

Town of Ashford  
Finance Department

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August 14, 2017

Dear Secretary Barnes,

We are in receipt of your request for information regarding the Town of Ashford's anticipated fund balance. While we are willing to estimate this information for you, we trust you will consider the whole of us and use this information with the best interest of our community in mind.

The Town of Ashford is a rural community located in the northeastern Quiet Corner of our State. Our tax revenues come primarily from residential/agricultural assessments, with a small commercial base. We are rich in tax exempt properties including The Hole in the Wall Gang Camp (164 acres), Camp Connri (Salvation Army Camp 205 acres), Our Companions Animal Sanctuary (46 acres), June Norcross Webster Scout Reservation (Boy Scout Camp 951 acres), and the Russian-Ukrainian Center Camp (38 acres). Approximately 2,250 acres of land are owned by Yale University and managed by the Yale School of Forestry and Environmental Studies. Joshua's Trust, the Nature Conservancy, and Wolf Den Trust own a combined total of approximately 914 acres. Additionally, we are home to four active churches on tax exempt property.

The Town of Ashford has strived to remain financially sound by making the best choices to benefit our residents. By making sound decisions we maintain an Aa3 rating from Moody's Investor Services. We bond only when necessary and submit large purchases to the taxpayers to vote on at referendum. General fund budgets have remained stable for several years, as required by MBR for education, and by a reduction in town government employee staffing and other cost saving methods. We enjoy a strong education system, Pre-K through grade 12, and have an active Senior Center, thereby serving the two largest segments of our population.

Our recent property revaluation revealed a decrease in real estate and personal property taxes of \$1,746,574. Property assessment reductions of over \$1,000,000 on approximately 40 Ashford homes due to crumbling foundations, coupled with falling property values and an inability to sell homes, possibly due to the fear of crumbling foundations, are the leading contributors in this reduction. All indications are that this situation will not see any resolution nor will the homeowners expect to see any assistance in the foreseeable future.

The Town of Ashford is currently operating without a budget for the 2017-2018 fiscal year. Without a State budget our Board of Finance determined that the fiscally responsible choice was to wait until they had reliable figures to bring to the Ashford taxpayers. As required by statute, the Ashford Board of Selectmen set a temporary mill

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rate when we were unable to secure a budget by July 1<sup>st</sup>. The Boards of Finance and Selectmen agreed upon a 2 mill increase over last year's mill rate.

The Ashford Board of Finance has set policies to protect the Town's fiscal health. Available fund balance is kept at a level to ensure up to 1.5 months of our operating budget, ensuring that we can continue to operate in the event we do not have a budget on July 1<sup>st</sup>. Once that threshold is met, any funds remaining after the close and audit of our fiscal year are moved by the Board of Finance into our Capital Non-Recurring Fund. This fund is used to pay for necessary items such as school buses, critical road maintenance, equipment for our volunteer fire department and public works department, and school and town building repairs and maintenance. These items are presented at referendum each year and approved by the legislative body.

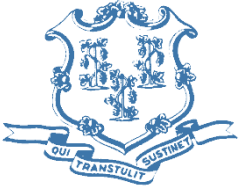
The budget proposals being circulated would have a devastating effect on the Town of Ashford, with the potential of eliminating hundreds of thousands of dollars from our fund balance. After centuries of being fiscally responsible cuts of this magnitude at the State level would have the appearance of penalizing us for our efforts. Additional cuts to services in both the town and school would be unfair and unreasonable. An increase of 7 or more mills in a single year would be unfair and unreasonable. Depleting our fund balance, thereby leaving us vulnerable to loss of favorable bonding rates, no financial safety net, and no funds for necessary or emergency purchases is unacceptable. A state budget that does not penalize fiscally responsible towns already struggling under the weight of unfunded mandates and decreasing grand lists would help ensure the strength of Ashford and other small towns like us, thus supplying Connecticut with rural communities to house, recreate, and educate the families working here and in neighboring communities.

Sincerely

Cheryl A. Baker  
Treasurer  
Town of Ashford, Connecticut

Enclosure

cc: Ashford Board of Selectmen  
Ashford Board of Finance  
State Senator Anthony Guglielmo  
State Representative Sam Belsito  
Joseph DeLong, Executive Director, CCM  
Betsy Gara, Executive Director, COST



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Zambo,

On August 2nd, the Governor directed the Office of Policy and Management to produce a series of reports on the fiscal health of municipalities (please see attached).

To that end, I am requesting updated information on your municipality's fund balance. We have historic data already reported to our office, which we have included below. We are looking for estimates of your General Fund's total fund balance and unassigned fund balance for as of June 30, 2017. In addition, we are requesting projections of your municipality's General Fund total fund balance and unassigned fund balance as of June 30, 2018, based on the assumptions from your adopted FY 18 budget.

ASHFORD

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	1,726,540	1,625,757
FY 16 Actual	1,832,182	1,708,311
FY 17 Estimated	2,088,177	1,960,177
FY 18 Projected (based on adopted municipal budget)	No budget adopted	

No budget adopted but based on statutory mill set by Selectmen -potential Unassigned fund balance 1,209,334

Finally, please provide any supplemental information about the potential impact of a continuing state budget impasse on your community's finances, such as contingency plans to utilize fund balance, issue supplemental taxes or reduce spending.

Please email the requested information to Michael Izadi on my staff at michael.izadi@ct.gov by August 16, 2017.

Sincerely,

Benjamin Barnes  
Secretary

- Cc: Cheryl A. Baker, Treasurer
- Michael Izadi, Office of Policy and Management
- Kerry Kelley, Office of Policy and Management