

FACTS ABOUT SOMERS FISCAL 2018 SUPPLEMENTAL TAX INCREASE

Town General Fund State Aid by Type of Grant	FY2018	10/25/17	11/17/2017	Total
	Aid in Town Adopted Budget Approved at Referendum	State Adopted Budget -Town Allocation	Governor's Post Holdback Budget	Reduction in State Aid from Adopted Budget
Mohegan Pequot	\$ 1,594,267	\$ 1,594,267	\$ 1,594,267	\$ -
PILOT	\$ 858,635	\$ 715,904	\$ 655,259	\$ 203,376
Municipal Revenue Sharing	\$ 203,969	\$ -	\$ -	\$ 203,969
Municipal Assistance	\$ -	\$ 614,776	\$ 566,276	\$ (566,276)
ECS, Special Ed. & Transportation	\$ 6,406,888	\$ 5,643,551	\$ 5,152,492	\$1,254,396
Total State Aid in General Fund	\$ 9,063,759	\$ 8,568,498	\$ 7,968,294	\$1,095,465
Mill Rate Impact				1.31

Town Capital Grant Restricted Funding (NOT in GF)(Not in Property Tax)	FY2018	10/25/17	11/17/2017	Total
		State Adopted Budget	Governor's Post Holdback Budget	Reduction in State Aid
Town Aid Road *	\$ 267,917	\$ 267,917	\$ 133,958	\$ 133,959
Municipal Projects *	\$ 82,324	\$ 82,324	\$ 82,324	\$ 0
LoCIP **	\$ 162,570	\$ 162,570	\$ 162,570	\$ 0
Total Restricted State Aid	\$ 512,811	\$ 512,811	\$ 378,852	\$ 133,959
Total State Aid FY2018	\$ 9,576,570	\$ 9,081,309	\$8,347,146	\$1,229,424

*Funds are deposited directly into Town Aid Road Fund as required by State statute

**Funds are only received as reimbursements when pre-approved projects are completed

SOMERS STATE AID SHORTFALL – In FY 2018, the Somers State aid shortfall in the General Fund budget is \$1,095,465. The Town took a double-hit: first from the reductions in the State adopted budget in October 2017 and then quickly followed in November 2017 by the Governor's decision to hold back additional amounts from the already reduced State budget. The impact of those two cuts equates to a 1.31 mill rate impact. The shortfall figure of \$1,095,465 above can withstand the scrutiny of all stakeholders: BOS, BOF, Auditors, and taxpayers. Any other shortfall amount i.e. \$85,759, being circulated in the "We Were Fleeced" flyer is an unsupported figure arrived at through erroneous assumptions and calculations. The Town was initially in the midst of developing a cost reduction plan when the "other shoe" dropped (Governor's Holdbacks). At that point, we were not able to determine if additional cuts beyond the \$1,095,465 would occur. Cutting over \$1 million from the Town's budget at mid-year would have resulted in teacher layoffs and severely curtailed town services. The potential budget cut scenarios were presented to the BOS, BOE and the BOF. Action on the cuts were not taken and the town's Adopted budget was never modified. Modifying an "Adopted" budget would have required a referendum vote.

SUPPLEMENTAL TAX - The Implementer Bill passed by State Lawmakers along with the State budget contained specific language allowing towns that had revenue shortfalls due to cuts in State aid to implement a Supplemental Tax up to the shortfall amount. Boards of Finance "without further authority" could modify the tax levy. "Without further authority" means additional steps, such as referendum vote is not required. The BOF further sought the legal opinion of the Town Attorney on both the legality and process required to implement the Supplemental Tax. After receiving a favorable opinion, the BOF held a Special Public Hearing in January 2018, explaining the need for such a Supplemental Tax. The BOF then voted to levy an additional 1 mill increase to close the revenue gap. Tax bills were issued on February 1, 2018. It was estimated the supplemental tax would raise approximately \$839,490. The remaining \$255,975 (\$1,095,465 - \$839,490) would be achieved by spending reductions in the BOE and BOS budgets.

SUMMARY - The Town is accountable for the accuracy of all numbers presented in support of the Supplemental Tax increase. It's numbers when analyzed can withstand scrutiny. Others who have presented alternative scenarios are not being held to the same accuracy standard. Their scenarios which are incorrect do not need to be accountable and their conclusions are unsupported. The Supplemental Tax increase enacted in February 2018 was necessary, prudent and legal. Neither a Town Meeting nor a referendum was required to adjust the tax levy, only the vote of the BOF.