

Timothy M. Herbst
First Selectman



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TOWN OF TRUMBULL CONNECTICUT

FIRST SELECTMAN'S BUDGET MESSAGE

February 10, 2014

DEAR CHAIRWOMAN HAMMERS AND MEMBERS OF THE BOARD OF FINANCE:

In accordance with Chapter IV, Section 1 of the Trumbull Town Charter, I present my fifth budget for fiscal year 2014-2015. Over the last four years, the Town of Trumbull has been tested in many ways. As a municipality we have been required to shepherd our Town through the worst economic conditions since the Great Depression. We were also required to respond to the most exigent circumstances as they relate to weather. In the face of these challenges, the Town of Trumbull is stronger now than it was four years ago. Today, our tax rate is more stable than it was four years ago. Our Grand List is showing more consistent and vigorous growth than it did four years ago. The quality of our school system is stronger than it was four years ago. Our Town's fiscal health and our pension fund are also much better off now than they were four years ago. At a time when businesses and people are leaving Connecticut, businesses and families are coming to Trumbull. The proof of this assessment lies in the accolades we have received from all three financial rating agencies as well as the state and national accolades Trumbull has received over the last four years as being a superb community of choice. We have accomplished a great deal, but there is still much work ahead.

The budget that I present to you for fiscal year 2014-2015 maintains our superb school system, takes aggressive steps to increase funding for public safety, most specifically as they relate to our public schools, continues our efforts to address our infrastructure and for the fifth consecutive year, vigorously increases funding for the Town's pension fund. Without question, the fixed costs in this budget are a substantial driver.¹ I believe we in Trumbull should lead by example and also set a better example than our leaders in Hartford. We must honor our financial obligations and properly plan for the short term and the long term.

This year, I am proposing an overall town budget of \$158,368,727 which will call for a mil rate increase of 3.75%. I have reduced departmental requests by \$2,782,873. I am recommending a 2.79% increase to the Board of Education budget which provides them with a total budget of \$95,556,031.

From the onset, let me say that Dr. Cialfi and our Board of Education are to be commended for delivering a budget that builds upon our educational success while understanding the constraints

¹ Please see the attached appendices which provide a breakdown and detail regarding budget allocation.

placed upon the Trumbull taxpayers in this economy. The Board of Education's requested increase of 2.9% represents one of the most austere budgets ever presented by a Board of Education over the course of the last twenty years.

As you may recall, last year the Trumbull Board of Education and the Town of Trumbull moved to a self-insured health care model. This self-insured model will save our Town considerable amounts of money both short term and long term. The Board of Education is also currently working with our Director of Public Works to revamp their facilities department to provide for more ongoing annual capital planning and improvements. Long term, this will be more beneficial to our schools and more affordable to the Trumbull taxpayers. In reducing the Board of Education's requested increase to 2.79%, I believe this allotment will allow our school system the opportunity to maintain low class size, build upon the investments we have made in classroom technology and also provide for resources which will allow Trumbull's children the ability to compete in a global economy.

Inherent in the conversation over school funding in the operating budget is also a dialogue of how the 1% surplus monies set aside for the Board of Education two years ago will be utilized. Two years ago, the former School Superintendent, in accordance with Connecticut General Statutes 10-248(a), proposed using 1% surplus money from the previous fiscal year budget for the purposes of funding full day kindergarten. Two years later, we have learned that the 1% surplus money was not required to implement full day kindergarten and did not create a funding cliff in the operating budget. As of the date of this transmittal letter, this money remains unencumbered with no clear plan for how this money will be earmarked or allocated. I believe that this will be a point of discussion for the Trumbull Board of Finance during your budget deliberations. I would caution the Board of Finance that if they plan on reducing the Board of Education's operating budget further, the 1% surplus money **should not be used** to cover reoccurring operating costs. This money should either be earmarked for capital costs or onetime expenses in the Board of Education's operating budget.

While we are on the topic of Trumbull's children, as I indicated last year, nothing is more sacrosanct than the safety of Trumbull's children. Our most solemn obligation is to protect the people of Trumbull. December 14, 2012 taught us that we must take a new approach to public safety within our school buildings. This involves a discussion of our police department budget and recommendations that I am making in this fiscal year to address those priorities. In the budget that I have proposed for the Trumbull Police Department for fiscal year 2014-2015, you will notice two items that I believe are critical to protecting the public and building a superior police force. In the budget I propose for your consideration, I have budgeted \$200,000 for the hiring of seven security guards. One security guard will be added to Trumbull High School while the remaining six security guards will be deployed to each of Trumbull's six elementary schools.

In conversations that I have had with Chief Kiely, it is my strong preference and recommendation that these positions be offered to soon to be retired Trumbull police officers first and then to retired law enforcement from other jurisdictions. I believe it is of critical importance to have trained public safety professionals in our schools that will work in collaboration with the Trumbull Police Department. This collaborative approach will guarantee that our buildings are monitored on a daily basis. We will also guarantee that our school infrastructure is properly vetted for purposes of emergency preparedness and safety. Most

importantly, there will be consistent security protocols for each and every one of our public schools. Assuming that this is ratified by the Board of Finance and the Trumbull Town Council, I have asked Chief Kiely to begin the process of collaborating with current members of the Trumbull Police Department for purpose of hiring security guards.

I firmly believe that the strength of any police department is measured by the ability of a municipality to attract strong candidates to join our force. This guarantees continuity in providing the highest levels of public safety for our residents. This year, my administration is recommending an early retirement incentive plan for those officers that have served our Town for 30 or more years. Here is why we must plan for our future. Of our existing 72 member police force, 28 of our officers have twenty five or more years of service to the Trumbull Police Department, representing 39% of our total police force. I believe the time has come to begin the process of building our bench in recruiting new officers to join our force, which in turn will provide for career advancement for those that have served our Town for many years with distinction.

I would now like to address fixed costs that are having an enormous impact on the budget that I have proposed for your consideration. Annual debt service, pension contributions and workman's compensation claims represent the largest drivers. This year, debt service increased 11.13%, a total increase of \$1,368,050. The main driver for this debt service increase is that we must continue to pay for the debt incurred as a result of the like new renovation of Trumbull High School and also the more than \$50,000,000 of sewer expansion work between Jog Hill and North Nichols. While these projects started before my administration and the current Board of Finance began our work, as Town leaders we have a duty to honor our financial obligations.

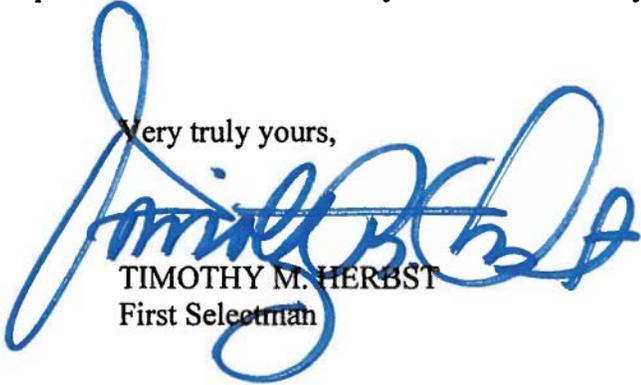
This transmittal letter would not be complete without a thorough discussion of the pension funds and how they relate to our annual operating budget. Last year, for the first time in a generation, the Town of Trumbull reached the annual required contribution (ARC) for the Town's beleaguered pension fund. This was a significant milestone that received high praise and accolades from each of the financial rating agencies that annually review Trumbull's financial management practices. In the 2014-2015 budget I propose for your consideration, I am not only recommending that we maintain full ARC funding for the Town pension fund, but also significantly increase annual contributions to the police pension fund in the amount of \$350,000. In my proposed budget for fiscal 2014-2015, the annual contributions to these respective pension funds will be \$6,700,000. I believe this annual investment coupled with our efforts between the Town and the Board of Education to negotiate nine labor agreements that now carry with them defined contribution plans for new employee hires will long term reduce the Town's unfunded pension liability and finally solve a problem that has plagued Trumbull for years. When it comes to this issue, the Town of Trumbull will no longer kick the can.

On the revenue side, this year again we have seen positive growth in the grand list. The stable tax rate that we have enjoyed over the last four years is encouraging business investment in the Town of Trumbull. Our Tax Assessor has projected a 1.2% increase in the Grand List. Finally, in our most recent audit report, the Town's auditors advise us that we have a general fund balance of \$17 million, well above the 10% threshold recommended by the bond rating agencies.

I firmly believe this proposed budget places a core focus on improving the three pillars that make a community strong - - strong finances, strong schools and a strong quality of life. We will

continue to maintain and build upon our strong fiscal health. We will continue to maintain a strong school system. We will make further investments in public safety and in our infrastructure which will strengthen our economic development and our quality of life. It is for these reasons that the Town of Trumbull has been ranked by *Coldwell Banker* as the Number 1 booming suburb in Connecticut and why *Family Circle Magazine* has cited us as the 7th best Town in the nation to raise a family. It has been the honor of a lifetime to lead the best town in America. It has been rewarding to work with all of you in making our Town a better place to live, work and raise a family. I am confident that our future is bright and I believe this budget will continue to move our town forward in a positive direction. I thank you in advance for your consideration of this proposed budget.

Very truly yours,

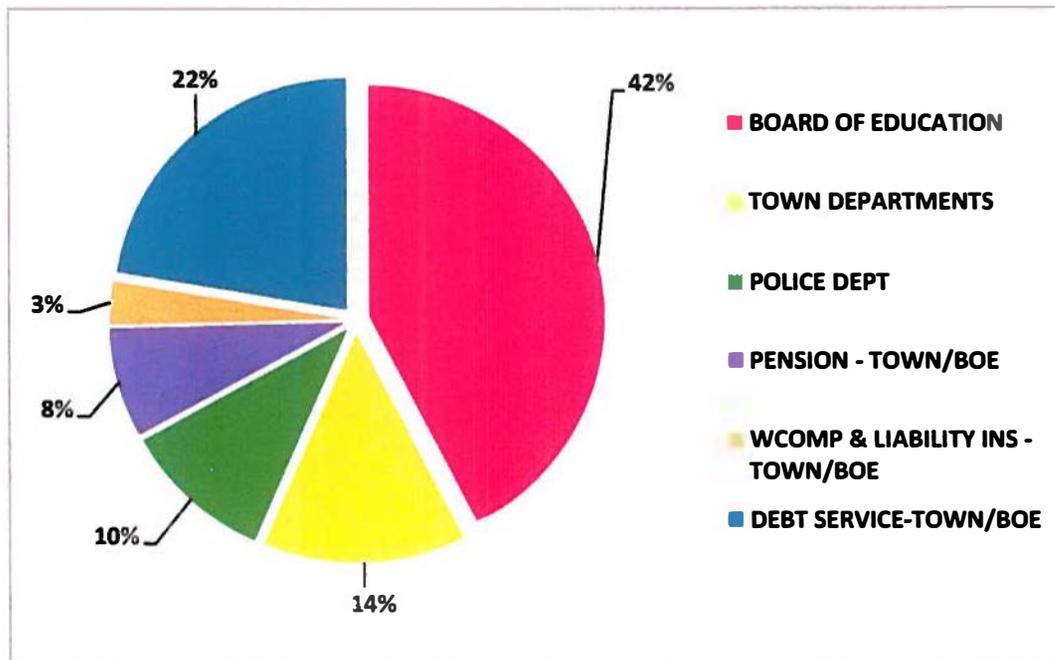


TIMOTHY M. HERBST
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**TOWN OF TRUMBULL
2014-15 BUDGET**

APPENDIX A

	REVISED BUDGET FISCAL YEAR 2014	FIRST SELECT FISCAL YEAR 2015	DIFF	PERCENT INCREASE	% OF TOTAL INCREASE
BOARD OF EDUCATION	92,962,381	95,556,031	2,593,650	2.79%	42%
TOWN DEPARTMENTS	30,927,285	31,788,694	861,409	2.79%	14%
POLICE DEPT	7,901,410	8,537,155	635,745	8.05%	10%
PENSION - TOWN/BOE	6,276,000	6,743,000	467,000	7.44%	8%
WCOMP & LIABILITY INS - TOWN/BOE	1,896,523	2,080,569	184,046	9.70%	3%
DEBT SERVICE-TOWN/BOE	12,295,228	13,663,278	1,368,050	11.13%	22%
	152,258,827	158,368,727	6,109,900	4.01%	100%



**TOWN OF TRUMBULL
2014-15 BUDGET**

APPENDIX B

	REVISED BUDGET		FIRST SELECT	PERCENT % OF TOTAL	
	FISCAL YEAR	FISCAL YEAR		INCREASE	INCREASE
	2014	2015	DIFF		
BOARD OF EDUCATION	92,962,381	95,556,031	2,593,650	2.79%	42%
SCHOOL DEBT SERVICE	5,557,610	5,726,598	168,988	3.04%	3%
BOE WITH SCHOOL DEBT	98,519,991	101,282,629	2,762,638	2.80%	45%
TOWN DEPARTMENTS	30,927,285	31,788,694	861,409	2.79%	14%
POLICE DEPT	7,901,410	8,537,155	635,745	8.05%	10%
PENSION - TOWN/BOE	6,276,000	6,743,000	467,000	7.44%	8%
WCOMP & LIABILITY INS - TOWN/BO	1,896,523	2,080,569	184,046	9.70%	3%
DEBT SERVICE	6,737,618	7,936,680	1,199,062	17.80%	20%
	152,258,827	158,368,727	6,109,900	4.01%	100%

