

FITCH RATINGS REAFFIRMS TRUMBULL'S HIGH CREDIT RATING OF AA+

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August 16, 2016 - - First Selectman Timothy M. Herbst and Finance Director Maria T. Pires on Tuesday announced that Fitch Financial Ratings has reaffirmed Trumbull's already high credit rating of a AA+ - - one step away from the coveted AAA credit rating. In assessing Trumbull's fiscal health, the rating agency lauded Trumbull's efforts in growing its economy, pursuing pension and benefit reform, keeping the tax rate stable and producing budget surpluses. "Generally conservative budgeting and steady, moderate tax rate increases have allowed revenues to keep pace with spending growth," stated Fitch in an August 10, 2016 press release. "Reserves have been steadily maintained at or near the town's formal fund balance policy at 10% of spending. The town has made important pension progress by budgeting for full actuarially-calculated contributions and implementing benefit structure changes to curtail the growth of this liability." The financial rating agency also noted Trumbull's efforts to aggressively curtail the Town's unfunded pension liability, something First Selectman Herbst made a top priority when taking office in 2009.

The financial rating agency took note of two recent ordinances approved by the Town Council. One ordinance requires Trumbull to maintain a fund balance of 10% of the total operating budget and the second ordinance requires the town to fully fund the annual required contribution (ARC) for its pensions each year. The only way to override these legislative provisions is with a 2/3 vote of the entire Town Council. "Important progress has been made [since 2009] with fiscal year 2016 being the first time the town funded 100% of the ARC. This is the legal requirement going forward under the new town ordinance," noted Fitch.

The financial rating agency also noted that Trumbull was able to realize consistent budget surpluses in five out of the last six budgets while at the same time being able to reduce the tax rate. "The town is projecting a \$1.8 million general fund operating surplus (about 1% of spending) for fiscal year 2016 that exceeds the original budget surplus. The town adopted a \$163 million budget for fiscal year 2017 that does not appropriate any portion of the existing fund balance and decreases the tax rate."

"Trumbull is receiving a lot of good news lately and this latest news from the financial rating agencies further proves that Trumbull is moving in the right direction. If we continue to stay the course, I have every confidence that Trumbull will soon reach a AAA credit rating," stated First Selectman Herbst. "Our strong financial position, improved pension performance, stable tax rate and growing economy makes Trumbull an oasis of opportunity here in Connecticut. Coupled with a quality of life that grows better each day and a school system that just this week earned national recognition, I can say without hesitation that I am honored and humbled to lead the best Town in America."

"We are very proud and excited that the rating agencies continue to reaffirm our strong credit rating and all that we have accomplished to fix our pension fund, grow our Grand List and maintain a healthy rainy day fund," stated Finance Director Maria T. Pires. "This good news confirms that we need to keep doing what we are doing to achieve a AAA credit rating."

Finance Director Maria T. Pires and the Trumbull Finance Department were recently recognized by the Government Finance Officers Association for Excellence in Financial Reporting.