



## Town of Thomaston

First Selectman's Office

Town Hall

158 Main Street

P.O. Box 136

Thomaston, Connecticut 06787

Phone: 860-283-4421 Fax: 860-283-1378

8/7/17

Secretary Barnes,

We have found it very difficult to comprise an annual budget with the continued uncertainty that revolves around revenue that we may or may not receive from the state which has long been a significant portion of our revenue stream. One that has allowed us to control local taxation. We have been proactive for the last 8 years whereas we implemented "zero based budgeting", high deductible health care plans, 457b retirement plans for all new hires, and moved retirees to Medicare advantage plans to produce additional savings. In the current fiscal year, with the uncertainty at the state level, we have comprised a budget that provides less in capital improvement funds, reduced the Library budget and the Education budget to a mere .29% over last years' expenditures. Thomaston's total expenditures have increased by a total of 1.48% and yet our mill rate needed to be increased by .98 from 34.07 to 35.05. The Town has assumed a loss of \$700,000 from the state and has utilized \$690,000 from our undesignated fund balance to achieve a budget that would pass after having a previous version rejected by the taxpayers. In anticipation of deeper cuts, we would need to propose a revised budget and a supplemental tax combined with the use of additional funds from our undesignated account thereby reducing our available operating capital and potentially effecting our bond rating which we have worked judiciously to improve and maintain. Yet another factor to be considered is the uncertainty of the car tax cap. As it is now known that the MRSA that was intended to "make up the difference" is not available and as such I would suggested that the cap be removed thereby allowing towns the ability to tax at the established mill rate. Currently we have not sent out these tax bills in anticipation of a change.

The lack of TAR funds have caused us to delay needed road repairs and maintenance. We have great concern about the distribution of ECS funds with the lack of a state budget, and currently even though we are in a new fiscal year, I have directed department heads to proceed with caution as they begin to spend their budgets. Not knowing where we stand financially is disconcerting to all the staff and certainly myself as First Selectman and our Board of Finance. The one thing that we most rely upon from the State is a degree of certainty. That I'm afraid this year is severely lacking.

Sincerely,  
Edmond V. Mone



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Mone,

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.

THOMASTON

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	3,167,183	3,007,183
FY 16 Actual	3,442,489	3,340,323
FY 17 Estimated	* 3,652,489	2,977,489
FY 18 Projected (based on adopted municipal budget)	2,977,489	**

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,

Handwritten signature of Benjamin Barnes

Benjamin Barnes  
Secretary

\* estimate based on current figures bills are still coming in & audit has just begun

\*\* No way to calculate what will be assigned to the 18/19 budget

Cc: Tracy A. Decker, Finance Director  
Michael Izadi, Office of Policy and Management  
Kerry Kelley, Office of Policy and Management