



## TOWN OF TRUMBULL CONNECTICUT

### **FIRST SELECTMAN'S BUDGET MESSAGE** **February 9, 2012**

DEAR CHAIRWOMAN HAMMERS AND MEMBERS OF THE TRUMBULL BOARD OF FINANCE:

In accordance with Chapter IV, Section 1 of the Trumbull Town Charter, I present my third budget for fiscal year, 2012-2013. Trumbull is entering the fifth year of a global economic calamity that has had profound impact on our residents and on the region. As of the date of this transmittal letter, the Town Clerk reports 95 homes in Trumbull that have been foreclosed upon, and as of three weeks ago, 1800 sewer use delinquency liens have been filed. Despite these economic challenges, I believe this budget will continue to provide the level of services residents expect from the Town. Trumbull's attractiveness as a community of choice for families and businesses remains steadfast and the Town's financial health remains resilient.

In my transmittal letter from last year I said this: "[I]rrespective of our personal beliefs as to what is an appropriate budget for the Town . . . 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." I still believe this to be true. It is based on this premise that the Board of Finance must confront these challenges in a collaborative manner and adopt a municipal budget that protects our Town, maintains our school system and most importantly considers the current economic conditions afflicting our residents.

The budget that I present to you for fiscal year 2012-2013 maintains vital services, makes meaningful investments in public education and our infrastructure and for the third consecutive year aggressively addresses our beleaguered pension fund. As we seek to undertake this necessary effort, many residents will see their real estate taxes decrease as a result of property revaluation.

Before understanding the expenditures associated with this proposed operating budget, it is critical for the Board of Finance and Trumbull taxpayers to have a clear understanding of how property revaluation will impact the mill rate and in turn, property taxes. Recently residents received notification of this state mandated process and the concomitant impact on property values. On average, residential property values have declined by 21.5 %. This is probably the first time in the Town's history where we have conducted a property revaluation that has yielded declining values as measured against the previous property revaluation. With a property revaluation, comes a redistribution of the tax burden. Currently, as of the 2010 Grand List, the distribution of the tax burden has been 85% on residential properties and 15% on commercial properties. As a result of this property revaluation, the Real Property Grand List shifted 5% between the two categories, creating a new distribution that will be 80% residential and 20% commercial. While we have an operating budget that must be balanced and fully funded, we also have a Grand List which determines how levels of taxation will be apportioned throughout the town upon our residential and commercial property owners.

At my request, Trumbull Tax Assessor Mark DeVestern has prepared an analysis of how the property revaluation, with a new proposed mill rate of 30.51, will affect residential property taxes.<sup>1</sup> The analysis that we have provided uses as examples all members of the Board of Education, Board of Finance, Town Council, as well as the current and previous five First Selectmen of the Town of Trumbull. These examples provide a broad cross section of different sized homes in the Town, all apportioned in different sections of the community. As you can see from the attached schedule, a vast majority of Trumbull homeowners will see a reduction in their property taxes when they receive their tax bills in July. This will occur while maintaining strong town services, and enhancing our already strong school system.

I would like to now address the expenditure increases associated with this budget. In my transmittal letter of last year, I warned that the Town would face additional debt service obligations for fiscal year 2012-2013 as a result of the 64 million dollar renovation of Trumbull High School, as well as the sewer expansion project in North Nichols. I also made clear that we would need to continue with an aggressive strategy to deal with our pension shortfall in order to maintain a strong bond rating. These expenditure increases account for nearly half of the expenditure increases associated with this budget. Debt service for these construction projects has increased substantially in the operating budget, while the financial obligation to provide for the retirement of past and present Town and Board of Education employees continues to increase. The past practice of deferring actuarial required funding increases to the pension plan has created an enormous underfunded liability that will affect Trumbull for years to come. We must confront this problem head on. The day of reckoning has arrived.

---

<sup>1</sup> See **Schedule A**, Analysis of Property Revaluation Impact as prepared by Trumbull Tax Assessor Mark DeVestern, February 8, 2012

Although many of the costs associated with the expenditure increase in this budget were incurred long before many of us assumed our responsibilities, we have an obligation to ensure that the Town meets its financial obligations and preserves its financial health both short term and long term. While we must govern the Town in a fiscally prudent manner and consider the financial implications this budget will have on our taxpayers, we must also maintain Trumbull's strong position as a community of choice in the State of Connecticut. We should all be proud of our recent ranking by *Family Circle Magazine* as the 7<sup>th</sup> best Town in the nation to raise a family and we should all be proud that *Family Circle Magazine* gave our Town a 9 out of 10 in assessing our public school system. Our challenge is striking an appropriate balance to maintain our competitive edge while recognizing that fiscal prudence is essential during these challenging economic times.

This year I am proposing an overall town budget of \$146,790,508. I have reduced departmental requests by \$5,012,605. The Board of Education has requested a budget increase of 5.07%. I have reduced this request by \$1,399,230, representing a 3.47% increase.<sup>2</sup> In developing my proposed budget for the school system, I examined the costs of our contractual obligations for the coming fiscal year, the projected increase in our healthcare costs, and all existing and proposed programs that were contained in the budget adopted by the Board of Education. This year there has been substantial discussion over the merits of full day kindergarten.

I believe the time has come to implement full day kindergarten in the Town of Trumbull and I believe the proposed budget I am recommending for the Trumbull Board of Education allows our school system to maintain our existing services while implementing full day kindergarten. When we talk about the cost of full day kindergarten, we must also talk about the savings that will be realized with reduced transportation costs as well as reduced costs in the area of school system based interventions. Costs realized on the front end will be savings realized long term.

As many of you are aware, the last five Board of Education budgets have realized surpluses averaging \$675,000 per year. In the last three budget cycles, the Board of Education has utilized unspent monies to mitigate budget constraints. I have advised the School Superintendent and the Board of Education that they should identify all one-time costs and one-time purchases contained in their proposed budget to utilize unspent monies from the current fiscal year. Use of this alternate revenue source, coupled with the budget I am proposing for the Board of Education will provide our school system with the necessary resources to not only maintain a strong school system, but implement an important early childhood initiative that is long overdue in the Town of Trumbull.

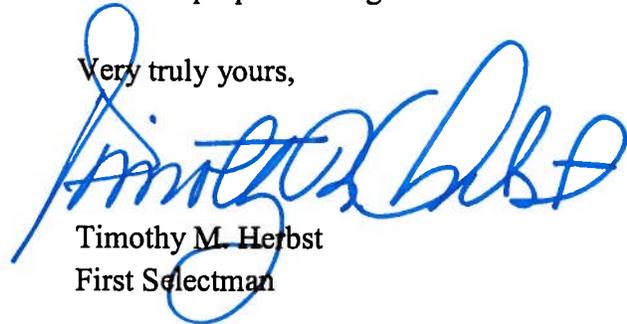
---

<sup>2</sup> Revised 2012 budget to First Selectman

For the year ending June 30, 2011, our auditors have advised us that the Town realized a surplus of \$1,242,029. The Town's total general fund balance is \$15,815,540. The current fund balance is well above the threshold recommended by our bond rating agencies. Philosophically, I believe that residents should not be overtaxed and when there is excess taxpayer money that has accrued to the Town, that money should be returned to the taxpayer. Based upon this premise, I am recommending that the Town dedicate \$700,000 of surplus to further offset a mill rate increase. I should also point out that our financial advisors reported on Wednesday that the Town will realize considerable savings on a refinance of existing debt, which will allow the Town to reduce our debt service obligations by \$850,000 this year. This will help to bring our expenditure increase down, which in turn will positively impact the proposed mill rate that will be adopted later this year.

There is no question that this year presents many challenges for our Town, but I am confident that working together, we will meet these challenges head on and deliver a Town budget that is fiscally responsible, maintains a strong quality of life and maintains Trumbull's position as a community of choice in Connecticut. My administration welcomes the opportunity to work with our Board of Finance and Town Council as you consider this proposed budget.

Very truly yours,



Timothy M. Herbst  
First Selectman

TAXPAYER DWLG COMPARISON PRE-REVALUATION / 2010 GL vs. POST-REVALUATION / 2011 GL									
NAME	ADDRESS	2010 GL	2011 GL	2010 RATE	2011(e) RATE	2010 TAX	2011(e) TAX	% (e) incr/decr	\$ incr/decr
BOE Member	38 PEMBERTON DRIVE	247,300	196,400	0.025	0.03051	\$ 6,182.50	\$ 5,992.16	-3%	\$ (190.34)
BOE Member	26 DALE ROAD	382,800	292,900	0.025	0.03051	\$ 9,570.00	\$ 8,936.38	-7%	\$ (633.62)
BOE Member	11 LYNBROOK ROAD	390,800	302,900	0.025	0.03051	\$ 9,770.00	\$ 9,241.48	-5%	\$ (528.52)
BOE Member	77 GARWOOD ROAD	277,800	218,800	0.025	0.03051	\$ 6,945.00	\$ 6,675.59	-4%	\$ (269.41)
BOE Member	28 PLUMB ROAD	381,300	305,200	0.025	0.03051	\$ 9,532.50	\$ 9,311.65	-2%	\$ (220.85)
BOE Member	9 SALLY ANN DRIVE	339,100	260,600	0.025	0.03051	\$ 8,477.50	\$ 7,950.91	-6%	\$ (526.59)
BOE Member	21 WHITE TAIL LN	490,500	380,900	0.025	0.03051	\$ 12,262.50	\$ 11,621.26	-5%	\$ (641.24)
BOF Member	59 COVENTRY LANE	518,200	403,900	0.025	0.03051	\$ 12,955.00	\$ 12,322.99	-5%	\$ (632.01)
BOF Member	434 DAYTON ROAD	312,800	247,600	0.025	0.03051	\$ 7,820.00	\$ 7,554.28	-3%	\$ (265.72)
BOF Member	133 BEECHWOOD AVENUE	500,700	388,800	0.025	0.03051	\$ 12,517.50	\$ 11,862.29	-5%	\$ (655.21)
BOF Member	35 DEEP GORGE ROAD	388,400	303,800	0.025	0.03051	\$ 9,710.00	\$ 9,268.94	-5%	\$ (441.06)
BOF Member	52 STEMWAY ROAD	339,900	273,000	0.025	0.03051	\$ 8,497.50	\$ 8,329.23	-2%	\$ (168.27)
BOF Member	117 MEADOWVIEW DRIVE	550,800	427,800	0.025	0.03051	\$ 13,770.00	\$ 13,052.18	-5%	\$ (717.82)
BOF Member	101 COLUMBINE DRIVE	300,700	220,500	0.025	0.03051	\$ 7,517.50	\$ 6,727.46	-11%	\$ (790.05)
BOF Member	2189 HUNTINGTON TPKE	431,200	340,900	0.025	0.03051	\$ 10,780.00	\$ 10,400.86	-4%	\$ (379.14)
BOF Member	39 LAFAYETTE DRIVE	430,600	341,900	0.025	0.03051	\$ 10,765.00	\$ 10,431.37	-3%	\$ (333.63)
Town Council	221 PUTTING GREEN ROAD	455,400	354,900	0.025	0.03051	\$ 11,385.00	\$ 10,828.00	-5%	\$ (557.00)
Town Council	50 CRANBURY DRIVE	402,700	313,800	0.025	0.03051	\$ 10,067.50	\$ 9,574.04	-5%	\$ (493.46)
Town Council	14 DEEP GORGE ROAD	468,100	379,300	0.025	0.03051	\$ 11,702.50	\$ 11,572.44	-1%	\$ (130.06)
Town Council	15 SOUTH GATE ROAD	275,400	219,500	0.025	0.03051	\$ 6,885.00	\$ 6,696.95	-3%	\$ (188.06)
Town Council	4 NICHOLS FARM ROAD	649,500	546,200	0.025	0.03051	\$ 16,237.50	\$ 16,664.56	3%	\$ 427.06
Town Council	435 ERWIN STREET	430,100	315,100	0.025	0.03051	\$ 10,752.50	\$ 9,613.70	-11%	\$ (1,138.80)
Town Council	9 WOODFIELD DRIVE	339,300	253,000	0.025	0.03051	\$ 8,482.50	\$ 7,719.03	-9%	\$ (763.47)
Town Council	110 OLD TREE FARM LANE	995,100	764,700	0.025	0.03051	\$ 24,877.50	\$ 23,331.00	-6%	\$ (1,546.50)
Town Council	133 BEECHWOOD AVENUE	500,700	388,800	0.025	0.03051	\$ 12,517.50	\$ 11,862.29	-5%	\$ (655.21)
Town Council	82 LORMA AVENUE	278,900	220,500	0.025	0.03051	\$ 6,972.50	\$ 6,727.46	-4%	\$ (245.05)
Town Council	57 LAFAYETTE DRIVE	409,100	320,800	0.025	0.03051	\$ 10,227.50	\$ 9,787.61	-4%	\$ (439.89)
Town Council	71 FRELMA DRIVE	310,500	240,800	0.025	0.03051	\$ 7,762.50	\$ 7,346.81	-5%	\$ (415.69)
Town Council	58 REGINA ST	413,700	333,400	0.025	0.03051	\$ 10,342.50	\$ 10,172.03	-2%	\$ (170.47)
Town Council	97 WOOLSLEY AVENUE	262,500	207,500	0.025	0.03051	\$ 6,562.50	\$ 6,330.83	-4%	\$ (231.68)
Town Council	43 LINLEY ROAD	389,500	299,500	0.025	0.03051	\$ 9,737.50	\$ 9,137.75	-6%	\$ (599.76)
Town Council	61 WEDGEWOOD RD	516,900	401,000	0.025	0.03051	\$ 12,922.50	\$ 12,234.51	-5%	\$ (687.99)

NAME	TAXPAYER DWLG COMPARISON PRE-REVALUATION / 2010 GL vs. POST-REVALUATION / 2011 GL									
	ADDRESS	2010 GL	2011 GL	2010 RATE	2011(e) RATE	2010 TAX	2011(e) TAX	% (e) incr/decr	\$ incr/decr	
Town Council	15 LAKE AVENUE	332,100	269,500	0.025	0.03051	\$ 8,302.50	\$ 8,222.45	-1%	\$ (80.06)	
Town Council	62 DRIFTWOOD LANE	598,200	532,600	0.025	0.03051	\$ 14,955.00	\$ 16,249.63	9%	\$ 1,294.63	
Town Council	32 LINDBERG DRIVE	278,800	214,300	0.025	0.03051	\$ 6,970.00	\$ 6,538.29	-6%	\$ (431.71)	
Town Council	72 SHAWNEE ROAD	306,700	220,600	0.025	0.03051	\$ 7,667.50	\$ 6,730.51	-12%	\$ (936.99)	
Town Council	21 LINDBERG DRIVE	231,800	177,200	0.025	0.03051	\$ 5,795.00	\$ 5,406.37	-7%	\$ (388.63)	
First Selectman	97 FAIRVIEW AVENUE	294,226	230,100	0.025	0.03051	\$ 7,355.65	\$ 7,020.35	-5%	\$ (335.30)	
Former First Selectman	700 BOOTH HILL ROAD	298,600	243,600	0.025	0.03051	\$ 7,465.00	\$ 7,432.24	0%	\$ (32.76)	
Former First Selectman	COVENTRY LANE (2)	948,000	741,100	0.025	0.03051	\$ 23,700.00	\$ 22,610.96	-5%	\$ (1,089.04)	
Former First Selectman	34 CHALON ROAD	332,300	269,900	0.025	0.03051	\$ 8,307.50	\$ 8,234.65	-1%	\$ (72.85)	
Former First Selectman	53 MEADOW RD	249,300	196,100	0.025	0.03051	\$ 6,232.50	\$ 5,983.01	-4%	\$ (249.49)	
Former First Selectman	5628 MAIN ST	340,600	273,600	0.025	0.03051	\$ 8,515.00	\$ 8,347.54	-2%	\$ (167.46)	
<b>AVG DWLG</b>	<b>TRUMBULL, CT</b>	<b>336,000</b>	<b>264,000</b>	<b>0.025</b>	<b>0.03051</b>	<b>\$ 8,400.00</b>	<b>\$ 8,054.64</b>	<b>-4%</b>	<b>\$ (345.36)</b>	