



## Special Town Meeting October 24, 2017

A Special Town Meeting was held on Tuesday, October 24, 2017 in the Deep River Town Hall Auditorium. The meeting was attended by the Board of Selectmen including First Selectman Angus McDonald, and Selectmen Duane Gates and David Oliveria. Also in attendance were Board of Finance chair, George "Bud" Eckenroth, and Bruce Chudwick, attorney for Shipman and Goodwin, LLP. Approximately 50 residents were present including Margo Hilfiger and John Greene who were handling videography. First Selectman Angus McDonald called the meeting to order at 7:00 PM.

David Oliveria made a motion to appoint Angus McDonald as moderator which was seconded by Duane Gates. The motion was approved unanimously. Angus McDonald appointed Amy M. Winchell to act as clerk of the meeting who then read the call.

A motion to accept the call as read was made by Lori Guerette and seconded by Bill Burdick. The motion was approved.

Motion to approve Item #1 was made by David Oliveria and seconded by Lori Guerette.

### **ITEM 1: To discuss and vote on a Resolution to Approve the Issuance of Tax Anticipation Notes in an Amount Not to Exceed \$1,500,000 to Pay the Town's Current Expenses and Obligations.**

Discussion: McDonald explained that the Executive Order issued by Governor Dannel Malloy in lieu of an approved State Budget cut \$1,500,000 in State aid to Deep River, primarily in Education Cost Sharing. While the State Budget still has not been decided, we need to pay our bills. Our cash flow is waning as the taxes collected in July are being depleted. January's tax collection will increase our cash flow but it will wane again in April. The Town does not want to issue supplemental tax bills at this point because of the uncertainty caused by our lack of a State Budget. Instead, the Board of Selectmen wishes to get permission from residents to, only if necessary, borrow up to \$1,500,000 to cover our expenses until State funding is known and disbursed. Supplemental tax bills may still be necessary but will be a last resort.

Eckenroth gave a PowerPoint presentation on how our budget is allocated along with the state of our current balance and payments due. He explained that our Unappropriated Fund is kept at a low level so as not to tie up taxpayer dollars. Other Towns are not struggling because their Unappropriated Fund level is higher however, this crisis will deplete them and they may all be in a similar situation in a year that we

are in now. He pointed out that if it is necessary to borrow money to pay our bills in November and/or December, the loan would immediately be paid off with taxes collected in January.

John Kennedy agreed that many of these problems could be solved with the passing of a State Budget. He expressed concerns with the wording of the Resolution and wanted it to be amended to be more specific. He agreed to make his amendment suggestions at the end of the discussion.

Bill Burdick thanked the Boards of Selectmen and Finance for their hard work in these difficult times. He agreed the Town should plan for the worst case scenario and that this plan would help to do just that.

Anna Pollock, a non-resident, asked if our Bond Rating would suffer as a result of borrowing this money. McDonald answered that our Bond Rating with Moody's is stable.

Bill Ballsieper asked what additional costs would be associated with the loan via interest and attorney's fees. McDonald answered that the Town wants to delay borrowing as long as possible to avoid additional costs but, if the full \$1,500,000 is borrowed for the full 6 month period, additional costs could run \$18,000 - \$30,000. Interest would be about \$2375 per month. Ballsieper remarked that amount was worth keeping the Town out of jeopardy.

Dorothy DeMichael asked how many taxpayers would share this additional burden. Russ Marth noted there are approximately 2700 taxpayer units including households and businesses. McDonald said the burden would be shared by all taxpayers based on the value of their property just as taxes are currently assessed.

Rich Balducci noted that the ECS funding is key for us and worried that too tight a resolution might hinder us. McDonald agreed saying the trigger point for borrowing money is hard to define. He also does not have faith in Hartford right now; even if funding is reinstated, there's no way of knowing when the cash will actually be disbursed. Setting up a Town Meeting takes time so it's prudent to approve a loan now so we can move forward if and when we need it. The maximum term of the loan is 6 months and it can be prepaid without penalty. Once the process is started, it will take 5-10 days for the loan to go through.

Ted Mackenzie suggested we have more money in our Unappropriated Fund since the State is so unstable. Bill Ballsieper remarked that even Towns with more surplus funds will be spending them down.

John Kennedy made some suggestions for tightening up the resolution which he withdrew when challenged by Eckenroth. Richard Daniels, Jr. **moved the question.** Lori Guerette seconded and a **vote by show of hands to end discussion passed 35 yes / 8 no.**

There being no further discussion, a vote was held by show of hands. **Results were: 47 yes / 2 no: Item #1 was approved.**

The full body of the Resolution is attached to these minutes.

Motion was made by Jonathan Kastner and seconded by Duane Gates to adjourn the meeting at 7:51 PM.

ATTEST: Amy M. Winchell, Town Clerk

TOWN OF DEEP RIVER  
SPECIAL TOWN MEETING

**RESOLUTION TO APPROVE THE ISSUANCE OF TAX ANTICIPATION  
NOTES  
IN AN AMOUNT NOT TO EXCEED \$1,500,000 TO PAY THE TOWN'S  
CURRENT EXPENSES AND OBLIGATIONS**

BE IT RESOLVED:

That the Town of Deep River issue its tax anticipation notes in an amount not to exceed \$1,500,000 to pay the Town's expenses and obligations for the fiscal year beginning July 1, 2017, including financing and interest costs related to the notes, which costs are hereby appropriated for such purposes. The notes and the interest thereon shall be repaid from tax collections to be received during said fiscal year. The notes shall be issued pursuant to Section 7-405a of the Connecticut General Statutes, as amended. The notes shall bear the Town seal or a facsimile thereof, and the Treasurer shall keep a record of the notes. The notes shall each recite that every requirement of law relating to its issue has been fully complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The First Selectman and Treasurer are authorized to determine the terms, details and particulars of the notes, to sell the notes at public sale or by negotiation in their discretion, to sign and deliver the notes in the name and on behalf of the Town, and to execute and deliver all documents and instruments in connection with the issuance of the notes. The First Selectman, Treasurer and other Town officials and employees are authorized to take all other actions necessary and proper to issue the notes.