

Timothy M. Herbst
First Selectman



Office of the First Selectman
Town Hall
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TOWN OF TRUMBULL CONNECTICUT

FIRST SELECTMAN'S BUDGET MESSAGE

February 10, 2011

TO CHAIRPERSON AND MEMBERS OF THE TRUMBULL BOARD OF FINANCE:

In accordance with Chapter IV, Section 1 of the Trumbull Town Charter, I present my second budget for the fiscal year, 2011-2012. As the Town of Trumbull continues to operate under the constraints of a severe national economic recession, I believe this Town budget maintains vital services, makes necessary investments in our infrastructure, while stabilizing the tax rate at levels that our residents can afford. I wish that this budget could have been presented to you under better circumstances. Words cannot describe the sorrow that many of us feel in losing our friend and colleague, William Crooks. Bill's institutional knowledge, intellect and counsel will be sorely missed by all of us. However, if Bill were still with us, he would urge us to move forward with this budget process like professionals. Irrespective of our personal beliefs as to what is an appropriate budget for the Town, Bill would be encouraging each of us to approach this process in a thoughtful and deliberate manner, placing the well-being of the Town above personal or partisan considerations.

In preparing the 2011-2012 Town budget for your consideration, several challenges were presented that were particularly unique to this year. First, a funding cliff accounting for more than 1% of the Board of Education's requested increase was a factor that needed to be addressed. Second, the Town pension fund required increased levels of contribution to help address the Town's current unfunded liability of \$40 million dollars. Property revaluation must proceed and basic Town services need to be preserved, and in some instances, enhanced. Also, a reorganization plan needed to be implemented in the Department of Public Works to improve efficiency with the goal of reducing operational costs long term, especially in the areas of building maintenance and recycling. All of these necessary priorities come with a cost to the taxpayer. My duty as First Selectman is to address all of these priorities in a manner that I believe our residents can afford during these difficult economic times.

Addressing these priorities was made possible through positive growth in our Grand List. This year's Grand List is proof positive that the Town's aggressive economic development strategy is working. The Town is growing our commercial tax base, which in turn will ease the burden to our residential taxpayers. The Town's Grand List has grown by \$93,060,149 from Grand List 2009 to 2010, corresponding in a 1.82% increase. As a result of this Grand List growth, the

Town will realize an additional \$2,283,696 in tax revenue. This Grand List growth allowed the Town to address all of the priorities articulated above without placing this burden exclusively on residential property taxpayers.

This year, I am proposing an overall budget of \$140,295,148. The overall increase in the Town's tax rate will be 1.92%. I have reduced departmental requests by \$5,083,245. On the education side of the budget, I am recommending an increase of 2.375% to the Board of Education budget.

The reduction of the requested increase in the 2011-2012 budget proposed by the Board of Education was determined after careful deliberation and analysis of current operations, new labor contracts beginning at the start of fiscal year 2011-2012, as well as cessation of American Recovery and Reinvestment Act (ARRA) and other supplementary funds from fiscal year 2010-2011. The greatest challenge to this year's education budget was mitigating the funding cliff referenced by the Board of Education in their transmittal letter. The Board of Education asserts that the funding cliff compromises 1.96% of their requested 5.38% increase. My administration does not agree with this figure. We believe the actual funding cliff is 1.44%. This figure was calculated based on the premise that the Board of Education utilized \$825,223 of its surplus last year pre-buying several items. The use of taxpayer money, built into the mill rate for one year that is then carried over for an entirely different fiscal year, is not a sound accounting practice. This action taken by the Board of Education last year weighed into my decision-making as I prepared my proposed budget for fiscal year 2011-2012.

I should also reference the fact that Trumbull's teachers agreed to a zero percent increase in the first year of the contract, beginning July 1, 2011. The Trumbull Education Association is the largest collective bargaining unit within the Board of Education and compromises the largest portion of the education budget. Finally, I would like to publicly acknowledge that on repeated occasions, this administration suggested proactive approaches that could achieve cost savings. I should emphasize that these proposals deal directly with savings in certain non-education related areas of the Board of Education budget. Specifically, over the course of the last 14 months, we have suggested:

1. Consolidation of facilities management between the Town and the Board of Education. This proposal would reduce duplication and cost, while improving efficiency;
2. Other school districts in Connecticut purchase and bid their health insurance collectively between Town and Board of Education employees. Pooling health care bidding and purchasing between Town employees and Board of Education employees could potentially realize significant savings for the Town, especially in light of the fact that the Board of Education is requesting additional money to deal with an 11% increase in their healthcare costs. This prospect should be examined by the Board of Education to determine if it would yield a better scenario;

3. Eighty-percent (80%) of the school districts in Connecticut belong to the Connecticut Consortium for Cooperative Purchasing. This consortium is sponsored by the Capitol Region Education Council (CREC). The consortium offers three cooperative purchasing programs throughout Connecticut, covering everything from basic supplies, technology, furniture, equipment and athletic surfaces. In point of fact, every school district that abuts the Town of Trumbull (Fairfield, Easton, Monroe, Shelton, Stratford and Bridgeport) participates in this consortium. The Trumbull Public Schools do not participate. (see attachments);
4. CREC and DBS Energy, Inc. are also according school districts with incentives to identify energy saving opportunities in school districts. Both Connecticut Light and Power and United Illuminating Company are promoting energy saving solutions. The projects are funded by Connecticut Energy Efficiency Fund grants. This allows participating school districts and municipalities to avoid up front investments and utilize energy savings to defer the financing costs for a period of time. (See attachment).

If the Board of Education is going to request an increase of 5.38% during these economic times, I believe they must pursue and exhaust all avenues of cost containment regarding operations before submitting their budget to my office and other legislative bodies of the Town. As referenced by the examples articulated above, I do not believe this standard has been met. I believe my recommended increase of 2.375% addresses the funding cliff while maintaining core programs. The efficiencies referenced above will mitigate reductions. I will continue to work with the Board of Education and offer additional suggestions on how savings and efficiencies can be obtained. I will also continue to advise the general public of the same.

For the year ending June 30, 2010, our auditors have advised us that the Town realized a surplus of \$1,592,000 for fiscal year 2009-2010. This surplus was the result of aggressive cost containment throughout the last fiscal year which resulted in significant savings. The Town's total general fund balance is \$14,673,000. The healthy growth in our fund balance allows the Town to utilize a small portion to balance our budget and not overtax our citizens. I have recommended the use of \$700,000 of fund to balance the budget. I should emphasize that there are enough one-time costs in this proposed budget, that the use of a small portion of fund balance is appropriate. This action will not create a funding cliff and will maintain a strong and healthy general fund balance.

Finally, there are two areas I would like to address that obviously have a profound impact on the budget; pension contribution and debt service. Last year, my administration conducted interviews with three different rating agencies concerning the Town's bond rating. Each rating agency referenced the Town's pension fund as an Achilles heel for the Town that would have to be addressed both long term and short term. Short term, this administration remains committed to increasing the annual contribution levels to the Town's pension fund. Last year, we proposed increasing the contribution by \$300,000 a year annually for Town employees and \$100,000

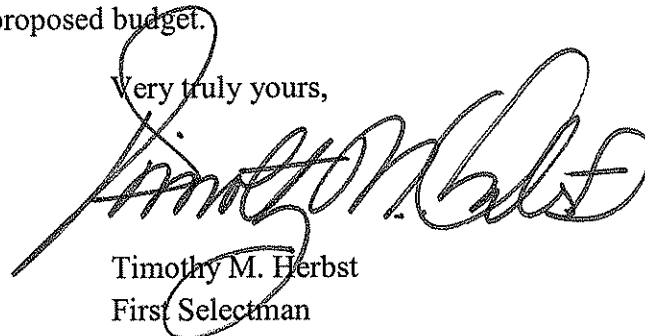
annually for Police. This year, we are proposing increasing the contribution by \$400,000 a year annually for Town employees and \$100,000 for Police. This will bring the proposed total line item for pension contributions in the 2011-2012 budget to \$4,175,000 for both the Town and the Police. This will have a significant impact on the Town's operating budget. However, if we fail to act now, we will pay dearly later when the fund runs out of money. Next month, during my State of the Town address, I will lay out a specific pension deficit mitigation plan that will require both short term and long term solutions.

Without using this transmittal letter as an opportunity to lay out the specifics of the plan, what I will tell you is that in addition to increased contribution, I have also chosen to limit the number of new non-union elected and appointed officials that can join the Town Pension plan, myself included. Full and part-time elected officials as well as appointed and civil service employees will no longer be eligible to join the Town Pension Plan. These employees will join a newly created Town Defined Contribution plan. These employees will have the ability to contribute up to 5% of their annual Town salary and receive a negotiated match from the Town. While the Town still faces a significant unfunded employee benefit liability, the Administration continues to take steps to mitigate the expanding pension liability by limiting the number of pension eligible employees and providing a legitimate substitute.

Relating to debt service, it is important to point out that we have kept the increase in the budget as low as possible because the Town should experience a larger increase next year. This will be caused by debt service obligations. \$18,920,000 of new debt will be incurred by the Town. The two largest drivers are the \$68 million in "like new" renovation of Trumbull High School and the Town's contribution toward the North Nichols sewer expansion project. Next year, the Town's debt service will increase by \$1,331,000. Adding this amount to the budget next year in debt service does not include contractual obligations, insurance costs or energy costs, all of which could contribute to an increase. All Town departments will have to be mindful of these debt service obligations when crafting their budgets over the next several years. I should note that these debt service obligations do not reflect the requirements of the 5 year capital plan.

As I indicated at the onset of this transmittal letter, collectively, our greatest challenge is providing a budget that maintains services, meets our financial obligations, while showing understanding for the taxpayers of Trumbull who are feeling the effects of a severe economic recession. This administration welcomes the opportunity to work with our Board of Finance and Town Council as you consider this proposed budget.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timothy M. Herbst", written over a large, stylized flourish that loops back under the signature.

Timothy M. Herbst
First Selectman

Norma Overhiser

From: Hart, Cara [chart@crec.org]
Sent: Monday, January 24, 2011 2:08 PM
To: First Selectman
Subject: RE: Cooperative Purchasing Savings for Municipalities
Attachments: cccp-member form 11-12.doc

Hi, Norma –

Unfortunately, they are one of the districts that are not a member. I've recently send a letter to all such districts, hoping to involve more.

The cost to participate in the CT Consortium is \$75 annually, which covers all of your district and BOE offices. Our paper prices have been particularly attractive - \$24.93 per carton.

The PEPPM and AEPA programs are open to anyone to use – no membership fee involved.

I've attached the membership form if you are interested. Please let me know if you have any other questions. Thank you.

Cara Hart
Coordinator of Business and Operations Services to Districts
Capitol Region Education Council (CREC)
111 Charter Oak Avenue, Hartford, CT 06106
Phone (860) 524-4021 Fax (860) 246-3304
E-mail chart@crec.org
Visit us at www.crec.org/coop

From: First Selectman [mailto:firstselectman@trumbull-ct.gov]
Sent: Monday, January 24, 2011 2:05 PM
To: Hart, Cara
Subject: RE: Cooperative Purchasing Savings for Municipalities

Cara:
First Selectman Tim Herbst has asked me to write back to you to find out if the Town of Trumbull is currently a member of your consortium?
Norma

From: Hart, Cara [mailto:chart@crec.org]
Sent: Thursday, January 20, 2011 1:08 PM
To: Hart, Cara
Subject: Cooperative Purchasing Savings for Municipalities

Good afternoon –

The Capitol Region Education Council (CREC) is a regional educational service center serving districts in the greater Hartford region and beyond. We offer three cooperative purchasing programs throughout Connecticut and New England. This initiative resulted in a significant savings during the 2009 – 2010 school year. These savings were a direct result of the relationships developed by CREC.

Your municipality could be saving money now through your Board of Education membership in our cooperative purchasing programs. **80% of the school districts in CT belong to the CT Consortium for Cooperative Purchasing, which means their town offices are members, too!**

I invite you to consider joining these school districts and countless non-profit organizations in CT currently benefiting from discounted, cooperatively bid contracts that are resulting in thousands of dollars of savings on everyday purchasing needs. Many of our vendors are serving the municipal marketplace already.

The three programs CREC offers can benefit your municipality by saving both money and staff time, as all the necessary bidding, vendor and pricing research and vetting has been completed.

- CT Consortium for Cooperative Purchasing – Competitively bid paper, office/classroom/art/health supplies, audio visual and office machines and service, assistive technology, AEDs, and HVAC filters and belts. With 80% of CT school districts participating, chances are you are already eligible to take advantage of over 1,200 competitively bid products from over 30 different vendors.
- PEPPM Technology Bidding and Purchasing Program – 300,000 items available through vendor contracts, everything from audio visual equipment to servers and SMART board. There is no fee to use this program, just ask for PEPPM pricing.
- Association of Education Service Agencies (AEPA) – More than 30 approved bids for commodities that include copiers, roofing, furniture, green custodial supplies, and athletic surfaces. This is available to any municipality and, again, there is no fee involved. Ask for AEPA pricing to compare.

The school districts, towns and non-profit organizations that have participated in this process have found it to be efficient, cost effective and reliable. It has allowed them to put their funding where it can make the most impact while demonstrating cost-conscious decisions about supplies and equipment.

CREC understands the challenges you face balancing time, resources and budget constraints. Our proven results can help your municipal offices save money *and* easily demonstrate that savings to your constituents.

To find out if you area already a member, or if you have questions, please do not hesitate to contact me at 860-524-4021 or chart@crec.org. More information about these programs can also be found on our website, at www.crec.org/coop.

Thank you.

Cara Hart
Coordinator of Business and Operations Services to Districts
Capitol Region Education Council (CREC)
111 Charter Oak Avenue, Hartford, CT 06106
Phone (860) 524-4021 Fax (860) 246-3304
E-mail chart@crec.org
Visit us at www.crec.org/coop

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Local Agency Name
ACES
Ansonia Public Schools
Archdiocese of Hartford
Ashford Board of Education
Avon Old Farms School
Avon Public Schools
Barkhamsted School
Berkshire Hills Regional School District
Berlin Board of Education
Bethany Board of Education
Bethel Board of Education
Bloomfield Public Schools
Bolton Board of Education
Bozrah Board of Education
Bridgeport Board of Education
Bristol Public Schools
Brookfield Public Schools
Canterbury Public Schools
Canton Public Schools
Cheshire Public Schools
Clinton Public Schools
Colchester Public Schools
Colebrook Consolidated School
Columbia Public Schools
Cooperative Educational Services
Covenant Preparatory School
CREC - Birth to Three
CREC - Business Services
CREC - Central
CREC - Choice
CREC - Community Education
CREC - East Hartford/Glastonbury Magnet School
CREC - Executive Directors Office
CREC - Facilities
CREC - Farmington Valley Diag Center
CREC - GHAMAS
CREC - Great Path Academy
CREC - Greater Hartford Academy of The Arts
CREC - Human Resources
CREC - International Magent School of Global Citizenship
CREC - Metropolitan Learning Center
CREC - Montessori School
CREC - Polaris Center

CREC - Polaris Center
CREC - Public Safety Academy
CREC - Reggio School of the Arts
CREC - River Street School
CREC - River Street Sequassen
CREC - School for Yung Children
CREC - Soundbridge School
CREC - Student Services
CREC - Teaching & Learning
CREC - Technology Services
CREC - Transition to Employment Services
CREC - Transportation
CREC - Two Rivers Magnet School
CREC - University of Hartford Magnet School
Cromwell Schools
Danbury Public Schools
Darien Board of Education
Derby School District
EASTCONN
East Granby Schools
East Haddam Public Schools
East Hampton Public Schools
East Hartford Schools
East Lyme Public Schools
East Haven Board of Education
Education Connection
ElderHouse, Inc.
Egremont, Town of
Ellington Board of Education
Enfield Public Schools
Fairfield Public Schools
Farmington Public Schools
The Gilbert School
Granby Public Schools
Griswold Board of Education
Groton Public Schools
Guilford Public Schools
Hamden Public Schools
Hampton Public Schools
Hartford Public Schools - T/O Hartford
Hebron Public Schools
Holy Cross High School
Lebanon Board of Education
LEARN

Ledyard Public Schools
Lee Public Schools
Lenox Public Schools
Lisbon Central School
Litchfield Public Schools
Longmeadow, Town of
The Loomis Chafee School
Madison Public Schools
Manchester Schools
Marlborough Board of Education
Middletown Public Schools
Milford Public Schools
Monroe Public Schools
Montville Public Schools
Naugatuck Public Schools
New Britain Schools
New Canaan Schools
New Fairfield Board of Education
New Hartford Board of Education
New London Schools
Newington Public Schools
New Milford Public Schools
Newtown Public Schools
Norfolk Board of Education
North Branford School District
North Haven Public Schools
Norwich Public Schools
Old Saybrook Public Schools
Orange Board of Education
Oxford Public Schools
Plainfield Schools
Plainville Community Schools
Plymouth Board of Education
Pomfret Community School
Portland Board of Education
Preston Schools
Putnam Public Schools
Regional School District #1
Regional School District #10
Regional School District #12
Regional School District #12
Regional School District #13
Regional School District #14
Regional School District #15

Regional School District #16
Regional School District #17
Regional School District #18
Regional School District #19
Regional School District #5 - Amity
Regional School District #6
Regional School District #7
Regional School District #8
Regional School District #9 - Easton-Redding
Renbrook School
Ridgefield Academy
Ridgefield Public Schools
Rocky Hill Public Schools
Salem Public Schools
SAU #41
Seymour Public Schoos
Shelton Public Schools
Sherman School District
Simsbury Public Schools
Somers Public Schools
Southern Berkshire RSD
Southfield Children's Center
Southington Public Schools / Town of Southington
South Berkshire Education Collaborative
South Windsor Public Schools
Sprague Public Schools
SS Peter and Paul
Stafford Schools
Stamford Public Schools
Stamford, City of
Stonington Public Schools
Stratford Board of Education
St. Thomas Moore School
Suffield Public Schools
Suffield Academy
TBICO
Thomaston Public Schools
Thompson Schools
Tolland Public Schools
Torrington Public Schools
Vernon Public Schools
Voluntown School District
Wallingford Public Schools
Waterbury, City of

Waterford Public Schools
Watertown Public Schools
West Hartford Schools
West Haven Board of Education
Westbrook Public Schools
Westminster School
Weston High School
Weston Middle School
Weston Public Schools
Westover School
Westport Public Schools
Wethersfield Public Schools
Whitby School, Inc.
Wilton Schools
Winchester Public Schools
Windham Public Schools
Windsor Locks Public Schools
Windsor Public Schools
Wolcott Public Schools
Woodbury Public Schools
Woodbridge Public Schools
Woodstock Public Schools
East Catholic High School
Haddam-Killingworth Recreation Dept
Sacred Heart High School

Norma Overhiser

From: Hart, Cara [chart@crec.org]
Sent: Friday, February 04, 2011 2:17 PM
To: Hart, Cara
Cc: Gary Lane; LaFleur, Roger
Subject: Energy Savings - Outdoor Lighting

Good afternoon –

In an effort to help Connecticut school districts and municipalities lower their energy costs, CREC and DBS Energy Inc. want you to be aware of an energy savings opportunity available through the Connecticut Energy Efficiency Fund.

Both Connecticut Light & Power and United Illuminating are promoting energy saving outdoor lighting solutions. Technologies that are receiving the highest rebates are induction lighting and LED lighting. These technologies are promoted through the Small Business Energy Advantage program and the Energy Opportunities program. Program incentives are now up to 40% and include 0% financing of the balance of the project cost.

Schools and municipalities with exterior wall-mounted and pole mounted light fixtures that currently have High Intensity Discharge (HID) lighting technologies (predominantly metal halide and high pressure sodium lamps) are excellent candidates for this program. Because outdoor lights operate for long hours during the night and throughout the year, energy savings is substantial with these new technologies. In addition, maintenance savings can be substantial due to the fact that they have longer lamp lives compared to existing technologies.

The projects will be funded by Connecticut Energy Efficiency Fund grants and 0% loans. This allows you to avoid upfront investments and utilize energy savings to defer the financing costs for a period of time.

If you are interested in learning more, or to schedule a meeting with DBS for a review of your lighting, you can contact Gary Lane at 860-828-8700.

You can also contact me at the number below.

Thank you.

Cara Hart
Coordinator of Business and Operations Services to Districts
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