

FOR IMMEDIATE RELEASE

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Official East Haven Audit Confirms '13-'14 Fiscal Year Surplus of \$951,000 Dollars – Town Reduces Debt by \$3.96 Million Dollars

Mayor Joseph Maturo, Jr. announced today that the Town received the official audit for the 2013-2014 fiscal year, which confirms that the Town ran a surplus of \$951,000 dollars and reduced its long-term debt by \$3.96 million dollars.

Maturo explained, "As of June 30, 2010, our Town's operating fund had plummeted into a \$5.1 million dollar deficit. However, since resuming office in 2011, we've utilized strict spending controls to produce three consecutive surplus budgets. As a result, we've turned a crippling \$5.1 million dollar deficit into a healthy \$2.5 million dollar surplus. During the same period of time, even while borrowing to revolutionize the Police Department and overhaul our 911 dispatch center, we've reduced our debt by over \$10.4 million dollars."

According to the '13-'14 audit, the Town had total revenues of \$86,619,372.00 and total expenditures of \$85,666,942.00. After a small technical accounting adjustment of \$904.00, the end result was a final yearly surplus of \$951,526.00. As a result of the surplus, the Town's running fund balance, or rainy day fund, increased from \$1,600,450.00 to 2,551,976.00 –an increase of 59% in one year. Since 2011, the Maturo team has grown this fund from just \$200,800 dollars to its present level of \$2.5 million dollars."

Maturo continued, "For the third fiscal year in a row, I instituted strict spending controls across Town to reduce all non-essential spending. In fact, I personally reviewed all purchase orders over \$20.00 dollars to ensure that any requested expenditures were absolutely necessary."

The Town's budgetary success has earned it praise from Standard and Poor's, one of the world's top foremost credit rating agencies. Just six months ago, the company raised the Town's credit rating from "BBB+" to "A-," citing "[1] strong budgetary performance, with consistent operating results...[2] East Haven's low debt burden... and [3] strong economy" as reasons for the upgrade.

Maturo continued, "Credit rating agencies generally want municipalities to have a rainy day fund equal to 5% of their operating budgets. With the fund now over \$2.5 million dollars, we are very close to reaching the \$4.3 million dollar level recommended for our community."

Just a week ago, anticipating news of the budget surplus, Maturo submitted a formal budget recommendation to East Haven's Finance Director to reduce taxes by a half-mill. If approved, the reduction would signal the largest tax decrease in a non-revaluation year since 1989. Maturo explained, "My proposed mill rate reduction, which would put over \$1 million dollars back in taxpayers' pockets, will produce meaningful tax relief for residents, who will enjoy savings on every home, car, and piece of taxable personal property in Town."

In addition to reducing taxes, Maturo also signaled that the Town would be increasing spending to improve the Town's infrastructure in the coming months.

Maturo explained, "Since we have improved our credit rating, we now plan to embark on an aggressive Town-wide capital improvement program to renovate ball fields and existing Town buildings. One of our first projects, in conjunction with the East Haven Rotary and the Foxon Recreation League, is the renovation of the Foxon Community Center on Route 80, which will begin in the Spring with a new roof and will include several interior renovations."

Maturo concluded, "This audit confirms that my Team's fiscal policies of reducing debt and limiting wasteful spending continue to be wildly successful. I'm proud to have been able to produce another surplus, reduce debt, and offer taxpayers a meaningful tax reduction – all in the same year. Moving forward, my Team and I will continue to work hard to keep East Haven moving forward on the right track."

For additional information, please contact Frank Gentilesco at 203-468-3204.