

From: James D McNair III <jmcnair3@comcast.net>
Sent: Monday, November 6, 2017 8:33 AM
To: Robert Tarlov
Subject: RE: details on the \$375 K??

Well thanks for making the time to clearly reply to my inquiry.

From: Robert Tarlov [mailto:BOFChair@colchesterct.gov]
Sent: Monday, November 6, 2017 8:14 AM
To: James D McNair III <jmcnair3@comcast.net>
Subject: Re: details on the \$375 K??

James,

First, let me say that things are still evolving. We are still finding new things in the State budget not covered by information released previously. We are still waiting for a legal opinion on the Implementor Language, so below is based on historical perspective and what I know at this point, but not definitive as things could likely change as research continues and boards' discussions take place.

The number I came up with was 385K based on what we assumed in the 17/18 budget compared to the information in the CT Mirror article and confirmed by information received from one of our State Reps.

Our actual net reduction compared to 16/17 was 800K.

LOCIP shows higher in the number that Colchester is to receive than I used in the 385K or the 800K. The 2016-2017 FY LOCIP money promised and assumed in the budget was not received, but was deferred to 2017/2018. The State budget (and CT Mirror article) shows the total money for both years. Our net change based on what we assumed after backing out the deferred revenue is \$0.

This is MY spreadsheet based on these numbers:

As we continue to review the State budget, we are finding there are other programs that are no longer being funded by the State, some which may be mandates, and could increase the reductions shown in the above numbers by 100K +/- . Research and interpretation of the budget continues.

As the amount of municipal aid to be received is less than 2016/2017, I would not classify the amount we are receiving as a "Town revenue windfall".

Towns that wanted to provide a margin of safety in their budgets, handled it in different ways. Some added mills, as did East Hampton, on to the mill rate needed for their budgets. Others assumed different revenue reductions specific to their budgets, and others included a contingency item.

Here, we chose to do that with the municipal revenue projections although this had no impact on the two expenditure budgets sent to referendum.

Board of Finance, in projecting the revenue to determine the mill rate, assumed a loss in MRSA and Mashantucket/Pequot money. It appeared that there was consensus in the proposals put forward that these would be gone, and as these were relatively small amounts in relation to our total budget, the difference should there be a partial reduction or total loss would be small. Ultimately the State budget eliminated

the MRSA money, but facing a possible legal challenge, the MP money was restored. A new grant, Municipal Stabilization, was established and we are waiting for clarification as to the purpose of this new grant and if there are any limitations on how it can be used.

On the ECS money, the Governor's amount put forward in February was 4M and the two parties in the legislatures were debating much lower amounts. Those debates later resulted in a Republican proposal with no reduction and a Democrat proposal with a reduction of about 1.125M. Because of the lack of clarity and the disparity between the numbers under discussion, the Board of Finance decided it was more prudent to assume no change rather than put forward a mil rate that might result in overtaxing us. Also, based on the information we had, we did not see a probability that the pension issue would pass.

There was statewide agreement that the Governor in his Executive Order, used the towns as pawns in getting the legislatures to act. Some towns were heavily impacted in the short term as they did not have enough fund balance to get them through this period.

As you know from your experience on BOF, revenue items are not budgeted items. The Board of Finance sends the expenditure side of the budgets to Town Meeting, which then goes to Referendum to be voted on by taxpayers and registered voters. The taxpayers do not vote on revenue. We do communicate current revenue assumptions to the taxpayer in the proposed budget. In the Budget Summary we allocate the revenue to the two budgets (in the past we also allocated revenue to the Debt Service column, too) so voters can see the mil rate impact of each on the total. The mil rate change from the previous year is shown in the total only.

In the budget process, the Board of Finance is charged with making revenue assumptions to determine the taxpayer revenue necessary and then the mill rate needed to support this amount. The mill rate is approved at the very end of the budget process after the referendums and are based on the best revenue item estimates available at that time. Most of the revenue items are assumptions and will come in higher or lower than assumed. Very few are fixed, and those we thought were fixed in the past, are now vulnerable to changing. We have recently seen these changes between referendums, post referendum and in the middle of our fiscal year. Although the BOF indirectly approves the revenue estimates when setting the mill rate, we are agreeing to the amount of the revenue to use, not approving where or how the revenue dollars will be used.

Most revenue items come into the General Fund and, although they are shown in Munis as separate items for purposes of tracking the actual amounts received compared to the amounts assumed, they are not specific to any expenditure items in the budget. Revenue coming into the the Town is not allocated to specific sides of the budget.

Last year when you were on BOF, we discussed the treatment of State revenue changes. Between the first referendum, when the town budget passed, and the second referendum for the school budget, we learned that the ECS money was being reduced by 347K and the Town revenue increased by 330K. The net difference was -17K. (The ECS money and LOCIP money were further reduced during the fiscal year).

Last year was different, in that one budget had yet to be passed and the mil rate had not been set. BOF was looking to reduce the BOE budget in order to reduce the projected mil rate, before a 2nd referendum for the school budget. As the town budget had already been passed, we could not increase the Town budget. After a budget is passed, we can later underspend, but we cannot overspend. Had both budgets passed, would we have taken any action? As the net amount was small, likely not. When some revenue items have been reduced midyear, have we taken any action? As the amounts have been small, we have not.

You will recall, we asked in our discussion, had we known the amounts of the changed revenue items before the first referendum, how would they have been treated? Would we have increased the town budget or reduced the school budget? In evaluating the budgets to send to town meeting, we consider those budgets in the context of total taxpayer revenue needed after deducting non-tax revenue assumptions and the mill rate that would be needed to generate that revenue. In developing budgets, we had not increased or decreased budgets based on specific revenue item changes from the prior year. We compared previous years' budgets to the ones being proposed and the total mill rate compared to last year. Had we known these changes before the first referendum, it is likely that the budgets would have been as presented, but might have resulted in a higher proposed mill rate to adjust for lower non-tax payer revenue.

This year is different in that both budgets have passed, the mil rate has been set.

As we explained at our October 18th meeting, after the mill rate has been set by BOF, State Statute dictates that BOS will, if learning of net reductions in revenue projections, increase the mil rate to balance the budget for any shortfall in non-taxpayer revenue and then send out supplemental bills. We discussed that in past years, the Implementer Language in the budget provided other options.

We moved forward with a referendum back in June based on a discussion with our Town's attorney, that Implementer Language would be included in the current State budget, when passed, as it had in the past budget bills. This year's State budget, now passed, has Implementer Language that allows for other options to balance the towns' budgets. Town counsel is evaluating the current language to put forward a legal opinion on how we can move forward. This should provide clarification on what we can do and who has the authority to do it.

I believe the plan is for a Tri-Board meeting to discuss the options to be outlined in the legal opinion.

I believe the consensus of most members of the different boards is to come up with a solution that will support the mil rate set by Board of Finance, and based on the legal opinion we are waiting for, could include one or more of the following options:

- reduce Town budget
- reduce the BOE budget
- use fund balance as a revenue item

You had previously mentioned that with the State budget results, "we had dodged a bullet". I would not categorize it as such. The Boards have not made decisions in a vacuum. We have remained in regular contact with our legislators and others in State government, observed what other towns were doing and discussed options with town counsel. We gathered this information so we could make prudent decisions throughout, and after, the budget process. Although a relief to have closure, the final numbers were in the range that many of us had predicted.

Also, don't know if you are aware, but I received an email that Melissa Ziobron and Linda Orange will be holding a legislative update on 11/8 at Town Hall from 6:00 -8:00. As I have not seen anything further on it, checking to make sure the meeting is still on.

Rob

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: James D McNair III <jmcnair3@comcast.net>

Sent: Thursday, November 2, 2017 2:02 PM

To: Robert Tarlov

Subject: details on the \$375 K??

Rob,

I heard the net number is \$375K. The way it was explained is the budget intentionally left out some state funds to hedge bets. Supposedly the money came in. Is my understanding correct? Is there line item detail you were shown to get to the net number? Can you share it? Also, who has the authority to use the Town revenue windfall to offset the ECS decline?

Thanks,

James

From: Zane, Ashley <Ashley.Zane@cga.ct.gov>

Sent: Monday, November 6, 2017 4:33 PM

To: Robert Tarlov

Subject: FW: Municipal Stabilization Grant

Hi Mr. Tarlov,

Rep. Ziobron asked that I pass on the following pieces of information. Please let us know if you have any additional questions.

The Municipal Stabilization Grant primarily helped offset reductions in the following grants:

- State Property PILOT (\$15.1M in FY 18, \$11.8M in FY 19)
- College & Hospital PILOT (\$14.1M in FY 18, \$9.1M in FY 19)
- Pequot (\$426K in FY 18, \$8.1M in FY 19)
- Municipal Revenue Sharing Grants, Non-Car Tax portion (this grant was fully eliminated, for a reduction in town aid of \$75.9M)
- Supplemental PILOT grants (\$8.9M in FY 18, \$7.4 in FY 19)

Best,

Ashley Zane

Legislative Aide to Representatives

Whit Betts, Michael Ferguson, Gail Lavielle, Rob Sampson, and Melissa Ziobron

(860)240-8700

From: Art Shilosky
Sent: Tuesday, November 21, 2017 10:37 AM
To: deee bouchard
Cc: foi@ct.gov; Thomas A. Hennick; Ritter, Matthew D.; Robert Tarlov
Subject: Re: Docket #FIC 2017-0358

Ms. Bouchard - At this time, the Town supports Hearing Officer Harmon's Proposed Final Decision dated October 4, 2017. In the Proposed Final Decision, Hearing Officer Harmon writes that "the complaint is hereby dismissed with prejudice."

The Town and its attorney fully expect the full Freedom of Information Commission to affirm the Proposed Final Decision at its meeting to be held on December 13, 2017.

Regards,
Art Shilosky
First Selectman

From: deee bouchard <deeedeee1963@yahoo.com>
Sent: Tuesday, November 21, 2017 9:06:04 AM
To: Art Shilosky; Robert Tarlov
Cc: mritter@goodwin.com; foi@ct.gov; Thomas A. Hennick
Subject: Re: Docket #FIC 2017-0358

Selectman Shilosky,

On Monday, November 13th we had a telephone conversation in regards to the email below. You stated to me, "I have a call into our Attorney and as soon as I have an answer, I'll get back to you."

To date I have not heard back from you. As we spoke about, both in the BOF meeting and in our telephone conversation, legal expenses to the town were a concern and the proposed settlement offer could reduce additional legal expense to the town.

With Governor Malloy's recent reduction in aid to Colchester - an additional \$1.2 Million dollars - it would be financially prudent for the town to agree to a settlement to avoid unnecessary legal expenses.

As I stated in the BOF meeting and in our telephone conversation, I am willing to withdraw my FOI complaint with an agreed upon settlement.

Should you wish to discuss this matter further, please feel free to contact me.

Sincerely,
Deanna Bouchard

On Monday, November 13, 2017, 2:16 PM, deee bouchard <deeedeee1963@yahoo.com> wrote:

At the November 1, 2017 Colchester Board of Finance (BOF) Meeting, there was a discussion concerning my complaint to the FOI Commission - Docket #FIC [2017-0358](#) and the FOI legal expenses of the Town. During the BOF meeting, I reiterated my proposed settlement to the Town of Colchester and confirmed on-the-record that my settlement offer still stood, and should the Town agree I would withdraw my FOI complaint. Furthermore, I made note that this action would save the Town the additional legal expense of another hearing scheduled for November 15, 2017.

First Selectman Shilosky stated, on-the-record, that he had not seen the letter dated October 8th, and was not aware of any settlement offer; he claimed to have not heard from the lawyer and therefore had not reviewed or seen any settlement and further stated "I'll get back to you".

I gave a copy of the October 8th correspondence to the BOF Meeting Clerk and to the Chairman of the Board of Finance, First Selectman Shilosky stated he would get the paperwork from the Town's Attorney.

To date, I have not heard back from Attorney Ritter nor First Selectman Shilosky, in the interest of saving the Town additional legal expense, my offer to withdraw my complaint upon the Town agreeing to the proposed settlement still stands.

Please advise,

Deanna Bouchard

[860-222-4617](tel:860-222-4617)

On Monday, October 9, 2017 9:30 AM, deee bouchard <deeedeee1963@yahoo.com> wrote:

Please see the attached correspondence - 1 Page

Response to Report of Hearing Officer

Request for Postponement of Hearing

From: Robert Tarlov <BOFChair@colchesterct.gov>

Date: November 4, 2017 at 7:00:28 AM EDT

To: "Melissa.Ziobron@cga.ct.gov" <Melissa.Ziobron@cga.ct.gov>

Cc: "Brad Bernier" <bbernier@colchesterct.org>

Subject: Municipal Stabilization Grant

Hi Melissa,

Brad Bernier and I were discussing this grant and were wondering what this grant was intended to offset.

Was it specific to adjust for the loss in ECS money?

Was it specific to adjust for the loss in MSRA?

Was it more general and not specific to either the education or municipal budgets?

Rob Tarlov, Chairman, Board of Finance

860-608-4293

From: deee bouchard <deeedeee1963@yahoo.com>
Sent: Tuesday, November 21, 2017 4:07 PM
To: Robert Tarlov
Subject: Re: Governor Malloy additional revenue cuts

I agree with you. I'm am concerned because just today a member of the DTC said it was decided the Town is going to borrow the monies from the General Fund.

I believe this decision needs guidance from BOF and I also feel citizens should have a voice in how the Town comes to a decision.

Wishing you and your family a Happy Thanksgiving.

Dee

[Sent from Yahoo Mail for iPhone](#)

On Tuesday, November 21, 2017, 3:14 PM, Robert Tarlov <BOFChair@colchesterct.gov> wrote:
I don't think so, but how can you predict anything anymore?

Rob Tarlov, Chairman, Board of Finance
[860-608-4293](tel:860-608-4293)

From: deee bouchard <deeedeee1963@yahoo.com>
Sent: Monday, November 20, 2017 1:34 PM
To: Robert Tarlov
Subject: Re: Governor Malloy additional revenue cuts

Thanks Rob

I noted that the correspondence is dated November 14th, prior to Governor Malloy's additional revenue reductions in aid to cities and towns. SB 1503 gives authority to make budget adjustments to our BOS. Do think there will be any changes to the process or authority to make adjustments, given the additional reductions in revenue enacted by the Governor on Friday, November 19th?

Thank you,
Dee

[Sent from Yahoo Mail for iPhone](#)

On Monday, November 20, 2017, 12:39 PM, Robert Tarlov <BOFChair@colchesterct.gov> wrote:
Original implementer language attached and amendment from last week:

From: SANDRA AMADO <SAmado@CCM-CT.ORG> on behalf of CCM Public Policy and Advocacy
<CPolicyandAdvocacy@CCM-CT.ORG>
Sent: Tuesday, November 14, 2017 2:53 PM

Subject: *Implementer Revision Summary - Modifying Municipal Budgets, Motor Vehicle Property Tax Grant and Renters' Rebate*

Sent: *Tuesday, November 14, 2017 2:53 PM*

Subject: *Implementer Revision Summary - Modifying Municipal Budgets, Motor Vehicle Property Tax Grant and Renters' Rebate*

Dear Municipal Leader,

Today, the state Senate passed [Senate Bill 1503](#) An Act Making Minor and Technical Changes to the State Budget and Related Implementing Provisions for the Biennium Ending June 30, 2019, which made technical changes to the state budget that was enacted a few weeks ago. The House is scheduled to pass the bill tomorrow afternoon.

The bill makes changes that impact towns and cities by, among other things: (1) Modifies a provision in the budget that allows municipalities and regional boards of education to amend adopted budgets; (2) makes changes to the motor vehicle property tax grant; and (3) makes changes to the renters rebate program.

Amending Adopted Budgets

*The recently enacted state budget contained a provision that **allows municipalities and regional boards of education that adopted a budget or levied taxes for FY 18 before the state adopted its FY 18 budget to change their budgets and levies if the state's budget provides over \$100,000 more in state aid than the board or municipality projected.***

The bill acted upon today modifies the provision by:

- 1. Extending, from January 1, 2018 to February 1, 2018, the date by which such municipalities and boards must adjust tax levies if they choose to do so;*
- 2. Allowing municipalities and boards, by February 1, 2018, to issue tax refunds or rebates for excess taxes paid, according to the newly adopted budget;*
- 3. Requiring that any budget amendments, levy adjustments, or refunds be done by a vote of (a) the municipality's or board's legislative body or (b) the board of selectmen, in the case of a municipality whose legislative body is a town meeting; and*
- 4. Eliminating the requirement that such budgets be amended in the same manner in which they were originally adopted.*

Motor Vehicle Property Tax Grant

*Beginning in FY 18, the bill acted upon today **authorizes certain municipalities that had a mill rate of more than 39 mills in FY 17 to apply to OPM for a supplemental motor vehicle property tax grant.***

To qualify, a municipality must have:

- 1. Implemented a real property revaluation in the 2014 or 2015 assessment year; and*
- 2. Increased their mill rate by at least four mills over the previous year as a result.*

OPM may provide supplemental grants within available appropriations, provided the grant does not reduce grants OPM gives to other municipalities. The bill does not specify how OPM must calculate the grant amount.

Renters Rebate Program

The bill returns responsibility for administering the program to OPM. However, it requires municipalities to bear 50% of the cost of renters' rebates, up to \$250,000 a year.

In doing so, OPM can recoup from municipalities 50% of the cost of issuing rebates to the municipality's residents through grant withholdings or reductions. Beginning in FY 18, OPM must select at least one state grant per municipality from which to withhold up to \$250,000 per year. The "state assistance grants" that can be withheld or reduced are grants funded through appropriation, which excludes any that are financed through state general obligation bonds (i.e. LoCIP).

For more information regarding the bill, please contact [Brian O'Connor](#) at [203-804-4658](tel:203-804-4658).

Rob Tarlov, Chairman, Board of Finance

[860-608-4293](tel:860-608-4293)

From: deee bouchard <deeedeee1963@yahoo.com>

Sent: Sunday, November 19, 2017 12:30 PM

To: Melissa Rep. Ziobron; Robert Tarlov

Subject: Governor Malloy additional revenue cuts

Representative Ziobron,

As you are aware, on Friday, Governor Malloy announced additional cuts in aid to cities and towns. Colchester's ECS funding was reduced an additional \$1,102,581 on top of reduction in the adopted State Budget, reducing Colchester's total ECS Funding by \$1,777,746.

While this additional cut will no doubt negatively impact Colchester's Public Schools, I have to say I am not surprised. The adopted budget left it up to the Governor to find an additional \$880 Million in budget savings. Governor Malloy's Executive Order did give a clear indication of where he was looking for potential cuts, and as you warned in February, all revenues to Towns were subject to change.

Now that these reductions are a reality, who in town government has the authority to address and mitigate the cuts in revenue?

Last year special legislation gave the authority to a towns Board of Finance, however that special provision has since expired. What Board(s) now has that authority? Will citizens/taxpayers have a voice in this process? Will they be given the chance to vote again at referendum?

I know we have spoken about this issue previously, but to the best of my knowledge, no decisions were made and no statutory provision or bill was passed. I imagine the decision and authority to address this issue will be contained in the implementer bill.

Thank you,

Deanna Bouchard

Chairman, Colchester Independent Party

Colchester, CT