



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Mayor Hess,

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.

NAUGATUCK	General Fund		MILL RATE
	Total Fund Balance	Unassigned Fund Balance per GASB 54	
			44.27
FY 15 Actual	15,192,488	13,729,445	
FY 16 Actual	12,228,726	8,872,075	45.57
FY 17 Estimated	11,500,000	8,600,000	47.67
FY 18 Projected (based on adopted municipal	10,500,000	8,000,000	48.55

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,

NOTE: * FY '18 adopted budget presumes flat funding from the state, which is already in jeopardy because of a lack of a state budget. This estimate will change depending on finalization of a state budget.

** Naugatuck has been receiving Alliance Grant funding since 2014. The fund balances above would be lower but for said funding. It would be a severe hardship to lose Alliance Grant funding at the same time as a substantial cut in ECS funding.

*** Naugatuck should be treated in a similar manner as other Alliance grant Towns in the Valley such as Ansonia.

Cc: Robert Butler, Controller
Michael Izadi, Office of Policy and Management
Kerry Kelley, Office of Policy and Management