

Hello Ron and Kyle,

The updated 5 year forecast just released by Staff indicates that with no additional revenue or expense reductions, the GF balance at the end of FY 28 will be \$100k - down from a projected balance of \$19.9m (this excludes the \$1m restricted pension reserve) as of June 30, 2023. I have no idea why the Staff memo fails to make this point.

This means that both rainy day reserves (budget stabilization and catastrophic reserves) will be fully spent with no credible plan to replenish them. Additionally there will be no capital available in the GF to transfer to the GFAR to fund critical capital projects.

Based on this forecast, and I am assuming the Staff believes the forecast to be accurate, the time has come to declare a financial crisis. Obviously the Town can not simply let this come to pass.

What specific actions are the Staff proposing to stabilize this disastrous outlook? Is there any plan at all? What am I missing?

Thank you,

Phil Koen