



BOARD OF SELECTMEN

DEEP RIVER TOWN HALL

Special Meeting August 29, 2017

Attendance: Selectmen Angus McDonald, David Oliveria and Duane Gates with Board for Finance Chairman and members Bud Eckenroth, Lori Guerette, Carmela Balducci, and Russ Marth. Also present were Lisa Bibbiani, Dorothy DeMichael, Bob Jenkins, Jane Cavanaugh, Frank Santoro, Tom Lindner, Jonathan Kastner, and Doug Whittaker.

This special meeting was called to order at 6:30pm by McDonald.

Discuss Governor Malloy's executive order and its effect on Deep River:

McDonald briefed the Boards and attendees on the Governor's executive order to manage state funds while the State Legislature works on a budget for the current year. Recently, the Governor released his town aid budget and zeroed out 85 towns, resulting in a reduction of approximately \$1,780,000 in ECS and other revenue to Deep River.

Both sides of the State Legislature have draft budgets and each include restoring all or some of the lost aid mentioned above but any money will not be available until after a budget is adopted, probably no sooner than October.

The Board of Selectmen are authorized by law to impose a supplemental tax bill to cover fund gaps. Rather than do this, McDonald is exploring a "Tax Anticipation Note" that would fund the gap in town revenue budget until the State restores town aid and distributes checks to towns. (This used to be a common way for towns to cover gaps in revenue when town budget cycles ended June 30th and the State budget cycle ended Sept 30th). Shipman and Goodman, bond agents, would arrange the loan for the town and a Town Meeting would be required to authorize the Board to borrow the money.

McDonald noted, and much discussion followed, that this will be a short term loan, and that if the state did not adopt a budget, or adopted a budget that does not fully restore State grant funds, a supplemental tax bill may be necessary.

McDonald has had discussions with Dime Bank that included short term loan options, borrowing the funds from October through February and possibly extending to June. It's important to have the funds in place by October to cover Boards of Education payments due that month.

Members of the Boards and attendees thoroughly discussed various aspects of the situation and were generally in favor of borrowing vs. using a supplemental tax to cover the gap in revenue.

Adjournment:

Oliveria moved, Gates 2nd, to adjourn at 7:30 pm.

APPROVED 3 – 0

Respectfully submitted,

Dave Oliveria,
Selectman