



Town of Easton

Adam Dunsby
First Selectman

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Secretary Benjamin Barnes
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

August 15, 2017

Dear Secretary Barnes,

I have your letter of August 7, 2017 requesting information on the Town of Easton's fund balance. The information is attached.

You also ask for supplemental information. The Town of Easton prides itself on its conservative fiscal practices. We switched to a defined contribution retirement plan for new employees in 2012, we do not offer post-retirement health benefits, to keep health costs down we changed health insurance providers twice in the last three years. We share a significant portion of our education services with our neighbor Redding, including a high school, a superintendent, and much of the administrative staff.

Easton will soon be undertaking significant capital projects, such as the replacement of two bridges. Our fund balance is higher than it otherwise would be as we are saving in advance for these costs, rather than planning to increase our debt.

About ninety percent of Easton is public water supply watershed. Much of the water that comes out of faucets in towns such as Fairfield and Bridgeport fell as rain in Easton. Because of this we have little commercial development and therefore little opportunity to expand our tax base.

Easton residents, however, pay lots of income taxes to the state: \$32 million in 2015. For each dollar an Easton resident paid, the Town of Easton received back three cents from the state. This is in the face of declining housing values. Property values dropped over four percent during the last five years and are down about twenty-five percent from their peak. While state officials may applaud the increased affordability of Easton's housing stock, the owners of the homes would prefer they retain their value.

I have provided the specific information you have requested. I trust you are not asking simply to determine how much you can take. Easton has made tough decisions to remain fiscally sound. We should not be punished for being responsible.

Sincerely,

Adam Dunsby



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Dunsby,

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.

EASTON

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	6,176,960	5,536,960
FY 16 Actual	6,945,761	6,305,761
FY 17 Estimated	\$ 7,458,024	\$ 6,818,024
FY 18 Projected (based on adopted municipal budget)	\$ 6,344,417	\$ 5,704,417

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: Christine Calvert, Finance Director
 Michael Izadi, Office of Policy and Management
 Kerry Kelley, Office of Policy and Management