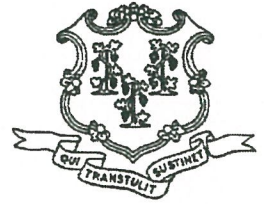


Town of Griswold

Finance Department
28 Main Street
Griswold, CT 06351
Phone: 860-376-7060, Fax: 860-376-4820



November 30, 2017

Re: Budget Update – Shortfall

Dear Community Members,

I am writing to share with you the latest news and concerns regarding our approved budget for FY 17-18.

After 123 days without a state budget, the governor signed off on a bipartisan budget that resulted in the Town of Griswold receiving \$31,233 less than what we budgeted. While we consider any loss to be significant and understand the impact that it has as it relates to the operations of both the Town and the school system, we felt fortunate that this amount was small enough that we as a Board would be able to mitigate the shortfall where it would not impact the services of the Town or school system.

Since that time, the Governor has decided to “holdback” an additional \$888,491 in Education Cost Sharing monies that were also owed to the Town of Griswold. This “holdback” is essentially an additional cut in revenues to the Town as the intent by the State is to not pay these monies. In fact, after final review the Town will receive \$919,724 less than what we budgeted for State revenues as a result of state cuts and holdbacks. The total loss of State revenue as compared to last year will be \$1,213,613. In anticipation of possible State budget cuts, the Town’s adopted budget had accounted for a loss of revenue of \$293,889.

Unfortunately, the bad news continues. The Governor just recently indicated that he may have to “develop a deficit mitigation plan” to close a newly projected state budget deficit of \$203 million. While I don’t want to speculate the source of these cuts, I believe it to be prudent at the very least, begin a dialog to prepare for the possibility that there may be a second round of municipal cuts or “holdbacks”.

Recognizing that the Town currently faces a deficit of \$919,724 from the sudden and unanticipated loss of state revenue, the Board of Finance is exploring several options to mitigate this issue. Unfortunately, there is no straight forward or easy away to rectify this situation. First and foremost, the Board is collectively working with both the First Selectman and Superintendent of Schools to try to identify any areas where savings can be realized, or cuts that will have the least negative impact. In the event that we are not able to bridge the entire gap through this collaborative effort, we will be forced to look at other options such as: Supplemental tax bills (a 1.32 mill increase), a freeze (essentially a cut) to both the Town and Board of Education budgets, and/or utilizing surplus monies. Regrettably, each option yields its own set of negative consequences.

While my intent is most certainly not to politicize this issue, as we work toward a resolution, please feel free to voice your concerns and displeasure with your State Legislators and the Governor’s office.

Sincerely,

Scott Davis, Chairman
Board of Finance