223        |
| 01041000 TAX ASSESSOR                     | 20,052,437         | 17,904,821         | 19,548,095         | 8,549,491                   | -10,998,604       |
| 01045000 TREASURY                         | 72,663             | 31,173             | 200,000            | 125,000                     | -75,000           |
| 01050000 REGISTRAR OF VOTERS              | 100                | 100                | 100                | 100                         | 0                 |
| 01060000 CITY ATTORNEY                    | 0                  | 2,565              | 5,000              | 5,000                       | 0                 |
| 01070000 CIVIL SERVICE                    | 93,342             | 70                 | 90,100             | 90,100                      | 0                 |
| 01090000 TOWN CLERK                       | 1,440,025          | 740,274            | 1,552,100          | 1,352,100                   | -200,000          |
| 01108000 INFORMATION TECHNOLOGY SERVICE   | 7                  | 413                | 250                | 250                         | 0                 |
| 01250000 POLICE ADMINISTRATION            | 5,984,674          | 2,913,313          | 6,374,550          | 6,374,550                   | 0                 |
| 01260000 FIRE DEPARTMENT ADMINISTRATION   | 202,243            | 126,898            | 204,425            | 204,425                     | 0                 |
| 01285000 WEIGHTS & MEASURES               | 76,915             | 55,655             | 76,000             | 76,000                      | 0                 |
| 01290000 EMERGENCY OPERATIONS CENTER      | 77,404             | 29,835             | 0                  | 0                           | 0                 |
| 01300000 PUBLIC FACILITIES ADMINISTRATION | 935,176            | 549,854            | 776,300            | 791,800                     | 15,500            |
| 01325000 SANITATION & RECYCLING           | 7,795              | 9,763              | 6,900              | 10,400                      | 3,500             |
| 01341000 BEARD SLEY ZOO / CAROUSEL        | 336,633            | 0                  | 0                  | 0                           | 0                 |
| 01350000 RECREATION                       | 53,040             | 45,615             | 67,000             | 67,000                      | 0                 |
| 01355000 PARKS ADMINISTRATION             | 2,222,540          | 1,235,958          | 2,346,856          | 2,349,606                   | 2,750             |
| 01356000 PARKS MAINTENANCE SERVICES       | -29,028            | -18,100            | 0                  | 0                           | 0                 |
| 01375000 AIRPORT                          | 773,964            | 472,960            | 842,140            | 849,264                     | 7,124             |
| 01385000 ENGINEERING                      | 4,411              | 2,452              | 4,000              | 4,000                       | 0                 |
| 01450000 OPED ADMINISTRATION              | 671,562            | 169,386            | 455,000            | 455,000                     | 0                 |
| 01455000 BUILDING DEPARTMENT              | 2,769,198          | 1,106,290          | 3,213,000          | 3,603,000                   | 390,000           |
| 01456000 ZONING, BOARD OF APPEALS         | 38,348             | 16,390             | 35,000             | 35,000                      | 0                 |
| 01457000 ZONING COMMISSION                | 199,526            | 118,306            | 170,400            | 170,400                     | 0                 |
| 01552000 VITAL STATISTICS                 | 490,685            | 287,666            | 443,250            | 490,580                     | 47,330            |
| 01554000 COMMUNICABLE DISEASE CLINIC      | 36,545             | 6,655              | 0                  | 0                           | 0                 |
| 01555000 ENVIRONMENTAL HEALTH             | 312,963            | 174,465            | 354,200            | 354,200                     | 0                 |
| 01556000 HOUSING CODE                     | -37,214            | 11,740             | 23,000             | 17,700                      | -5,300            |
| 01585000 SOCIAL SERVICES                  | 0                  | 0                  | 0                  | 0                           | 0                 |
| 01600000 GENERAL PURPOSE BONDS PAYAB      | 2,272,385          | 2,102,459          | 2,947,615          | 2,755,383                   | -192,232          |
| 01610000 OTHER FINANCING USES             | 59,690             | 22,500             | 100,000            | 100,000                     | 0                 |
| 01863000 BOE ADMINISTRATION               | 162,885,443        | 82,257,186         | 164,564,894        | 167,349,601                 | 2,784,707         |
| 01875000 TRANSPORTATION                   | 1,634,529          | 0                  | 1,623,838          | 403,523                     | -1,220,315        |
| 01900902 BOE FOOD SERVICES                | 11,718,146         | 5,035,963          | 13,992,711         | 14,304,062                  | 311,351           |
| <b>Grand Total</b>                        | <b>493,790,404</b> | <b>351,364,201</b> | <b>508,256,333</b> | <b>519,941,205</b>          | <b>11,684,872</b> |

GENERAL FUND BUDGET

BUDGET SUMMARY

APPROPRIATION IMPACTS

APPROPRIATION SUMMARY

BY AGENCY CATEGORY

| AGENCY CATEGORY             | FY2012<br>ACTUAL   | FY2013<br>ACTUAL   | FY2013<br>CURRENT BUDGET | DEPARTMENT<br>REQUEST | FY 2014<br>MAYOR<br>PROPOSED | VARIANCE          |
|-----------------------------|--------------------|--------------------|--------------------------|-----------------------|------------------------------|-------------------|
| 01 GENERAL GOVERNMENT       | 39,847,405         | 30,459,366         | 40,779,159               | 41,906,587            | 41,504,611                   | 725,453           |
| 02 PUBLIC SAFETY            | 145,709,580        | 117,329,359        | 145,147,506              | 150,231,424           | 149,396,827                  | 4,249,321         |
| 03 PUBLIC FACILITIES        | 41,996,495         | 29,914,127         | 45,055,390               | 46,847,338            | 51,532,652                   | 6,477,262         |
| 04 OPED                     | 12,878,677         | 9,513,328          | 11,033,724               | 11,484,386            | 11,125,786                   | 92,062            |
| 05 HEALTH & SOCIAL SERVICES | 3,898,378          | 3,444,993          | 4,746,339                | 5,053,477             | 5,035,577                    | 289,238           |
| 06 NONDEPARTMENTAL          | 4,027,382          | 3,706,648          | 5,466,023                | 6,330,973             | 4,504,128                    | -961,895          |
| 07 LIBRARIES                | 6,060,999          | 3,856,031          | 6,748,214                | 6,974,136             | 6,748,214                    | 0                 |
| 08 BOARD OF EDUCATION       | 215,841,144        | 125,624,125        | 219,813,895              | 232,911,776           | 219,813,895                  | 0                 |
| 09 BOE FOOD SERVICES        | 11,705,594         | 8,523,522          | 13,788,890               | 14,046,476            | 14,046,476                   | 257,586           |
| 10 BOE DEBT SERVICE         | 15,664,675         | 14,777,193         | 14,777,193               | 14,777,193            | 16,233,038                   | 1,455,845         |
| 11 BOE DEDICATED USE        | 0                  | 0                  | 900,000                  | 0                     | 0                            | -900,000          |
| <b>Grand Total</b>          | <b>497,630,329</b> | <b>347,148,692</b> | <b>508,256,333</b>       | <b>530,563,767</b>    | <b>519,941,205</b>           | <b>11,684,872</b> |

GENERAL FUND BUDGET

BY APPROPRIATION TYPE

| APPR TYPE                      | FY2012<br>ACTUAL   | FY2013<br>ACTUAL   | FY2013<br>CURRENT BUDGET | DEPARTMENT<br>REQUEST | FY 2014<br>MAYOR<br>PROPOSED | VARIANCE          |
|--------------------------------|--------------------|--------------------|--------------------------|-----------------------|------------------------------|-------------------|
| 1 PERSONAL SERVICES            | 76,435,123         | 50,982,702         | 81,238,201               | 83,527,223            | 82,052,865                   | 814,664           |
| 2 OTHER PERSONAL SERVICES      | 27,281,578         | 17,918,507         | 20,143,607               | 20,199,772            | 19,199,772                   | -943,835          |
| 3 FRINGE BENEFITS              | 67,178,869         | 60,439,727         | 68,907,196               | 73,198,185            | 72,601,533                   | 3,694,337         |
| 4 OPERATING EXPENSES           | 72,829,079         | 61,485,369         | 75,612,210               | 77,072,114            | 81,040,224                   | 5,428,015         |
| 5 FIN SOURCE RESERVE/CONTINGEN | 0                  | 0                  | 675,000                  | 1,500,000             | 1,500,000                    | 825,000           |
| 6 SPECIAL SERVICES             | 9,964,788          | 6,882,033          | 11,312,524               | 12,243,409            | 12,365,784                   | 1,053,260         |
| 7 SUPPORTIVE CONTRIBUTIONS     | 729,478            | 515,514            | 1,087,618                | 1,087,618             | 1,087,618                    | 0                 |
| 8 BOE                          | 215,841,144        | 125,624,125        | 219,813,895              | 232,911,776           | 219,813,895                  | 0                 |
| 9 BOE FOOD SERVICES            | 11,705,594         | 8,523,522          | 13,788,890               | 14,046,476            | 14,046,476                   | 257,586           |
| 10 BOE DEBT SERVICE            | 15,664,675         | 14,777,193         | 14,777,193               | 14,777,193            | 16,233,038                   | 1,455,845         |
| 11 DEDICATED USE-BOE           | 0                  | 0                  | 900,000                  | 0                     | 0                            | -900,000          |
| <b>Grand Total</b>             | <b>497,630,329</b> | <b>347,148,692</b> | <b>508,256,333</b>       | <b>530,563,767</b>    | <b>519,941,205</b>           | <b>11,684,872</b> |

These account levels represent line item funding for all departmental budgets. See the Appropriation Category Section of this document for descriptions of major appropriation titles for each group type.

GENERAL FUND BUDGET

BUDGET SUMMARY

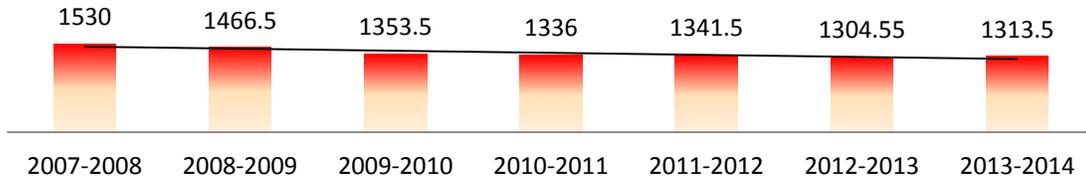
PERSONNEL SUMMARY

PERSONNEL SUMMARY

PERSONNEL TRENDS

|                          | 2007-2008   | 2008-2009     | 2009-2010     | 2010-2011   | 2011-2012     | 2012-2013     | 2013-2014     |
|--------------------------|-------------|---------------|---------------|-------------|---------------|---------------|---------------|
| GENERAL GOVERNMENT       | 185         | 179.5         | 173           | 176         | 177           | 168           | 172           |
| PUBLIC SAFETY            | 912         | 911           | 858           | 834         | 835           | 812           | 811           |
| PUBLIC FACILITIES        | 139         | 144           | 136.5         | 136.5       | 136.5         | 131           | 132           |
| PARKS, RECREATION, AGING | 54          | 47            | 46            | 46          | 45            | 43            | 43            |
| TRANSPORTATION           | 22          | 21            | 21            | 21          | 21            | 19            | 20            |
| PLANNING & DEVELOPMENT   | 40          | 44            | 38            | 37.5        | 39.5          | 38.5          | 39.5          |
| HEALTH & SOCIAL SERVICES | 100         | 51            | 22            | 25          | 26            | 30            | 31            |
| HUMAN SERVICES           | 9           | 9             | 7             | 8           | 8.5           | 10            | 11            |
| LIBRARIES                | 69          | 60            | 52            | 52          | 53            | 53            | 54            |
| <b>TOTAL</b>             | <b>1530</b> | <b>1466.5</b> | <b>1353.5</b> | <b>1336</b> | <b>1341.5</b> | <b>1304.5</b> | <b>1313.5</b> |

**TOTAL EMPLOYEES**



The proposed budget provides for level staffing as stated in the Mayor’s transmittal letter with the inclusion of two new funded positions. Through the Finch administration, there has been a reduction of over 216 direct service positions in keeping with its mission of providing CORE services to the public, first and foremost. Additionally, this budget once again includes in every department TOTAL personnel costs such as medicare, social security, pension and health care. Although health care is determined on a COBRA basis and not true cost, as the City is on claim payout, it is a fair representation of how and where the total value is paid. This is another milestone in the Finch’s Administration philosophy regarding fiscal integrity and more transparent governance. This budget continues to direct the City’s labor force to the delivery of Core and Core-supportive services. City Charter mandates: Administering and affecting governance; educating; protection of persons and property; promotion of sanitation, recycling, and blight removal; maintenance of the City’s physical assets including buildings, roads, parks and fleet; promotion of housing and economic development; and regulatory oversight of environmental, building, code and zoning compliance.

GENERAL FUND BUDGET

BUDGET SUMMARY

APPROPRIATION CATEGORY

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**PERSONNEL SERVICES**

Full Time Earned Salaries  
Part Time Earned Salaries  
Temporary/Seasonal Earned Pay  
Distributed Pay by Attendance /  
Absences

**OTHER PERSONNEL SERVICES**

Overtime Pay  
Outside Overtime Pay  
Long Term Acting Pay  
Temporary Acting Pay  
Shift Differential Pay  
Permanent Shift Pay  
Holiday Pay  
Longevity Pay  
Compensatory Pay

**FRINGE BENEFITS**

Employee Allowance  
Uniform  
Laundry  
Moving Expense Reimbursement  
City-owned Vehicle Benefit  
Health Related Employee Benefits  
Health  
Vision  
Dental  
Life insurance  
Workers' Compensation  
Unemployment Compensation  
Health Benefits Buyout  
Retiree Benefits  
Fringe Benefits and Pensions  
Employee Assistance Program

**OPERATIONAL EXPENSES**

(MAJOR CATEGORIES)

Office Supplies  
Medical Supplies  
Automotive Services and Supplies  
Utilities  
Electricity  
Water  
Natural Gas  
Heating Oil  
Copy Equipment and Supplies  
Computer Equipment, Software and  
Supplies  
Advertising  
Subscriptions  
Building Maintenance  
Membership/Registrations  
Postage and Printing services  
Vehicle Maintenance

**SPECIAL SERVICES**

Legal Services  
Training Services  
Actuarial Services  
Computer Maintenance  
Auditing Services  
Office Equipment Maintenance  
Contract Services  
Legal / Property Claims  
Tuition Reimbursements

**OTHER FINANCING USES**

Debt Service  
Principal Payments  
Interest Payments  
Debt Service Refunding  
Sewer Bonds  
Pension Obligation Bonds  
Fire Equipment Notes Payable  
Attrition  
Contingencies  
Required Reserves  
Supportive Contributions

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## BRIDGEPORT AT A GLANCE

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### *FORM OF GOVERNMENT*

Bridgeport is governed by its City Charter which was adopted by the state legislature in 1907 and revised in 1912 and 1992. The city operates under a Mayor-City Council form of government. The Mayor serves a four-year term. The Mayor sets policy, makes nominations and appointments to boards and commissions, and presides at City Council meetings. In addition, the Mayor acts as official City representative and liaison with various governmental and private agencies and oversees the financial aspects of the City government. Mayoral authority comes from the City of Bridgeport's charter, Municipal Code, and the State of Connecticut General Statutes.

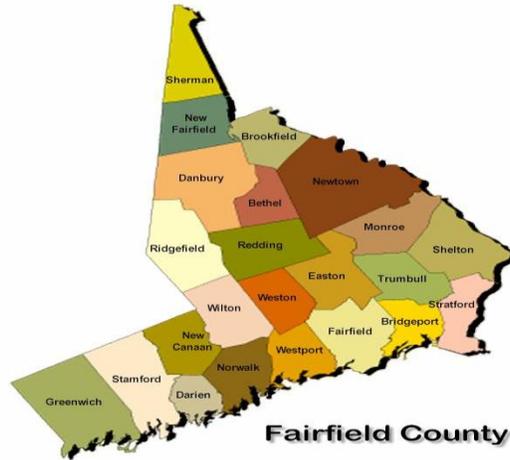
The City Council consists of 20 members elected to two-year terms. Each of the ten council districts is represented by two council members. The City Council holds regular meetings twice per month. Major responsibilities of the City Council include enacting ordinances necessary to govern the City and adopting the budget. Together the Mayor and the City Council oversee the five line divisions: City Clerk, Water Pollution Control Authority, Libraries, Department of Education, and the Registrar of Voters.

The Chief Administrative Officer (CAO), a mayoral appointee, is responsible for coordinating the management and implementation of operational policies and practices for the Mayor. The CAO is the liaison between the Mayor and the head administrators of the City's departments which include: The Office of Policy & Management, Civil Service, the Fire Department, the Police Department, Planning & Economic Development, Finance, Public Facilities, Health & Social Services, Labor Relations, the City Attorney, Weights & Measures, and Information Technology.

The only elected board in the City, aside from the City Council, is the Board of Education. This board consists of nine members elected to staggered four-year terms, and meets once a month. In addition, there are 18 appointed boards and commissions whose members are volunteers who have been appointed by the Mayor. These consist of the following: Board of Assessment Appeals, Board of Public Purchases, Bridgeport Redevelopment Agency, Cable Advisory Board, Civil Service Commission, Commission on Aging, Ethics Commission, Fair Housing Commission, Fair Rent Commission, Fire Commission, Harbor Management Commission, Historic Commission No. 1, Housing Authority, Housing Site Development Agency, Parks Commission, Planning & Zoning Commission, Police Commission, Port Authority Commission, Stratfield Historic District Commission, Water Pollution Control Authority Commission and the Zoning Board of Appeals. Additionally, the City appoints members to serve on the boards of regional planning agencies including the Greater Bridgeport Regional Planning Agency and the Greater Bridgeport Transit Authority.

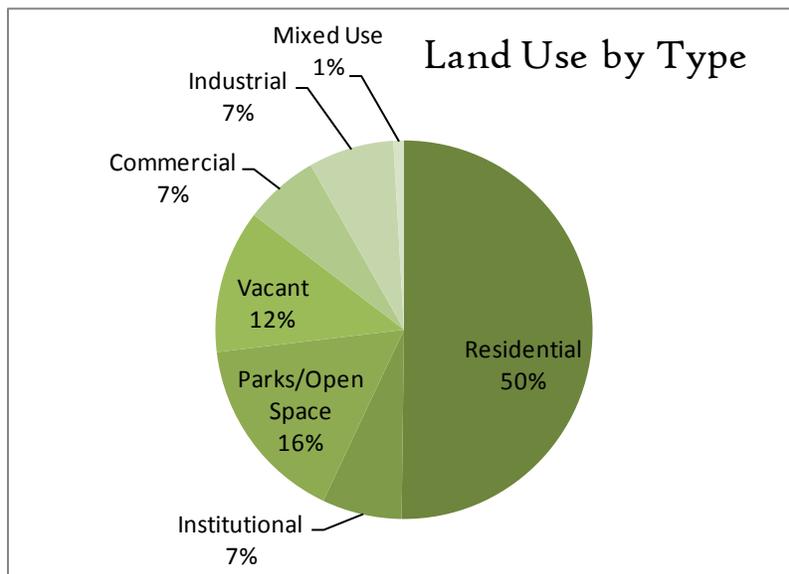
### *GEOGRAPHY*

Bridgeport is Connecticut's largest city with a population estimated at 144,229 residents. Located along Long Island Sound at the mouth of the Pequonnock River, the city has an area of 19.4 square miles. Bridgeport experiences warm to hot and humid summers and cold, snowy winters. These seasonal extremes are somewhat moderated by Long Island Sound. This results in a lower average temperature in summer and moderate snowfall, as compared to our neighbors inland. The city receives 41.7 inches of precipitation and around 25.6 inches of snowfall in an average year. The snowiest winter on record occurred in 1996 when Bridgeport received 76.8 inches in total accumulation. Bridgeport is located on Long Island Sound and is bordered by Fairfield, Connecticut to the West, Stratford, Connecticut to the East, and Trumbull, Connecticut to the North.



*PHYSICAL DESCRIPTION*

Land Area: 19.4 square miles.



*COMMUNITY PROFILE*

Bridgeport was originally a part of the township of Stratford. The first recorded settlement here was made in 1659. It was called Pequonnock until 1695, when its name was changed to Stratfield, due to its location between the already existing towns of Stratford and Fairfield. In 1800 the borough of Bridgeport was chartered and in 1821 the township was incorporated. The city was not chartered until 1836. The city's location on the deep Newfield Harbor supported shipbuilding and whaling endeavors in the mid 19<sup>th</sup> century. Later, rapid industrialization and the presence of the railroad made Bridgeport an ideal manufacturing center producing Bridgeport milling machines, saddles, corsets, carriages, brass fittings, sewing machines and ammunition. By 1930, Bridgeport was an industrial center with more than 500 factories and a thriving immigrant population.

In the early 21st century, Bridgeport is rebounding from a loss of jobs and population, and is transitioning into a role as both a bedroom community for New York City, and as oasis of relatively low-cost housing in the otherwise prohibitively expensive Fairfield County. Located just 60 miles from New York City and 60 miles from Hartford, CT, Bridgeport is accessible via a

variety of transportation modes, it is ideally suited to families seeking a refuge from the high cost of living in lower Fairfield county.

Bridgeport supports two large hospitals—St. Vincent's and Bridgeport Hospital. It is located on the Metro-North commuter line, which offers daily service to New York City, and regional service to the shoreline of Connecticut and to the Waterbury area. Bridgeport is also a stop on Amtrak's train lines, including the high-speed Acela service. Ferry service to Port Jefferson, Long Island is offered from Bridgeport's harbor, and local and interstate bus service is also available. The port of Bridgeport is one of three deep-water ports in the state. Bridgeport owns Stratford's Sikorsky Memorial Airport. Bridgeport's location in the middle of a confluence of highways—among them Interstate 95, the Merritt Parkway, Route 8 & Route 25, and Route 1 connect the City to many other regions. Institutions of higher learning housed in the City include The University of Bridgeport, Housatonic Community College, St. Vincent's College, and Bridgeport Hospital School of Nursing. The Bridgeport School system educates approximately 22,000 children, making it the second largest school system in the state.

The Arena at Harbor Yard and the Klein Memorial Auditorium host regional and national performances of musical acts and sporting events. Regional theater is in evidence at the Downtown Cabaret Theatre and the Bridgeport Theatre Company. Additionally, the City of Bridgeport is home to 45 parks which encompass 1,330 acres of open space.

#### *DEMOGRAPHICS AND ECONOMICS*

Bridgeport is Connecticut's largest city with a population estimated at 144,229 residents. These residents account for 16 percent of the residents in the Bridgeport-Stamford-Norwalk metropolitan area.

The Bridgeport economy, like the State economy, continues to be impacted by the effects of the national, regional, and statewide recession that started in 2003. The City's annual average unemployment rate is 13.8%,

The City's taxable base continues to show growth; the net taxable Grand List is \$7 billion. October 1, 2009 Grand List of \$87.5 million, increased approximately 1.24% from the 2008 Net Grand List. By category, the increases are as follows: \$33.7 million in net taxable real property; \$49.9 million in net personal property; and \$3.8 million in motor vehicles. The overall Gross Grand List (prior to deductions of all Exemptions and Exempt Property) grew by nearly \$247 million, from \$9.87 billion for 2008 to \$10.12 billion in 2009. Exempt real estate now composes \$2.9 Billion in assessed value, or approximately 33.15% of the Total Real Property component of \$8.95 Billion. Over all more than a one-percent increase in the Grand List during a non-revaluation year shows a positive sign for Bridgeport's real estate economy.

GENERAL FUND BUDGET  
BUDGET SUMMARY

BRIDGEPORT IN CONTEXT

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS 2002-2011

| Fiscal Year             | Real Estate    | Personal Property | Motor Vehicle  | Total          |
|-------------------------|----------------|-------------------|----------------|----------------|
| 2002                    | \$ 126,088,859 | \$ 26,969,960     | \$ 18,724,367  | \$ 171,783,186 |
| 2003                    | \$ 137,294,734 | \$ 25,856,568     | \$ 18,937,205  | \$ 182,088,507 |
| 2004                    | \$ 132,425,203 | \$ 24,949,676     | \$ 17,098,379  | \$ 174,473,258 |
| 2005                    | \$ 164,534,675 | \$ 18,108,550     | \$ 12,072,367  | \$ 194,715,592 |
| 2006                    | \$ 174,424,859 | \$ 20,446,933     | \$ 13,770,384  | \$ 208,642,176 |
| 2007                    | \$ 183,690,496 | \$ 22,352,699     | \$ 15,270,656  | \$ 221,313,851 |
| 2008                    | \$ 183,892,848 | \$ 27,243,385     | \$ 15,891,974  | \$ 227,028,207 |
| 2009                    | \$ 230,926,963 | \$ 24,496,725     | \$ 14,343,553  | \$ 269,767,241 |
| 2010                    | \$ 224,429,907 | \$ 31,097,659     | \$ 15,181,089  | \$ 270,708,655 |
| 2011                    | \$ 235,380,246 | \$ 31,814,553     | \$ 14,853,112  | \$ 282,047,911 |
| <b>Change 2002-2001</b> | <b>98.70%</b>  | <b>18.55%</b>     | <b>-23.12%</b> | <b>71.79%</b>  |

PRINCIPAL PROPERTY TAXPAYERS IN BRIDGEPORT 2011 vs 2001

| Taxpayer                       | 2011                   |      |   | 2001                   |      |   |
|--------------------------------|------------------------|------|---|------------------------|------|---|
|                                | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| WHEELABRATOR BPT LP            | \$ 320,948,352         | 1    | 3.16%   |                        |      |   |
| UNITED ILLUMINATING CO, INC    | \$ 211,997,036         | 2    | 2.09%   | \$ 41,485,892          | 4    | 1.10%   |
| PSEG POWER CONNECTICUT         | \$ 152,689,120         | 3    | 1.50%   |                        |      |   |
| PEOPLE'S UNITED BANK           | \$ 59,729,464          | 4    | 0.59%   | \$ 73,061,343          | 2    | 1.93%   |
| CONNECTICUT LIGHT & POWER      | \$ 55,423,829          | 5    | 0.55%   |                        |      |   |
| BRIDGEPORT ENERGY LLC          | \$ 36,166,277          | 6    | 0.36%   | \$ 88,561,694          | 1    | 2.35%   |
| SOUTHERN CT GAS CO- ENERGY EA  | \$ 34,364,683          | 7    | 0.34%   | \$ 18,706,196          | 7    | 0.50%   |
| WATERMARK 3030 PARK LLC        | \$ 30,809,473          | 8    | 0.30%   |                        |      |   |
| AT & T MOBILITY LLC            | \$ 29,750,520          | 9    | 0.29%   |                        |      |   |
| SUCCESS VILLAGE APTS INC       | \$ 24,276,970          | 10   | 0.24%   |                        |      |   |
| AQUARION WATER CO OF CT        |                        |      |   | \$ 25,627,761          | 6    | 0.68%   |
| BRIDGEPORT JAI ALAI            |                        |      |   | \$ 56,589,781          | 3    | 1.50%   |
| UNITED TECHNOLOGIES (SIKORSKY) |                        |      |   | \$ 16,974,429          | 8    | 0.45%   |
| EMSON RESEARCH, INC            |                        |      |   | \$ 16,019,885          | 9    | 0.42%   |
| AMERICAN TELEPHONE & TELEGRAPH |                        |      |   | \$ 31,637,973          | 5    | 0.84%   |
| GENERAL ELECTRIC CO.           |                        |      |   | \$ 14,956,858          | 10   | 0.40%   |
| <b>TOTAL</b>                   | <b>956,155,724</b>     |      | <b>9.42%</b>                                    | <b>383,621,812</b>     |      | <b>10.17%</b>                                   |

GENERAL FUND BUDGET

BUDGET SUMMARY

BRIDGEPORT IN CONTEXT

PRINCIPAL EMPLOYERS IN BRIDGEPORT: 2011 vs 1999

| PRINCIPAL EMPLOYERS                     | 2011             |              | 1999         |      |
|---|------------------|--------------|--------------|------|
|   | Employees        | Rank         | Employees    | Rank |
| St. Vincent's Medical Center            | 3,130            | 1            | 1,875        | 2    |
| Bridgeport Hospital                     | 2,567            | 2            | 2,029        | 1    |
| People's United Bank                    | 1,116            | 3            | 1400         | 3    |
| Sikorsky Aircraft (United Technologies) | 550              | 4            | 500          | 4    |
| Bridgeport Health Care Center           | 500              | 5            | 375          | 7    |
| University of Bridgeport                | 367 FT/543 PT    | 6            |              |      |
| Prime Line Resources                    | 310              | 7            |              |      |
| Housatonic Community College            | 287FT/317 PT     | 8            |              |      |
| Lacey Manufacturing Company             | 258 FT/46 PT     | 9            | 360          | 9    |
| Watermark                               | 86 FT/213 PT     | 10           |              |      |
| Derecktor Shipyards                     | relocated        |              |              |      |
| Bridgeport Machines, Inc.               | relocated        |              | 425          | 5    |
| Casco Products                          | relocated        |              | 420          | 6    |
| Southern New England Telephone          | relocated        |              | 375          | 7    |
| Remington Products Inc.                 | relocated        |              | 275          | 10   |
|   | <b>Full time</b> | <b>9,171</b> | <b>8,034</b> |      |
|   | <b>Part time</b> | <b>1,119</b> |              |      |

POPULATION IN BRIDGEPORT/SURROUNDING AREA 1990-2010

|                      | 1990    | 2000    | 2010    | change | % growth |
|----------------------|---------|---------|---------|--------|----------|
| Bridgeport, CT       | 141,686 | 139,529 | 144,229 | 2,543  | 2%       |
| Fairfield County, CT | 827,645 | 882,567 | 916,829 | 89,184 | 10%      |

In terms of demographics, the population of Bridgeport is on the whole less affluent and more diverse than the rest of Fairfield County. Median household income is lower than our Fairfield County neighbors, and our population on the whole is younger, has completed less education, and has a higher likelihood of speaking a language other than English at home. Our unemployment rates are higher, and poverty impacts the lives of our residents in greater numbers than in the rest of Fairfield County.

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POPULATION CHARACTERISTICS

| <b>Population</b>   | <b>Bridgeport</b> | <b>Fairfield County</b> | <b>Connecticut</b> |
|---|-------------------|-------------------------|--------------------|
| Population, 2011 estimate   | N/A               | N/A                     | 3,580,709          |
| Population, 2010  | 144,229           | 916,829                 | 3,574,097          |
| Population, percent change, 2000 to 2010                              | 3.4%              | 3.9%                    | 4.9%               |
| Population, 2000  | 139,529           | 882,567                 | 3,405,565          |
| Persons under 5 years, percent, 2010                                  | 7.4%              | 6.2%                    | 5.7%               |
| Persons under 18 years, percent, 2010                                 | 25.0%             | 24.8%                   | 22.9%              |
| Persons 65 years and over, percent, 2010                              | 10.0%             | 13.5%                   | 14.2%              |
| Female persons, percent, 2010   | 51.5%             | 51.4%                   | 51.3%              |
| <b>Population Characteristics</b>                                     |                   |                         |                    |
| White persons, percent, 2010 (a)                                      | 39.6%             | 74.8%                   | 77.6%              |
| Black persons, percent, 2010 (a)                                      | 34.6%             | 10.8%                   | 10.1%              |
| American Indian and Alaska Native persons, percent, 2010 (a)          | 0.5%              | 0.3%                    | 0.3%               |
| Asian persons, percent, 2010 (a)                                      | 3.4%              | 4.6%                    | 3.8%               |
| Native Hawaiian and Other Pacific Islander, percent, 2010 (a)         | 0.1%              | 0.0%                    | 0.0%               |
| Persons reporting two or more races, percent, 2010                    | 4.3%              | 2.6%                    | 2.6%               |
| Persons of Hispanic or Latino origin, percent, 2010 (b)               | 38.2%             | 16.9%                   | 13.4%              |
| White persons not Hispanic, percent, 2010                             | 22.7%             | 66.2%                   | 71.2%              |
| <b>Households</b>   |                   |                         |                    |
| Living in same house 1 year & over, 2006-2010                         | 85.0%             | 88.8%                   | 87.4%              |
| Foreign born persons, percent, 2006-2010                              | 26.6%             | 20.1%                   | 13.2%              |
| Language other than English spoken at home, pct age 5+, 2006-2010     | 45.6%             | 27.4%                   | 20.6%              |
| High school graduates, percent of persons age 25+, 2006-2010          | 73.5%             | 88.3%                   | 88.4%              |
| Bachelor's degree or higher, pct of persons age 25+, 2006-2010        | 15.8%             | 43.6%                   | 35.2%              |
| Mean travel time to work (minutes), workers age 16+, 2006-2010        | 26.4              | 28                      | 24.6               |
| Housing units, 2010   | 57,012            | 361,221                 | 1,487,891          |
| Homeownership rate, 2006-2010   | 45.2%             | 70.7%                   | 69.2%              |
| Housing units in multi-unit structures, percent, 2006-2010            | 68.4%             | 35.5%                   | 34.6%              |
| Median value of owner-occupied housing units, 2006-2010               | \$236,000         | \$477,700               | \$296,500          |
| Households, 2006-2010   | 52,281            | 331,782                 | 1,359,218          |
| Persons per household, 2006-2010                                      | 2.66              | 2.66                    | 2.52               |
| Per capita money income in past 12 months (2010 dollars) 2006-2010    | \$19,854          | \$48,295                | \$36,775           |
| Median household income 2006-2010                                     | \$41,047          | \$81,268                | \$67,740           |
| Persons below poverty level, percent, 2006-2010                       | 20.8%             | 8.0%                    | 9.2%               |
| <b>Businesses</b>   |                   |                         |                    |
| Total number of firms, 2007   | 8,695             | 108,910                 | 332,150            |
| Black-owned firms, percent, 2007                                      | 23.7%             | 4.7%                    | 4.4%               |
| American Indian- and Alaska Native-owned firms, percent, 2007         | S                 | 0.4%                    | 0.5%               |
| Asian-owned firms, percent, 2007                                      | 4.4%              | 3.3%                    | 3.3%               |
| Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007 | F                 | F                       | 0.0%               |
| Hispanic-owned firms, percent, 2007                                   | 14.3%             | 5.9%                    | 4.2%               |
| Women-owned firms, percent, 2007                                      | 30.8%             | 28.6%                   | 28.1%              |
| <b>Sales/Manufacturing</b>  |                   |                         |                    |
| Manufacturers shipments, 2007 (\$1000)                                | 946,810           | 20,028,377              | 58,404,898         |
| Merchant wholesaler sales, 2007 (\$1000)                              | 794,333           | 78,881,637              | 107,917,037        |
| Retail sales, 2007 (\$1000)   | 1,122,181         | 15,702,222              | 52,165,480         |
| Retail sales per capita, 2007   | \$8,250           | \$17,661                | \$14,953           |
| Accommodation and food services sales, 2007 (\$1000)                  | D                 | 1,861,946               | 9,138,437          |
| <b>Geography</b>  |                   |                         |                    |
| Land area in square miles, 2010                                       | 15.97             | 624.89                  | 4,842.36           |
| Persons per square mile, 2010   | 9,029.0           | 1,467.2                 | 738.1              |

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While Bridgeport is not the only city in Connecticut faced with the fallout from the housing crisis, it is evident that urban homeowners and minorities were particularly vulnerable to predatory lending practices. Defaults are three times more likely to happen in minority-concentrated areas compared with white ones. Even when blacks earn as much as whites, they're still more likely to be victimized by predatory lenders. For example, a black household making \$68,000 a year is five times as likely as a white household making the same amount of money – or less – to hold high-interest subprime mortgages, according to the *New York Times*. That makes it five times as hard to hold onto their homes. Eighty-five percent of the neighborhoods worst-hit by the crisis — where the default rate is at least double the regional average — have a majority of black and Latino homeowners.

|                           | FEBRUARY | MARCH | APRIL | MAY | JUNE | TOTALS |
|---------------------------|----------|-------|-------|-----|------|--------|
| <b>ZIP 06602</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 16       | 25    | 41    | 23  | 11   | 116    |
| Public Auction            | 0        | 0     | 0     | 0   | 0    | 0      |
| <b>ZIP 06604</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 20       | 25    | 49    | 38  | 24   | 156    |
| Public Auction            | 5        | 4     | 9     | 15  | 7    | 40     |
| <b>ZIP 06605</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 16       | 14    | 30    | 26  | 10   | 96     |
| Public Auction            | 3        | 0     | 0     | 0   | 1    | 4      |
| <b>ZIP 06606</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 52       | 73    | 67    | 83  | 46   | 321    |
| Public Auction            | 4        | 11    | 7     | 14  | 9    | 45     |
| <b>ZIP 06607</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 10       | 21    | 14    | 22  | 25   | 92     |
| Public Auction            | 0        | 6     | 3     | 2   | 3    | 14     |
| <b>ZIP 06608</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 11       | 16    | 13    | 29  | 14   | 83     |
| Public Auction            | 0        | 2     | 1     | 0   | 2    | 5      |
| <b>ZIP 06610</b>          |          |       |       |     |      |        |
| Lis Pends/<br>Foreclosure | 20       | 43    | 36    | 43  | 21   | 163    |
| Public Auction            | 2        | 6     | 8     | 4   | 5    |        |

Source: Warren Group Foreclosure Data Reporting Service

**FEDERAL FUNDING FOR NEIGHBORHOOD STABILIZATION**

Bridgeport's housing crisis is the worst in the state of Connecticut. At the core of the housing crisis in Bridgeport are four underlying issues:

- 1) Bridgeport has a disproportionate share of poor households, both in our region and Fairfield County, and within the state.
- 2) Some neighborhoods in Bridgeport have a disproportionate share of poor households. The concentration of poverty on a neighborhood level made residents in these neighborhoods more vulnerable to predatory lending practices in these neighborhoods.
- 3) Housing stocks in Bridgeport are older, smaller, and more costly to maintain than other regions in the state and in the country. 31% of the housing stock in Bridgeport was constructed before 1939. An additional 34.9% of housing stock was constructed between 1940-1959. In addition, 7.5% of properties in Bridgeport are vacant, and according to the 2000 Census, 2.4% of local housing stock was likely abandoned—3 times the national average.
- 4) Finally, Bridgeport is housing more poor people than any other city in Connecticut.

Bridgeport has developed a strategy to tackle the problem which involves a two-pronged approach:

- Stabilizing neighborhoods by providing the mechanism for property purchase and financing that can spur sustainable home ownership.
- Rehabilitating, redeveloping or demolishing severely dilapidated properties.

In December of 2008, HUD (Housing & Urban Development) approved \$25 million in funding for Connecticut for the federal Neighborhood Stabilization Program (NSP). Bridgeport was successful in lobbying for the greatest share of the \$25 million, and will received \$5,865,300 to aid struggling subprime borrowers.

Additionally, over the past year, the City of Bridgeport has seen an increase in the number of residents facing foreclosure. Bridgeport has increasingly recognized the harm done to homeowners (both families who refinance their homes and new buyers) and neighborhoods through the sharp increase of the issuance of subprime loans. Perhaps most damaging among subprime loan products are Adjustable Rate Mortgages (ARMs), exploding ARMs, no document loans and other products that do not require lenders to take into account the loan's long-term affordability for the borrower. The magnitude of the City's housing crisis has no parallel in Connecticut, which is why the City received the highest allocation of Neighborhood Stabilization funds.

Making use of its initial \$5,865,300 in federal Neighborhood Stabilization Program- I (NSP-1) funding, the City has responded to the foreclosure challenge and the mortgage financing challenge by working with private and non-profit developers to rehabilitate and redevelop close to 40 foreclosed properties over the past two years. The City has targeted its NSP-1 investments to two specific efforts: one designed to provide affordable single family homeownership near the major employment center at St. Vincent's Hospital, the other designed to support historic preservation work on multi-family housing (ownership combined with rental) in the City's East Side, with those efforts being bolstered by significant public investment in the clearance of blight and the creation of waterfront public parks to enhance neighborhood quality of life. To implement NSP-1, the City has partnered with six different developers: The Housing Development Fund, Habitat for Humanity, Supportive Housing Works, United Cerebral Palsy, Bridgeport Neighborhood Trust, and Camelot Development. The program has leveraged close to \$1 million in private investment thus far and has generated program income of an additional \$1 million. The program is nearing completion.

The City is currently implementing its \$1.8mm allocation of NSP-3 funding. This effort, which per federal requirements, must be micro-targeted to very small geographies, will focus on two neighborhoods in the City – the Hollow and the East End. In both areas, the City will focus its micro-targeting on highly visible, high-impact new construction sites so as to use our investments to create anchor developments upon which to build. The City has just issued a request for proposals to the development community. We expect to leverage at least another \$1mm in private investment immediately from the program, with more to follow in the form of subsequent

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development. We also expect to generate program income of \$500,000 or more as we seek to develop and sell affordable housing units paired with rental units. The program is underway now and will be making investment decisions in support of specific developments in the balance of 2012 and in the full year of 2013.

As a result of the foreclosure crisis and need for affordable rental housing, the City believes that this is critical issue that continues to impact Bridgeport residents and should be viewed as a new fair housing impediment that needs to be addressed through additional outreach, advocacy and development efforts. The HOME Program allocation as well as prospective development projects will focus on rental housing development.

Over the next year, the City will continue to ensure fair housing choice and take actions to address these impediments within the limits of available resources. The City through the Community Development Block Grant Program will continue to work with the City's Health Department Emergency Relocation Program as well as provide funding to Mission of Peace to support foreclosure prevention, Family Services Woodfield to provide work skills training, and Career Resources program. Additionally, the City general fund will support the activities of the Health Department's Social Services Emergency Code Relocation program, Office of Persons with Disabilities and Housing Code to ensure that fair housing needs are met.

| <b>2012<br/>MONTH</b> | <b>LIS PENDENS/<br/>FORECLOSURES</b> | <b>PUBLIC<br/>AUCTION</b> |
|-----------------------|--------------------------------------|---------------------------|
| February              | 145                                  | 14                        |
| March                 | 217                                  | 29                        |
| April                 | 250                                  | 28                        |
| May                   | 264                                  | 35                        |
| June                  | 151                                  | 27                        |
| <b>TOTAL</b>          | <b>1,027</b>                         | <b>133</b>                |

