

STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Sirpenski,

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.

VOLUNTOWN

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	928,931	899,277
FY 16 Actual	1,755,437	1,626,907

FY 17 Estimated	NO CHANGE	NO CHANGE
FY 18 Projected (based on adopted municipal budget)	NO BUDGET PASSED DUE TO	NO BUDGET PASSED DUE TO

LACK OF A STATE BUDGET LACK OF A STATE BUDGET

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.

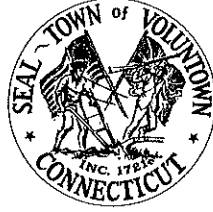
Sincerely,

Handwritten signature of Benjamin Barnes

Benjamin Barnes
Secretary

Cc: Richard A. Osga, Treasurer
Michael Izadi, Office of Policy and Management
Kerry Kelley, Office of Policy and Management

OFFICE OF THE SELECTMEN



115 Main Street
P.O. Box 96
Voluntown, CT 06384
Telephone: 860 376-5880
Fax: 860 376 - 3295

August 15, 2017

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

Dear Secretary Barnes:

In response to your letter dated August 7, 2017, please find Voluntown's information on our fund balance. At this time, since both the Town and Board of Education operated at an amount equal to their approved 2016-2017 approved budgets, the Town is not expecting any significant changes to the fund balances as of June 30, 2016. Due to the State's inability to pass a budget in a timely fashion, the citizens of Voluntown voted down both the municipal and school budgets that were presented at the Town's annual meeting.

Voluntown is a poor rural community with no industrial tax base. Five of the top ten tax payers are personal residences. The lack of a tax base is directly related to the State owning 70 % of all of the land in town, which is primarily State Forest. Since 2007 the State has continually reduced its PILOT payments to the Town and consequently the tax burden has been greatly increased on local residents. In a few years the Town's mil rate has risen from 22 to over 28, a 27 % increase. The residents of this Town cannot absorb any further tax increase due to the State's inability to manage their own finances.

The Town of Voluntown currently has no debt. This is not because the Town is affluent but due to the Town living within its means. Capital purchases are funded through the use of fund balance by setting money aside on an annual basis. The Town has continued to make sacrifices, do without, and delay projects to ease the burden on the local taxpayer.

Governor Malloy's request for this information and how it will be interpreted and used is very disturbing. The letter implies that Voluntown and other towns that are effectively managed are affluent and can afford to absorb more in terms of property taxes that result from reducing State grants. In

Voluntown one mil equals approximately \$200,000. If permanently enacted, Governor Malloy's Resource Allocation Plan would add 8 mils to our tax rate, which is a 29% increase. Local residents cannot afford this and the only school in town would have to bear the burden of this cut. A school budget of less than seven million dollars cannot absorb a cut this large. There is no room on the Town side to cut any further. The Town has no police force, no resident trooper, and only three full time employees, including public works. Governor Malloy's proposed reduction in State funding of \$1,643,000 is almost equal to the entire Municipal budget of \$1,684,000.

If you should have any questions or wish to discuss this matter with me please contact me at 860-908-3948.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sirpenski', with a stylized flourish at the end.

Robert Sirpenski
First Selectman, Town of Voluntown

cc: State Senator Heather Somers
State Representative Kevin Skulczyk