



TOWN OF GRANBY
Incorporated 1786

15 NORTH GRANBY ROAD
GRANBY, CONNECTICUT 06035-2125

(860) 844-5300

JOHN D. WARD
TOWN MANAGER

August 16, 2017

Mr. Benjamin Barnes
Secretary Office of Policy and Management
c/o Mr. Michael Izadi @michael.izadi@ct.gov

Re: Granby Fund Balances

Dear Secretary Barnes:

In response to your letter of August 7, 2017, please find the requested information pertaining to the Town of Granby's Fund Balances.

| | Total Fund Balance | Unassigned Fund Balance per GASB 54 |
|---|-------------------------------|--|
| FY15 Actual | \$4,269,760 | \$2,586,074 |
| FY16 Actual | \$4,681,934 | \$3,012,382 |
| FY17 Estimated | \$4,906,090 | \$3,150,380 |
| FY18 Projected (based on adopted municipal budget) | \$3,855,380 | \$2,200,380 |

The projected fund balances, total and unassigned for FY18, are based on revenue figures from the state as presented in Governor's Malloy's budget proposal on February 8, 2017 with one exception. They do not incorporate any payment of a contribution to the Teacher Retirement Fund. The figures do incorporate the anticipated transfer from the unassigned general fund to the operational budget in the amount of \$1,050,000 during the FY18.

The projected FY18 estimate also does not incorporate the following revenues changes as articulated in the Governor’s Resource Allocation plan of June 30, 2017 or any other notices subsequent to the February 8, 2017 budget proposal.

| Grant Description | Delta from Budget Assumption |
|----------------------------------|-------------------------------------|
| ECS | \$2,017,320 |
| Special Education / Excess Costs | \$698,554 |
| Pilot –State Owned Property | \$8,142 |
| Pequot and Mohegan Fund | \$24,043 |
| MRSA- Motor Vehicle (delayed) | \$345,234 |
| | |
| Total | \$3,093,293 |

A decrease in state municipal aid of the above magnitude cannot be addressed only by more transfers from the general fund as there are not enough funds. If this were the sole contingency plan, the resulting balance would be as follows:

| | Total Fund Balance | Unassigned Fund Balance per GASB 54 |
|---|---------------------------|--|
| Revised FY18 Projected (based reductions to amount adopted municipal budget) | \$762,087 | \$(1,655,000) |

For obvious reasons, further contingency plans will be developed. The Boards of Selectmen, Finance, and Education will be meeting shortly to discuss the proper course or courses to take. In the interim, the town is establishing a hold on any discretionary spending.

Very truly yours,

John D. Ward
Town Manager

pc: B. Scott Kuhnly, First Selectman
Michael Guarco, Chairmen, Board of Finance