

Timothy M. Herbst
First Selectman



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TOWN OF TRUMBULL CONNECTICUT

FIRST SELECTMAN'S BUDGET MESSAGE

FEBRUARY 9, 2010

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 first proposed budget for the fiscal year 2010-2011 for your review and consideration. It was my sincere hope to present my first budget under more favorable circumstances; unfortunately, this is not possible considering the present reality of the economy at the federal, state and local level. Like all other municipalities, the Town of Trumbull will have to operate under the constraints of a severe national recession.

When I took office on December 7, 2009, I was very clear that I would pursue cost containment measures that would ultimately benefit taxpayers without sacrificing necessary services to Town residents. I also made clear that necessary and difficult decisions would have to be made. Upon further review, I can affirm that the Town's financial condition is worse than I anticipated.

Before the administration began a review and subsequent recommendations for the 2010-2011 municipal budget, we conducted a very thorough study of the status of the 2009-2010 budget to determine if any problems existed that would impact the 2010-2011 budget.

To my dismay, there were serious deficiencies in estimates for revenues, other than taxation in the 2009-2010 that have created large problems. Estimated revenue items for the current fiscal year will not materialize and thus will have to be reduced in the new budget. A few of these items, articulated herein, account for significant reductions thereby increasing the amount of taxation the Town will need to balance its budget:

\$2,600,000
\$432,000 AAA

Revenue Center	2009-2010 Estimate	2009-2010 Actual <i>Projected</i>	2010-2011 Estimate	Revenue Loss (Both years)
Education Cost Share from State of Connecticut (ECS)	\$3,031,988	\$2,600,000	\$2,600,000	\$863,976
State Special Education Excess Grant	\$1,000,000	\$600,000	\$600,000	\$800,000
Town Interest Earned on Investments	\$825,000	\$350,000	\$350,000	\$950,000
Total	\$4,856,988	\$3,550,000	\$3,550,000	\$2,613,976

In addition, the Assessor's Grand List for October 1, 2009, covering the 2010-2011 budget was reduced from \$5,132,566,411 to \$5,116,826,764 or \$15,739,647 less of property to be assessed. When the current mill rate of 24.07 is multiplied against tax assessment loss, the Town of Trumbull will lose an additional \$378,853 (1)

(1) = 3 million short fall

Therefore, the total lost revenue to the Town of Trumbull over a two year period (fiscal year 2009-2010 and 2010-2011) equals \$3 million dollars. I am confident that this administration has performed its due diligence to insure that our revenue estimates are as accurate as possible, given the possible loss of state revenues over which we have no control.

If revenues from 2009-2010 had remained status quo and were not adversely impacted going into the 2010-2011 fiscal year, the Town of Trumbull would be looking at an overall tax increase of about 1%. However, the revenue shortfall will cause the budget to rise. Factoring both increased expenditures and a shortfall in revenues, our mill rate will go from 24.07 to 24.54.

This year, I am proposing a total overall budget of \$ 135,722,167. This proposed budget represents a less than 1% increase in expenditures (.86%), Town wide. Even with a looming revenue shortfall, through aggressive cost containment, consolidations and efficiencies, the overall increase in the Town's tax rate for the 2010-2011 fiscal year will be 1.95%. I have reduced departmental requests by

\$3,074,333. While the reductions that have been made are substantial, I am confident that the Town and the Board of Education will be able to properly function.

First, I would like to begin by addressing the reductions made to our education budget. I have reduced the Board of Education's request by \$1,456,074. As First Selectman, I have no line item veto authority or control over how the Board of Education spends its money. I will be making recommendations to the Board of Finance and Board of Education as to specific areas I believe they can look to in reducing the education budget without adversely affecting children. This administration went through the Board of Education budget by cost center and line item to specifically identify areas where we believe reductions can be made.

When considering the reductions I am proposing concerning the Board of Education, please consider the following facts. Over the last three years, the Board of Education has consistently returned money to the Town of Trumbull, averaging \$850,823 a year. In 2007, the Board of Education returned \$990,135, in 2008 they returned \$982,215 and in 2009 they returned \$580,115. This consistent pattern of returning money to the Town, in my opinion, demonstrates a built in funding cushion. I believe the Board of Education, Board of Finance and Town Council must carefully assess this relevant data when reviewing the reductions I have proposed.

I will be asking the Board of Education to take steps in the current fiscal year to help the Town address the revenue shortfall. Like the Town, I will be asking the Board of Education to direct central office administration to freeze all discretionary spending for the remainder of the 2009-2010 fiscal year. Second, I will be asking the Board of Education to direct the Superintendent of Schools and Business Administrator to prepare a preliminary schedule showing the anticipated surplus for the 2009-2010 fiscal year.

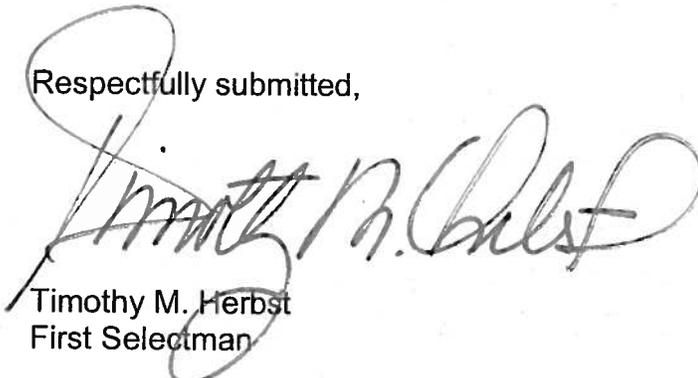
Finally, as most of you know, earlier in the year, I sent a letter to the Trumbull Education Association (TEA) and Trumbull Administrators Association (TAA), asking for certain union concessions. The TEA responded by indicating that they do not have such dialogue with a First Selectman. Therefore, I will be asking the Board of Education and the Superintendent to contact the unions mentioned above concerning two (2) furlough days, to be apportioned in the current fiscal year and the 2010-2011 fiscal year. This will represent nearly \$600,000 in savings that can help mitigate the revenue shortfall and spending reductions articulated in this transmittal letter.

On the Town side, we have not filled any current vacancies. We are proposing a deferral of property revaluation for one year. We are also proposing a deferral of the EMS radio upgrade as the Town explores other options for emergency service communication. We have also proposed a deferral of the mapping

upgrade in our Engineering Department. These reductions, along with others, represents a reduction to Town side departmental requests of \$1,618,259.

The challenge for our Town this year is providing a budget that maintains basic town services, while at the same time provides a tax rate that our residents can afford during these difficult times. With unemployment continuing to rise and with homes being sold and foreclosed upon, this course of action is necessary. This administration looks forward to the opportunity of working with our Board of Finance and Town Council as you consider this proposed budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy M. Herbst", written in a cursive style. The signature is positioned above the printed name and title.

Timothy M. Herbst
First Selectman