

Timothy K. Ryan

Ledyard Town Councilor

Member, Ledyard Finance Committee

Submitted remarks for the 4/8/26 Town Council Meeting to be included in the official record

First, my apologies for not being able to be present tonight. I have specific comments for two agenda items as follows.

Comments on New Business Agenda Item #1

The current revision of this ordinance, while much better than the myriad of prior revisions, still maintains some of the same language that caused me concern previously. I consider it necessary that these concerns be addressed prior to being adopted.

Section 9.B.v – I would suggest that a prospective member shall not have served as a member of another town agency, or held office in a political party / committee for a period of two years prior to appointment. This would be consistent with requirements listed in 9.B.ii and 9.B.iii. Additionally, section 9 seems to have some hierarchy formatting issues.

There are confidentiality concerns in Section 11.B.ii for those that are subject to an alleged complaint. If 3 members of the commission find probable cause for the complaint – but not an actual finding of a violation – that complaint is then not considered confidential and will be subject to a public hearing, even though the complaint may still be found to not be valid. By the time a final decision is made, as we've seen happen in Waterford, the public tarring of the respondent will not be able to be undone. Their time and money – especially if legal representation is retained – will have already been wasted, as well, which could open up the town to additional liability. This also doesn't make it any easier to obtain the volunteers that a small town like Ledyard depends on.

While I'm not sure the CGS allows affirmative probable cause findings to remain confidential, if this ethics ordinance were to proceed to be adopted, I would advocate for the requirements for establishing probable cause to be much more specific and detailed, as they currently only allude to requiring a simple review of "available information".

Reviewing other ethics ordinances, there are requirements to hear testimony, actively seek additional information and take other actions as necessary to ensure that if a finding of probable cause is made, it is with the utmost of certainty. I would suggest including such specific language, so that the bar is set high for making a finding of probable cause, both for the sake of the town, but most importantly for the sake of the respondent's reputation and right to confidentiality.

In section 11.B.v, the ordinance states that a majority vote of town council will determine the penalty for a violation. I would strongly suggest requiring 7 votes from Council to determine a penalty, so as to ensure a bi-partisan determination on the penalty. This is in alignment with why I suggested – and I'm glad to see incorporated – a requirement of 7 council votes to appoint members to the commission.

Overall, the question of how the execution of this ordinance is funded has been raised multiple times, both by members of council, the town staff and members of the public. This has still not been addressed, and if the amount of funding that's been expended on legal fees just to develop this ordinance is any indication, this is not an issue to be cavalier about. The town attorney himself has indicated a range of funding needs, from \$20,000, up to \$200,000 and beyond. What's the plan? This introduces yet another budget variable in a year with many.

In the end, I have been consistent from the start; if we are going to implement an ordinance which has the power to alter our employees' and volunteers' lives professionally, as well as personally, we owe it to them to make sure the proper protections are put into place. We also owe it to the taxpayers to ensure we are not wantonly opening the town up to more liability (as ironic as it may seem) and not introducing yet another budget variable in a year where a tax increase is more than likely.

Comments on New Business Agenda Item #6

As we have seen over the course of the multiple Finance Committee budget workshops, the general government budget is indeed running lean, with responsible, thoughtful budgets put forward by our town department heads. Unfortunately, healthcare costs continue to rise, and this year we are incurring a 10.5%, or nearly \$900k increase, in overall health care costs compared to last year. While these costs continue to be burdened entirely on the general government budget, it's important to note that 75% of the total healthcare cost is attributed to the BOE.

Taking healthcare and town-wide capital out of the equation (to isolate operational costs), we see the following increases in operations costs:

- General Government: ~2.4% from 2025-26
- BOE: ~3.6% from 2025-26

To be clear, I do not perceive these to be exorbitant increases. However, after revaluation, ANY increase to the equivalent neutral mill rate will have an outsized effect on all homeowners, since the value of a "mill" is substantially more than the last budget cycle.

Additionally, revaluation did not result in uniform increases to all housing values (i.e., some home values increased more than others) and shifted a bigger portion of the tax burden onto residential properties, since commercial valuation was essentially flat. The net result is the sad truth that even if we passed a budget with a zero mill increase, homeowners would still see an increase in their tax bill.

There is, unfortunately, no clear path to additional significant revenue at this time, and in fact we have lost some revenue when it comes to motor vehicle taxes, due to the decreased mill rate and revamped assessment method established by the state. We also continue to be short funded by the state when it comes to PILOT funding, recovering only 49% of tax revenue from land that is otherwise non-taxable.

That said, I am hopeful that the CT state legislature will take up a bill to fix the PILOT issue related to tribal land, and favorably pass CT House Bill 5407, which reimburses municipalities for 100% P&T veteran's exemptions. I am also hopeful that the CT Legislature will consider revising the ECS formula, which would increase the amount sent to municipalities. Unfortunately, it is unlikely that any of these issues will be resolved before we need to finalize a budget, and so we must work with revenues we know to be true.

Compounding this, we also have future revenue concerns when it comes to personal property tax revenue from the Mashantucket Pequot Tribe (tax on property that belongs to private, non-tribal businesses that exist on tribal lands, such as the Tanger Outlets); Legislation was endorsed and passed by our own state senator that eliminated our ability to collect this tax, creating a \$700k hole in our revenue. This has been temporarily supplanted by state funding, but that is only guaranteed for the next two budget cycles.

This ultimately reinforces the fact that we, as a council, need to do whatever we can to control the ever-increasing burden on ALL taxpayers, and also respect the negative optics of introducing new, recurring expenses in an environment with so many variables.

To that end, the only proposed budget changes I would offer are the following:

- Change the top line BOE budget to \$41,700,000, a ~3% or \$1.24M increase over last year's budget. This is a \$232,335 reduction to the board's request for \$41,932,335.

This is still a significant increase over last year, and a markedly less aggressive proposal than I previously offered. This should result in a further .13 Mill reduction to the proposed 26.58 Mill rate (in addition to reductions already made on the town side), or a 16% reduction to the proposed increase to the tax levy; but I'll leave the exact calculations to Finance Director Bonin.

I arrived at this proposed figure after carefully reviewing the BOE budget, and believe this more accurately represents a budget that is not only more than adequate for maintaining current operations, but also supports myriad of operational facility improvements, all without adding the burden of additional recurring salary positions (as well as benefits costs for said positions).

Considering the BOE expects a projected 10% decrease in enrollment over the next 10 years, I do not believe adding new positions (along with the resulting benefits costs) is the right move at this time. Additionally, because of this decreased enrollment projection, the teacher to student ratio will increase naturally, as will the per pupil expenditures. All good things for student facing services.

It is important to note that any significant housing developments currently being proposed and/or discussed in town would not come to fruition during the next budget year; as such, if these developments happen, and if they introduce additional students into the school system, we will have the opportunity to address these needs in the next budget cycle.

During the last few budget cycles, I had repeatedly warned against the financial realities that Ledyard would have to face in the coming years (e.g., revaluation, loss of personal property tax on tribal lands, etc.), and unfortunately those realities have come to fruition.