

BOARD OF SELECTMEN HEARING: 6-19-91

CONVENED: 8:05PM Coginchau Regional High School
Julian B. Thayer Auditorium

LEGAL NOTICE: published 6-14-91, Middletown Press

CALL: "To discuss Section 12-213 Connecticut General Statutes, which provides the Board of Selectmen the authority to set the mil rate, as follows:

When any town had failed to lay necessary taxes or to lay a tax which, in addition to the other estimated yearly income of the town, is sufficient to pay the current expenses of such town, its selectmen shall make a rate bill upon its list last completed for the amount necessary, or for an amount sufficient to pay the deficit in such current expenses, and cause the same to be collected as other taxes."

MODERATOR: First Selectman Maryann P. Boord

Statement from Mrs. Boord (Paraphrased):

Failure of the education budget to pass on the fourth try has created a situation which seriously impacts Durham's financial status. Section 12-123 of the Ct. General Statutes provides the mechanism which allows action to be taken by the Board of Selectmen so that tax bills may be set forth in a relatively timely fashion in order that the town's fiscal obligations may be met. Failure to set a mil rate is regarded by bonding authorities to imply reluctance to pay, and the town's bond rating would be adversely affected immediately. (i.e. down from "A" to a "B" category.) This would result in any bonding we might do costing us more in higher interest rates.

DISCUSSION:

Town Treasurer Foster Mather, based on last year's records and looking at current balances on hand in both General Fund and Reserve Funds, estimates the town can meet its July obligations, but an August 1st "due date" for tax collection would require implementation of some expensive short term borrowing. (He subsequently pointed out that this may be necessary in any event, since the school district often "front loads" their money requests into the first of the year, which forces us to borrow in anticipation of tax income.) It was also pointed out that

considerable interest would be lost during the initial month of the fiscal year, were the due date to be moved ahead to August.

Mrs. Boord stated that she had consulted with the Office of Policy and Management, town counsel and the appropriate town officials before the Board of Selectmen made the decision to activate the procedure set forth in the statutes. The Board felt it most important to have public input into the decision as well, and therefore called the public hearing to do so.

(Following material consists of odds and ends of "people said"s.

MPB: Responsible action = setting a mil rate.

J. Salva: Usual July collection is about 3.4 million \$\$.

Ona McLaughlin: MPB requested a reasonable lower figure to come out of the B/Ed (meeting at this very moment), and our B/E is playing chicken with us....."Do all you can to move this thing a long!"

? Will we get a Jan. 1st adjustment in our payments if a new B/E budget comes in at a lower figure than you set the mil rate at?

(Any surplus arriving from this situation would be figured into next year's f.y. taxes. We can't spend any excess money collected. (Fran E. Korn))

? Our town budget has been passed. Can we operate on that w/o school budget? (John Parmelee) (OPM and town counsel agree any balance due would be paid in one lump sum, rather than divided in half, as is usually the case.)

KIP JANES: Talking "delay". What amount of interest will be lost? (Budgeted a receipt of interest on the General Fund of \$88,000 for the first month.) Further discussion clarified that we'd lose about \$40,000 in interest, plus the cost of borrowing.

GEO. M. EAMES, IV, Chrmn. B/F: Rates for short-term borrowing much higher than set municipal rates. We're an "A" rated town, so not comparable with Bridgeport situation, but very costly to borrow in that manner. Have about one month's cash left -- salt in the wound is having to pay the school costs even without approval of their budget.

J. SALVA: Expects to be able to get the tax bills out around July 17th. Due date: August 1st, payable by August 31st. Overtime help will not be necessary, said Mrs. Boord; Quality Data needs 10 working days to print bills IF we are first in line (probably are not--and then bills must be checked over for correctness, before implementing their proper dissemination. Current staff can be used as an emergency measure to accomplish this without overtime becoming an expensive factor.

R. PARMELEE, JR.: Time to contemplate action on the budget. Dist. #13 B of E haven't done their job; their budget equals 80% of our

money. Don't pay attention to what B/E budget is set tonight -- Say this is our best estimate of what tax payers will accept.

G.W.EAMES, IV: 2 wks ago B/F wanted to wait until after Tuesday, June 18 Referendum to set a mil rate. But now, how much time can we buy??? 1 month cash-flow left, and time to get tax bills out is almost a month. Must try to pull the fat out of the fire the Board of Education has set! (Personally has urged the B/E to cut deeply into their budget).

ROGER NEWTON: ? Do you have an estimated mil rate to propose?

KIP JANES: WARN AND WAIT. I.KERSCHNER: SET RATE!

TREASURER M. F. MATHER: Do we HAVE to pay the school? What are our obligations?

TOWN COUNSEL R. POLINER: Some expenses we have to pay: i.e. Insurance for liability and health are pd. monthly basis or are cancelled. There is also a body of law, a position taken consistently by the courts, that existing contracts override other votes that may be taken, and must be honored.

JOHN PARMELEE: Get rid of the entire B/E! (Applause).

KIP JANES: Would defer to judgement of B/S with input from B/F to hold off setting rate for 1 wk. Should be a minimum of further down-sizing of B/E budget by at least \$300,000. (Also RCParmelee, Jr.'s suggestion).

PETER KOFUSUSKE: Banks set up escrow accts ~~up~~ on basis of mil rate first received from town; supplementary bill would be paid directly by the taxpayer, not by an increase in the escrow amt. charged him.

FRANCIS E. KORN, SELECTMAN: Thanks everyone for coming. Will take all comments and suggestions into consideration, and do what is best for the town. Severe action will be taken if the B/E doesn't hear what the people are saying!

MARYANN P. BOORD: Selectmen's Meeting tomorrow night at the Town Hall will be held at 7:00 PM: every one most welcome to come and comment at that time. Goodnight!

ROSEMARIE NAPLES: Express desire to wait until after the June 27th vote of the school budget to set a mil rate. 2 or 3 days more won't make a difference.

T. of Darden Hearing 6-19-91

Called by Gt. of Election.

Legal Note provided 6-14-91 in the Middleton Room.

Call: _____ to discuss:
↓

H/S - ~~Home~~

Revising the proposed impact of setting the
Mid Note, a hearing was held to be appropriate

\$402,000 ^{was left.} ~~was left.~~ ^{for balance} ~~for balance~~ ^{had up} ~~had up~~
\$380,000 applied toward 91-92 Hy. budget
Orig. \$150,000 in reserve.

Disposals of line July 80,000
Aug 8,13 ?
June 136,000 Balance
526,000 Reserve

Share 235,000 share in the collection
in which the July interest should be paid today.

Long term bond issued for July 13.

* Critical to at that to make sure
today - being done next 5 yrs 6:
probable, & the fund is held as for
future reserve.

Anticipated note: critical emergency
July 13 is included in today's
plan.

Full. Mr. setting the note ~~the~~ ^{the} ~~indicates~~ ^{indicates} ~~knowingly~~
to pay. as for a ledger are handled.

Ph/B volume response curve = setting a mid rate.

3.4. H_2O in H_2O (1.5%)

Living I & new doc-date & well on ^{the} interest
the payments kindly paid in July

~~The third column~~

3 wks. minimum to get bills out in mail

to budgeting for the need to pay for bonding.

Phil Bat ~~was~~ ^{is} a student who

Kuller had the bridge broken & bridge
 broken.

Q. What school did you go to? (You registered a secondary school to learn art & then went to an office school - ~~after~~ ^{after} ~~you~~ ^{you} ~~from~~ ^{from} ~~which~~ ^{which} ~~you~~ ^{you} ~~went~~ ^{went} ~~to~~ ^{to} ~~learn~~ ^{learn} ~~the~~ ^{the} ~~design~~ ^{design}.)

(5) Will we get a fair 1st adjust in our pay B if a new B/E bridge loan is loaned (Snyder stated figured to next F.Y. term) We are spending a considerable (FET)

7) Jim budget paid. Can we quote on this with school by
Orla / I have seen a house would be paid 10000 Corp.
Now with the school is help, and with ~~parent~~ it is usually
the case.

7) ^{in case} for full day. What are activities will be there?
Budget & receipt of Int. & G.E. \$88,000 for study.
One month

The note is shown. Request Bled to not display it
their budget.

C. Helness (2) Should info from the Bled in the books
Hed. Kelly with O.S. budget for the Bled (M.B.)
Request to Bled might consider as a conversation
figure be arrived at by taking the 1/2 of what the income
was over last year figure.

Roger Newton (2) Will note set on the floor?

My (2) Long period Bled? 21.24 is B/F annual budget
of 300,000 is based on only 1/2 of a year would
be estimated.

Tip (2) Timing: due date Aug. 1st?
Tax bills go out July 18th

Look for tax = July 25th?
Suggest delaying the work until next vote on Bled
if we want 1/2 of budget we will be set for
the

Can still effect August 1st due date

Kenneth (2) Bled didn't request to transfer with
before should go to the committee. Set date.

M.B. Had to make financial commitments for month of Aug.

Return (2) Do we have to pay the school? If we don't pay for

Are we obligated to pay

I. Harold (2) Since expense we have to pay. I.E. have
for liability & health pd/benefit basis is small.

Also a body of law support by Govt. that covering
category outside the vote we take, or must be covered
the bill we don't pay for the tax bill all paid bills must
be paid on the 1st of the month of 2 payments.

John (2) Get rid of the Bled!
Pick budget leaving kit same. A minimum budget of 300,000.

About 300,000 left over from former school board
150,000 over the debt service. 100,000 in 2000. Cost of capital 70,000

= 300,000 if you add it up.
 Please return for you in too long. Bd of Educat
 for Mr. [unclear] [unclear].

Exp: - ~~the~~ Which before to find of B's with [unclear] of
 B's of [unclear] to hold of setting for 1st.

Min of 300,000 down [unclear] by T. of [unclear]
 of Bd of Ed budget.

Page - Wants Bd to be [unclear] in [unclear] of [unclear]
 budget & [unclear] [unclear] [unclear] of
 [unclear] [unclear].

Some [unclear] & will add [unclear] on [unclear] & [unclear]
 [unclear] [unclear] [unclear] [unclear] [unclear] [unclear]
 by [unclear] [unclear].

B's will not have effect B's budget
 Special bill [unclear] if B's [unclear] [unclear].

One - There are [unclear] on [unclear] [unclear] B's budget. Bd. [unclear]
 Be careful.

of [unclear] - They have to [unclear] to go [unclear] [unclear] [unclear]
 [unclear] their many requests in first half of year.
 They began [unclear] when they first had their
 [unclear] requests.

FEK - That [unclear] for [unclear]. Will [unclear] all
 [unclear] & [unclear] & do what is best for
 the [unclear]. Take [unclear] action if [unclear] [unclear]
 [unclear] [unclear] the [unclear] are [unclear].
 hps (Up) - [unclear] [unclear] [unclear] [unclear] [unclear]
 [unclear] & [unclear].