



TOWN OF MADISON
CONNECTICUT 06443-2563
BOARD OF SELECTMEN

Thomas J. Banisch
First Selectman

Alfred J. Goldberg
Robert G. Hale
Scott M. Murphy
Bruce H. Wilson, Jr.

August 16, 2017

Benjamin Barnes, Secretary
Office of Policy and Management
State of Connecticut
450 Capital Avenue
Hartford, CT 06106-1379

Dear Secretary Barnes,

This letter is in response to your request for updated information on our Town's Fund Balance. That information is enclosed on the form that you provided. I have to caution that without any information from the state, we have to assume the worst, and then we can only provide a range, at best, because there are too many variables that we can't foresee that could impact our results going forward., so, while I offer these numbers in response to your request, I have to be honest that I have no faith in them.

Our Board of Finance regulations call for us to maintain 10% of our budget in Fund Balance. This also helps us to maintain our Aaa Bond Rating, which will be put in jeopardy if we see even the Best Case results I am estimating. Accordingly, I will do everything in my power to keep that from happening. That will mean, in addition to using Fund Balance we will have to cut spending to mitigate lost state aid and other negative impacts that we can't anticipate as a result of this crisis. The issuance of supplemental tax bills is not something that I will contemplate as the people of Madison are already over-burdened with taxes.

The general poor health of the Connecticut State Government dominates conversation as we deal with all Town financial matters ranging from state aid to health insurance renewals and from maintenance of our infrastructure to educating our children. Uncertainty does not bode well for the financial markets or for our towns.

Sincerely,

Thomas J. Banisch
First Selectman
Town of Madison
TB/ljr

cc: Board of Selectmen,
Superintendent of Schools
Chair, Board of Finance
Chair, Board of Education
Finance Director



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Banisch,

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.

MADISON

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	10,778,063	9,338,533
FY 16 Actual	12,914,554	11,221,844
FY 17 Estimated	11,501,714	9,959,755
FY 18 Projected (based on adopted municipal budget)	Best Case 8,000,000	7,400,000
	Worst Case 7,200,000	6,600,000

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: Stacy Norbitz, Director Of Finance
Michael Izadi, Office of Policy and Management
Kerry Kelley, Office of Policy and Management