



# Town of Groton, Connecticut

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## Meeting Minutes

### Town Council Committee of the Whole

**Mayor Bruce Flax, Councilors Dean G. Antipas, Diane Barber, Greg Grim, Rich Moravsik, Karen F. Morton, Bonnie Nault, Deb Peruzzotti, and Harry A. Watson**

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Tuesday, June 6, 2017

6:30 PM

Town Hall Annex - Community Room 1

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#### SPECIAL MEETING

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1. **CALL TO ORDER**

*Mayor Flax called the meeting to order at 6:31 p.m.*

2. **ROLL CALL**

Members Present: Mayor Flax, Councilor Barber, Councilor Grim, Councilor Antipas, Councilor Nault, Councilor Peruzzotti, Councilor Watson and Councilor Moravsik  
Members Absent: Councilor Morton

*Also present were Town Manager Mark Oefinger and Administrative Secretary Lisa Hylton.*

3. **NEW BUSINESS**

**2017-0145 Establishment of Tax Rate for General Fund (FYE 2018)**

**Discussed**

*Town Manager Mark Oefinger spoke about the uncertainty of the state budget. He explained that the Council would need to adopt three budgets, for informational purposes, for the General Fund, Mumford Cove and the Sewer District. He noted that both Mumford Cove and the Sewer District budgets were straight forward and the need was to focus on the General Fund.*

*It was stated that the Committee of the Whole was provided four different scenarios with different amounts of state aid that could be reduced to the Town. The Town Manager explained that he used scenario two for the proposed budget as a basis point with a reduction of \$5 million. After speaking with the Mayor he provided the Council with a fifth scenario with a reduction of \$3 million.*

*It was mentioned that the Town currently has three months of revenue and a \$200,000 increase in conveyer fees from the Branford Manor sale. The Town Manager stated that the Town is no closer to knowing the outcome of the state budget.*

*Mayor Flax mentioned that he had reached out to the state representatives hoping for useful information before making a decision. He stated that they did not provide any definitive answers but appeared to be hopeful.*

*Cindy Landry, Director of Finance, explained that there was less revenue than expected for the current fiscal year and the Town had to use more of the General Fund Balance for FYE 2017. This now leaves the Town with less of a fund balance for the 2018 budget. She also stated that the fiscal year's budget for 2018 is less than the fiscal year's budget of 2017. Ms. Landry explained that there was also an anticipation for a much larger reduction with the revaluation and noted that there was a 2.2% decrease, equivalent to \$1.8 million in taxes. The revaluation equates to about a half of a mill increase.*

*Councilor Barber questioned the status of the Pequot Grant of \$440,000. The Town Manager stated that it was still unknown at this time but noted that the figure was reduced from the revenues in case it is not received.*

Ms. Landry went on to explain that there has been an increase in revenues of \$449,000 from taxes and the conveyance tax from the Branford Manor sale but then mentioned this was only an offset to the Board of Education decreases from Special Education, Impact Aid, Educational Cost Sharing and the Pequot Grant. It was noted that if the Town received the Pequot Grant it would increase revenues.

Mayor Flax began a discussion about possibly making an adjustment for a second tax bill, at a later date, if the reduction was not as much as the Town had anticipated. Town Manager Oefinger explained it would create confusion to do so for the banks and mortgage companies. He mentioned that at one time the RTM and Town Council thought there would be items they would want to go back and discuss if there was extra funds. The Town Manager stated that the lawmakers are working hard to prevent the impact to the Town but there is still an unknown and he thinks it is possible we may see this again in future budgets with the state cutting funding. He also mentioned the cost of rebilling every account could be a huge figure in the long term impacting the Town.

Councilor Grim requested clarification as to what will happen if the Town is cut more than anticipated. The Town Manager explained that the budget would need to be revisited to find areas that could take a reduction, have a hiring freeze or put Capital Improvement Projects on hold. He stated it would be difficult to find more places to cut. He also noted that an alternative would be to tap into the fund balance but noted the Town should look internally first.

Discussion began amongst the Councilors on what the best scenario would be going between the \$3 million and \$5 million scenario. There was also discussion on waiting a few more days to make a decision hoping to hear more from the state. Both the Town Manager and Finance Director were not in favor of waiting believing that the Town will not know any more in a week's time. It was explained that the Charter has rules on setting the mill rate and the Town Council should not wait any longer as the tax bills need to be prepared. To do so, the staff has a few weeks' worth of work to get them out on time to the tax payers.

Mayor Flax stated, in his opinion that the Committee of the Whole should move forward with the \$3 million scenario. He explained that the mill rate change will be lower and there is less risk of collecting more money than needed. He also explained that there is an unknown but he feels legislators are optimistic on the cut being less than \$5 million.

Councilor Grim questioned if it were possible to send out a second bill as an option if an increase needs to take place. The Town Manager explained that it could be done in theory but he would not recommend it. Ms. Landry explained that it is much easier to put money back into the budget than to take it away. She noted in 2016 it was something the Town needed to do and it was heart wrenching going back to the departments to cut more funds.

Councilor Peruzzotti questioned if assessments would be different year to year. Ms. Landry explained that revaluations are done every five years so they would not be different year to year. Councilor Peruzzotti voiced her opinion feeling that the money, if in excess, should be returned to reduce the mill rate as a windfall to the taxpayers for the following year.

Councilor Watson stated that this is a guessing game every year and he is not willing to take the risk with the \$3 million scenario. He stated that revenues are the moving target and are the source of the unknown. He explained that should the Town receive more money than planned, the Council needs to review the items that were cut from the budget.

Town Manager Oefinger pointed out Attachment 9 in Cindy Landry's memo clarifying the mill rate breakdowns. The range for the different scenarios was noted as \$135.00 to \$190.00 per every \$100,000. The difference between the \$3 million scenario and the \$5 million scenario is \$55.00 per every \$100,000 assessed.

*It was noted that other towns were surveyed on the ECS cut and they were uncertain on what to do as well.*

**A motion was made by Councilor Watson, seconded by Councilor Nault, that this matter be Recommended for a Resolution.**

**The motion carried by the following vote:**

**Votes:** In Favor: 5 - Councilor Barber, Councilor Grim, Councilor Antipas, Councilor Nault and Councilor Watson  
Opposed: 3 - Mayor Flax, Councilor Peruzzotti and Councilor Moravsik

**2017-0146 Establishment of Tax Rate for Mumford Cove District Fund (FYE 2018)**

**A motion was made by Councilor Nault, seconded by Councilor Moravsik, that this matter be Recommended for a Resolution.**

**The motion carried unanimously**

**2017-0147 Establishment of Tax Rate for Groton Sewer District Fund (FYE 2018)**

**A motion was made by Councilor Grim, seconded by Councilor Nault, that this matter be Recommended for a Resolution.**

**The motion carried unanimously**

**4. ADJOURNMENT**

*A motion was made by Councilor Watson, seconded by Councilor Nault, to adjourn the meeting at 7:18 p.m.*

*The motion carried unanimously.*