

TOWN OF WINDHAM, CT

Finance Department



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Windham "Home of Connecticut's Eastern University"

August 16, 2017

Dear Mr. Barnes;

If the current State budget impasse continues, the impact of the Governor's emergency funding measures on Windham's cash flow is significant. Based on the lack of funding for the MRSA pilot (\$1.1M) in August, the withholding of PILOT funding for Public & Private properties (\$3.626M) in September, the loss of inter-governmental revenue through Q1 of 2018 would total \$4.726M. This loss would need to be drawn from fund balance until the State passes a budget. This would cut our unassigned fund balance by more than 50% before any budgeted reductions. This could seriously impact our ability to fund payroll and accounts payable during certain points in the year.

The emergency funding increase in ECS for Windham of \$1M would be partially offset by the withholding of \$840,000 in Q4 of the Mashantucket Pequot grant. The total cash deficit for FY2018 would be \$4.6M based on current projections if no supplemental taxes are levied.

Currently, there are no plans to issue supplemental taxes based on the Governor's budget proposal. If the MV Cap is increased to 37 Mills or removed entirely, supplemental MV bills would be issued.

If the budget impasse continues investments in technology for Windham Public Schools would be deferred.

Sincerely,

Christian Johnson



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Mr. Beets,

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.

WINDHAM

General Fund

| | <u>Total Fund Balance</u> | <u>Unassigned Fund Balance per GASB 54</u> |
|---|---------------------------|--|
| FY 15 Actual | 12,901,525 | 11,453,914 |
| FY 16 Actual | 10,336,364 | 9,495,320 |
| FY 17 Estimated | 10,088,133 | 9,200,320 |
| FY 18 Projected (based on adopted municipal budget) | 9,353,283 | 8,465,570 |

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: Christian S. Johnson, Finance Director
Michael Izadi, Office of Policy and Management
Kerry Kelley, Office of Policy and Management