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August 16, 2017

Mr. Benjamin Barnes
State of Connecticut – Office of Policy and Management
Office of the Secretary
450 Capitol Ave.
Hartford, CT 06106-1379

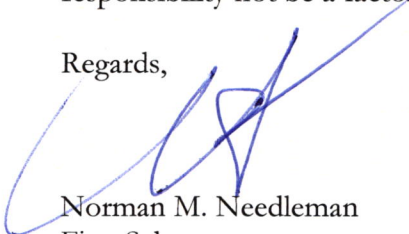
Dear Secretary Barnes:

This is in response to your letter of August 7, 2017 requesting supplemental information about the potential impact of a continuing state budget impasse on our community. While the Town of Essex historical state aid made up only a small percentage of our annual operating revenues compared to most other municipalities in the State, this revenue allowed some relief from our skewed reliance on property taxes.

The Governor's original budget proposal would result in the loss of over \$200,000 in state aid to Essex. In response to that loss, our fiscal year 2017-2018 general fund budget and mill rate incorporate a \$175,217 budget deficit which will be funded by our municipal reserves. Further delays and/or cuts to municipal aid must result in a more significant deficit and could result in the postponement or elimination of infrastructure projects. The issuance of supplemental tax bills is the least likely option based on the cost to prepare and issue, the confusion it would cause for our taxpayers and the burden on our 2-person tax collector's office.

The Town of Essex maintains a prudent fund balance. We respectfully ask that this fiscal responsibility not be a factor for determining cuts in future aid.

Regards,


Norman M. Needleman
First Selectman
Town of Essex

