

MINUTES

SPECIAL MEETING OF THE BOARD OF DIRECTORS

FY 2017/18 BUDGET RESOLUTION AMENDMENT
JUNE 20, 2017 – 7:00 P.M.
LINCOLN CENTER HEARING ROOM

PRESENT: Mayor Moran, Deputy Mayor Hackett, Secretary Kissmann,
Directors Eckbreth, Galligan, Gates, Jones and Nye

ALSO: General Manager Shanley

ABSENT: Director Devanney

1. MEETING CALLED TO ORDER.

The meeting was called to order at 7:05 p.m. All in attendance participated in the Pledge of Allegiance to the Flag, led by Mayor Moran.

General Manager Shanley explained that we had a discussion at the last Board of Directors meeting with respect to the State Legislature's budget, which is not yet determined, part of which included setting the motor vehicle tax rate. The State set a mill rate and promised to pay the difference between the Town's mill rate and what the new rate would be. That didn't work last year so they increased it from 32 to 37 mills, but the State set the mill rate back to 32 again this year and we are unsure what they are going to do.

A decision was made to delay sending the motor vehicle tax bills until we have some direction and clarity from the State as to what the mill rate will be. It could be 32, 37 or possibly have no cap at all. We will set the mill rate to whatever the State allows us to. Based on the Board of Directors' action during the budget process, the resolution gave us flexibility of billing for motor vehicle taxes until we know what the motor vehicle tax rate needs to be. We didn't anticipate that it would be well past June 30th before we got a State budget.

Secretary Kissmann read the amendment:

RESOLVED, that in accordance with the applicable provisions of State Statutes, 1958 Revision, and amendments thereto, the Town Charter as amended, and the Town Ordinances establishing a Fire Department Taxing District and a Special Services District, a rate of 34.85 mills on the dollar is hereby levied on the ratable real estate and personal property of the Town of Manchester, and a rate equaling the lesser of 34.85 mills on the dollar or the maximum motor vehicle mill rate as set by Connecticut State statute to be levied on the ratable motor vehicles of the Town of Manchester, as of October 1, 2016, according to the respective assessments thereon last made and completed, for maintenance and support of school, principal and interest on outstanding indebtedness and current expenses of the Town, excluding those for the two Special Districts, for the fiscal year commencing July 1, 2017, and ending on June 30, 2018; an additional tax rate of 4.90 mills on the dollar is hereby levied on the ratable real estate and personal property of the Fire Department Taxing District of the Town of Manchester, and a rate equaling the lesser of

4.90 mills on the dollar or the difference between the maximum motor vehicle mill rate as set by Connecticut State statute and 34.85 mills, not to fall below zero, to be levied on the ratable motor vehicles of the Fire Department Taxing District of the Town of Manchester, as of October 1, 2016 according to the respective assessments thereon last made and completed, for payment of current expenses of the Town Fire Department for the fiscal year commencing July 1, 2017, and ending on June 30, 2018; and an additional tax rate of 5.85 mills on the dollar is hereby levied on the ratable estate of the Special Services District of the Town of Manchester as of October 1, 2016, according to the respective assessments thereon last made and completed, for payment of current expenses of the District for the fiscal year commencing July 1, 2017, and ending on June 30, 2018; each of such taxes to be due and payable, one-half on the first day of July 2017, and one-half on the first day of January 2018, provided, however, that any tax on real estate or personal property amounting to not more than four hundred dollars (\$400.00) shall be due and payable in one (1) installment on July 1, 2017; further provided that any motor vehicle tax of any amount shall be due and payable in one (1) installment on a date to be established by the Town, but no later than October 1, 2017.

2. PUBLIC COMMENT.

Bonnie Schuetz, 12 Conway Road, doesn't believe we're going to get a State budget "until Christmas". She hopes the Board of Directors will wait until October to bill for motor vehicles, as most citizens are on a budget and this would give them more time to put money aside. She congratulated the Board of Directors for working together to come to agreement on the budget.

3. Amendment to the FY 2017-2018 Budget Resolution Adopted on May 9, 2017.

General Manager Shanley clarified that all real estate and personal property taxes will be due on July 1st at 34.85 mills. The only tax bill that is being delayed until we have clarity from the State is the motor vehicle bill. Kimberly Lord, Director of Finance, looked into the different ways we could do a mailing. The turnaround time for a mailing is 3 weeks, at a cost of \$4K. We will communicate the message of the tax bill delay through Facebook, Twitter, Manchester Matters, the Senior Center, Recreation programs and other avenues. It is only the motor vehicle bill that will not be due on July 1st.

Director Gates stated that the wording gives us flexibility to bill between now and October 1st, but we need to minimize confusion for the taxpayers as to when they will be billed. Our goal is to not bill until we have confidence that we are billing accurately. We need to give the taxpayers 30 days or as much notice as we can. Director Gates asked for clarification as to how quickly we can bill once we know the State budget.

Ms. Lord indicated that the options are to bill for August 1st, September 1st or October 1st, as it would be more confusing to send the bills out with a due date of July 12th. The turnaround to get the bills printed is usually about 10 days. Taxpayers will have 30 days without interest to pay their bill.

Mayor Moran agreed that residents are going to budget for their motor vehicle bill. We are telling them we will bill them as late as October 1st but if we then bill August 1st, it may be difficult for budgeting. We need to give them a specific date. He asked Ms. Lord for clarification of the last possible date we can send bills out.

General Manager Shanley explained that the amendment is worded to give us flexibility but gives the residents notice of the latest date they would get a bill. We will give as much notice as we can as to when the bills are due.

Director Nye asked if we could do an insert into the property tax bills about the motor vehicle tax bills.

Ms. Lord explained that for cash flow reasons, we should bill by October 1st. She stated there is a message printed on the back of the property bills stating the motor vehicle bills will be delayed. However, about half of the real estate bills are escrowed so the homeowners do not get the bill. We are trying to find as many ways to communicate as possible, including sending notices to apartment buildings and commercial buildings asking them to display the notice.

General Manager Shanley indicated the cash flow for the general fund is okay to wait until October. The cash flow for the Fire Fund, a separate taxing district, is another story. For the Fire Fund, a portion of anything above 32 mills goes to the Town government but the larger portion goes to the Fire Fund. The Fire tax is on top of the minimum. It is very important for the Fire Fund to bill before October 1st.

Director Galligan suggested also sending the notification regarding the delay in motor vehicle tax bills to local banks for posting.

General Manager Shanley indicated any other ways to increase the public's awareness of this is a good idea.

Secretary Kissmann stated one issue is that many mortgages are being sold to each other so often times the property owners are unsure who their mortgage company is.

Director Eckbreth suggested an amendment to state October 1st will be the billing date, to make it easier for the residents.

ADOPTED - Amendment to the FY 2017-2018 Budget Resolution Adopted on May 9, 2017.

Gates/Hackett

Eight Voted in Favor

ADOPTED – Amendment to the Amendment to the FY 2017-2018 Budget Resolution Adopted on May 9, 2017, in the following manner:

1. further provided that any motor vehicle tax of any amount shall be due and payable in one (1) installment on October 1, 2017.

Except as amended by this resolution, the budget adopted on May 9, 2017 shall remain in full effect and force.

Eckbreth/Kissman

Eight Voted in Favor

Vice Chair Hackett appreciates the amendment recommended by Director Eckbreth. It is not necessary to involve the public in all the possibilities; we just need to give them clarity of the finite date. She asked if we could also include notification with the water bills that are going out in July.

4. ADJOURNMENT.

The meeting was adjourned until the July 11, 2017 Regular Meeting of the Board of Directors at 7:00 p.m. in the Lincoln Center Hearing Room.

Galligan/Nye

Eight Voted in Favor

Adjournment: 7:25p.m.

APPROVED:

ATTEST

Secretary, Manchester Board of Directors