



TOWN OF LEDYARD

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Finance Committee Meeting Minutes

Chairman S. Naomi
Rodriguez

Regular Meeting

Wednesday, March 19, 2025

5:00 PM

Town Hall Annex Building - Hybrid
Format

In -Person Location goes here

Join Zoom Meeting from your Computer, Smart Phone or Tablet:

<https://us06web.zoom.us/j/85307356874?pwd=VJngJ04SnxOXeplEaGpgNVVbZ3DQNM.1>

by Audio only: Telephone: +1 646 558 8656; Meeting ID: 853 0735 6874; Passcode: 833604

I CALL TO ORDER

the Meeting was called to order by Committee Chairman Councilor Saccone at 5:00 p.m. at the Council Chambers Town Hall Annex Building.

Councilor Saccone welcomed all to the Hybrid Meeting. He stated for the Town Council Finance Committee and members of the Public who were participating via video conference that the remote meeting information was available on the Agenda that was posted on the Town's Website - Granicus-Legistar Meeting Portal.

II. ROLL CALL

Present: Tony Saccone
Jessica Buhle
Tim Ryan

In addition, the following were present:

S. Naomi Rodriguez Town Council Chairman
Fred Allyn, II Mayor
Matthew Bonin Finance Director
Steve Masalin Public Works Director/Town Engineer
Steve Holyfield Administrator of Emergency Services
Jeff Erhart Gales Ferry Fire Department Chief
Jason Hartling Superintendent of Schools
Roxanne Maher Administrative Assistant

III. RESIDENTS & PROPERTY OWNERS COMMENTS

None.

IV. PRESENTATIONS / INFORMATIONAL ITEMS

None.

V. APPROVAL OF MINUTES

MOTION to approve the Finance Committee Minutes of February 19, 2025.

Moved by Councilor Buhle, seconded by Councilor Saccone

VOTE: 2 - 0 Approved and so declared (Ryan Late)

RESULT: APPROVED AND SO DECLARED

MOVER: Jessica Buhle

SECONDER: Tony Saccone

VI. Finance Director's Report

Finance Director Matthew Bonin addressed the upcoming Fiscal Year 2025/2026 Budget Preparation noting that he would like to provide comments regarding moving the Board of Education Employees Healthcare Expenses back to the Education side of the budget ledger. He explained the intent of recording the Education Employees Healthcare Expenses on the Education side of the ledger was not to save the taxpayers money. He stated it was merely to shift the recording of the healthcare costs to where they actually belonged. He stated that he was a Municipal Auditor for 30-years before he joined the town as their Finance Director, noting that he audited a lot of cities and towns. He stated that Ledyard was the only town where he did not see the Board of Education Employees Healthcare Expenses either in the Education Budget, or somehow reflected in their budget. He stated regardless of which side of the budget ledger those expenses were recorded, that the cost of the Board of Education's Healthcare needed to be factored into the Education Budget to understand the true cost of their budget. He stated including the Board of Education's \$5,193,830 Healthcare costs in the Education Budget would reflect the true 7.08% increase proposed to operate the schools in town. However, he stated the decision on where those expenses were recorded would be the Town Council's decision.

RESULT: CONTINUE

VIII. Financial Reports

Finance Director Matthew Bonin noted that the Budget versus Actual Revenue and Expenditure Reports for the Fiscal Year 2024/2025 were attached to the agenda on the meeting portal. He provided an overview noting the following:

- Revenue Year-to Date Report- Thru February 28, 2025

✓ **Tax Collection** - Mr. Bonin stated the Tax Collection Rate was on-track at 98.5%; which was very good.

✓ **Interest on Deposits** - 130% of the amount budgeted.

- Expenditures Year-to Date Report - Thru February 28, 2025

Mr. Bonin stated there was nothing out of the ordinary for the expenses that he has not already discussed in prior meetings.

Mr. Bonin stated that he would answer any questions the Finance Committee had regarding either the Revenue Report or Expenditure Report.

RESULT: CONTINUE

VIII. OLD BUSINESS

1. Discussion regarding potential uses for the funding received from the National Opioid Settlement Payments.

Councilor Buhle noted during the March 10, 2025 Budget Work Session the Finance Committee again discussed using the National Opioid Settlement Funding to help support the Police Department's administration of the DARE Program. She stated that she believed the DARE Program was an important program for their kids and she questioned whether they had the dollar amount to fund the program.

Mayor Allyn, III, stated that he would ask Police Chief John Rich to prepare a budget for the Finance Committee to review and to forward to the Town Council to appropriate funding from the National Opioid Settlement Account to support the DARE Program.

RESULT: CONTINUE

2. Continued discussion regarding the status and possible changes to Capital Improvement Plan (CIP) and Capital Non-Recurring (CNR) Fund based on the American Rescue Act Funding (ARPA) and the process to approve ARPA Projects and expend ARPA Funding.

Finance Director Matthew Bonin noted that the Ledyard Sewer Line Extension Projects were in good shape, which should help bring the ARPA Spreadsheet deficit down. He stated it would be nice if they could have all the ARPA Projects closed out by June 30, 2025. The Finance Committee agreed.

RESULT: CONTINUE

3. Continued discussion regarding upcoming potential Grant Opportunities.

Councilor Buhle stated last year the Town applied for a Congressionally Directed Spending Grant (COPS Technology Grant) in the amount of \$239,000 for a the replacement of the Dispatch Base Station Radio, which was a computer aided dispatch system that would enable the Police Department to integrate with the Fire Departments and with other partner towns. She stated Ledyard's Grant Application was approved by the Appropriations Committee and that they were waiting for Congress to pass a budget, which would have funded the Projects that were already appropriated. However, she stated that she received terrible news, noting in an email communication received today that Congressman Courtney said, on March 11, 2025 the House of Representatives voted on HR-1968 to continue appropriations and extensions after 2025, which passed, however, the Congressionally Spending Grant Projects were not included in the Bill. She went on to explain that this past week the Senate also passed a Bill, and it was signed into law by the President Trump to extend a Continuing Resolution through the end of the fiscal year. She stated that Congressman Courtney voted against the Bill for a number of reasons; one of which was his concern was that this law did not contain funding for any 2025 Congressionally Directed Spending Community Project Requests, which meant that these projects would not move forward with Federal funding. She stated that Congressman Courtney stated that they do not know yet whether members of Congress would be able to request this type of funding in fiscal year 2026, but, given the opportunity that they would remain committed to pushing these projects forward. She stated in his communication that Congressman Courtney also noted that he was disappointed in the outcome, and that he wished that he had better news to deliver. She stated that Congressman Courtney stated that he would continue to provide information regarding the Community Project Funding for 2026 as it becomes available.

Councilor Buhle went on to state in the Fiscal Year 2025/2026 Budget that they partially funded the replacement of the Dispatch Base Station Radio; and that they were also hoping that they would have received the Congressionally Spending Grant. She stated although they were successful thus far; that she would suggest that these were things that the town would need to consider when they were looking at the budget, and that it may be something that Chief Rich would need to bring forward as they continue to look at their Capital Improvement Plan (CIP). She noted that the original capital request for the Dispatch Base Station Radio was \$190,000, however, she stated as they got further into working on the request, they realized that they would also need to upgrade the server to support the system, which was the reason the Congressionally Directed Spending Grant Application was in the amount of \$239,000. She stated this was disappointing news and that it was an unfortunate circumstance for both their taxpayers and for the Police Department.

RESULT: CONTINUE

4. Any Old Business proper to come before the Committee.

None.

IX. NEW BUSINESS

1. MOTION to authorize the purchase of fire apparatus (brush truck) in the amount of \$320,479.60 for Gales Ferry Fire Co from account # 0210-20-2040-54325 (AES - Fire Apparatus CNR).

Moved by Councilor Buhle, seconded by Councilor Ryan

Discussion: Gales Ferry Fire Chief Jeff Erhart explained that in accordance with the Apparatus Replacement Schedule and Capital Funding Plan that the Gales Ferry Brush Truck was due to be replaced. He stated the 2004 Brush Truck was mainly used as one of their first responding vehicles; and therefore, they put a lot of miles the vehicle. He stated for a community such as Ledyard that they use the Brush Truck in responding to a variety of calls such as medical responses and to provide water in an effort reduce the number of miles they put on their larger pieces of Fire Apparatus.

Mr. Erhart went on to note in working to replace the 20-year old Brush Truck that they considered their needs and worked to keep them to a minimum. He stated although the \$320,479.60 cost for this Brush Truck was over the amount that has been set aside in the Capital Plan Budget that based on the caliber of the vehicle and their needs that it was the lowest price they could get, noting that there were no frills on the vehicle. He stated that it would take about 24 -months to build the Brush Truck.

Mr. Erhart addressed escalating costs, and he explained because they were part of a Purchasing Collaborative they were able to buy into a National Contract and obtain better pricing. He noted that the Purchasing Collaborative was based in Houston, Texas and that there were a number of cities and towns in Connecticut that were also members of the Collaborative.

Mr. Erhart went on to state that the town could potentially sell the Brush Truck for about \$30,000; however, he stated that the dollar amount would most likely decrease as each year passes. He also noted the Gales Ferry Fire Department had some savings because the Fire Chief has chosen not to use a town vehicle.

Administrator of Emergency Services Steve Holyfield, attending remotely via Zoom, stated that Gales Ferry Fire Chief Erhart provided a good overview regarding the replacement of the 2004 Brush Truck. He stated as Chief Erhart explained that this was part of their normal budgeted Apparatus Replacement Schedule. He stated that initially they had hoped that they could keep the cost to replace the 20-year old Brush Truck to about \$286,000. However, he stated as he discussed during the Emergency Services March 10, 2025 Fiscal Year 2025/2026 Budget Work Session that they were having a hard time keeping up with the inflation rate on fire apparatus. Therefore, he stated he was not surprised that the cost came in \$34,467 higher than originally projected cost in the 20-year Apparatus Replacement Schedule.

Mr. Holyfield stated as a member of the Gales Ferry Fire Department that he sat on the Brush Truck Replacement Committee, noting that he has been involved in the process from the beginning, and that this was a good piece of apparatus. He went on to state that the Brush Truck was on the road very often, noting that the Ledyard Center Fire Department no longer had a Brush Truck, therefore, he stated that they needed to have at least one Brush Truck in town. He stated the Brush Truck they were looking to purchase was the best bang for the buck in terms of meeting the town's needs.

Mr. Holyfield continued by noting that the Fire Apparatus Replacement Spreadsheet was included in the Agenda Packet for tonight's meeting. He noted the Spreadsheet expected a return of \$30,000 for the 2004 Brush Truck. However, he stated he was not sure how accurate that projection was, noting that he would expect that they would be within \$5,000 to \$10,000 either way of what they would get back. He went on to explain that they would not be looking to sell the Brush Truck for another two-years, therefore, it was difficult to know what the value would be at that time. He stated as Chief Erhart stated that the \$30,000 return on the Brush Truck was a placeholder, noting that it was in very good shape, it had a few turbos, however, he explained that the truck was getting older, and it was definitely time to begin the process to replace the piece of apparatus. He stated that the Apparatus Replacement Schedule specifies a 25-year cycle, noting at the time of delivery of the new Brush Truck that their truck would be 23-years old.

Councilor Ryan stated in reviewing the quotes from Fire Matic, and from Houston Galley, Galveston, it looked like by using the Purchasing Collaborative they were able to save about \$12,000. Mr. Holyfield stated Councilor Ryan's observation was correct, which was one of the benefits of using Purchasing Conglomerates.

Finance Director Matthew Bonin explained that Ordinance #200-001 "*Purchasing Ordinance*" included language that allowed for the use of "*Purchasing Conglomerates*"; which was the reason they did not have to request a Bid Waiver.

Mr. Holyfield stated that the Gales Ferry Fire Department also conducted their due diligence, noting that using a Purchasing Conglomerate does not always provide the cheapest cost. He continued by addressing the Competitive Bid Process noting the time involved, stating had they solicited bids that they probably would not have been able to sign a contract until next fiscal year. He stated although he did not have any speculation, that he anticipated that the prices would increase substantially on the Fire Apparatus. Therefore, he stated that time was of the essence in terms of saving money and to avoid escalating costs of 12% or more per year; noting that the recent steel tariffs and other tariffs that President Trump has been issuing would impact the costs to manufacture fire apparatus.

Councilor Ryan stated in reviewing the Apparatus Replacement Schedule Capital Funding Plan that it looked like they would be in a deficit position by the year 2030; if they do not make any changes to the level of annual funding. Mr. Holyfield stated

that he agree with Councilor Ryan. He explained that although he proposed a higher level of funding when he submitted the Emergency Services Budget for the upcoming Fiscal Year 2025/2026 that the numbers in the Apparatus Replacement Schedule Capital Funding Plan were as the Mayor proposed. Therefore, he stated if they continued with the same level of funding that he would expect the deficit to begin in 2030 and for it to be a little higher, noting that the numbers in the Spreadsheet were as accurate as he could project at this point in time.

VOTE: 3- 0 Approved and so declared

The Finance Committee thanked Mr. Erhart and Mr. Holyfield for attending tonight's meeting.

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Jessica Buhle

SECONDER: Tim Ryan

AYE: 3 Saccone, Buhle and Ryan

2. MOTION to authorize a bid waiver for CWPM, LLC for Bid No. 2025-04 (Trash and Recycling Collection Services) due to lack of three bids, in accordance with Ordinance #200-001 (rev 1) "An Ordinance for Purchasing."

Moved by Councilor Ryan, seconded by Councilor Buhle

Discussion: Public Works Director/Town Engineer Steve Masalin provided some background stating in anticipation of the end of the 6-year Trash and Recycling Contract, the Town solicited Bid #2025-004 (Trash & Recycling Collection) for these services, which also included services for the Board of Education Facilities. He stated that the Town only received the following two bids, which was anticipated because of the reduced number of local contractors that provide these services: (1) CWPM, LLC was the low bid over the total 6-year proposal; and (2) Willimantic Waste Paper Co., Inc. (Casella), who was their current contractor.

Mr. Masalin went on to note that CWPM total for the base bid was in the amount of \$4,526,810.10 and reflected the continuation of services under the present terms (i.e., base bid); and Casella's bid was in the amount of \$4,703,611.13; noting that the as a net difference between the two proposals over the 6-year period was \$176,801.03. He stated that the two proposals were attached to the Agenda packet on the Meeting Portal. He also noted that an email exchange between Casella's Marketing Manager Mr. Brian Hovey and himself was also included in the Agenda packet. Mr. Masalin stated in his email exchange with Mr. Hovey that he explained that Ledyard has never entertained anything other than the low bid when they have gone out to bid for Curbside Trash/Recycling Collection Services.

Mr. Masalin continued by stating that the Motion was framed somewhat general, because there needed to be some flexibility in Bid #2025-04 which included an option for the Board of Education not to participate in this bid.

Mr. Masalin provided an overview of the Request for Proposals (RFP) as follows:

- **Base Bid** - Requested proposals to provide the same level of Curbside Collection and Dumpster Service the town was currently receiving, which included the following:
 - ✓ Curbside Collection for Household Trash every week;
 - ✓ Curbside Collection of Recyclables every other week;
 - ✓ 2 Bulky Waste Pickups for every household by a telephone call;
 - ✓ Board of Education Dumpster Services at the Schools and the Board of Education Central Office;
 - ✓ Municipal Facilities Dumpster Services;
 - ✓ Transfer Station

- **Base Bid Option:** Curbside Collection of Recyclables every week.

Mr. Masalin stated Bid #2025-04 also included the cost to pick up Recycling every week, mainly to show what the difference in cost would be; noting that the lower of the two bids cost to pick up recycling every week was \$1.4 million over the total 6-years. Mr. Masalin stated although he did not think weekly recycling pick-up would be an option, that if the cost was reasonable, they could have considered the numbers between the base bid and the option. However, he stated because of the additional \$1.4 million cost that the town would continue to pick up the Recycling every other week. He stated that some residents have requested a second Recycling Cart that they received for a \$100 Reimbursable Deposit; providing the cart was returned in a usable condition. He stated about 90 residents have requested a second Recycling Cart, noting that there was not a huge need. He suggested for those who have bulky cardboard that they could bring it to the Transfer Station.

- **Wildcard Option:** Allowed the Bidders to offer something else that they felt the town might entertain for services at the curb.

Mr. Masalin explained that it was envisioned that other services could only be considered if they were the low bidder for the base bid. He stated although Casella offered an alternative beyond what was asked for; they were not the low bid for the base bid.

Mr. Masalin went on to explain that the base bid was split into three base years with three option years, noting that the Bid Proposals were evaluated on the total of the cumulative cost for all services over the 6 years. He stated for the first three years CWPM total cost was about \$2.15 million which was only \$385 less than Casilla's Bid. However, he explained over the 6-years that CWPM was lower by a total of \$176,801.03; or roughly \$29,466.83 lower per year.

Mr. Masalin went on to note that Casella was the low bidder for the Board of

Education's portion of services explaining that the Board of Education's service was part of the flexibility of Bid #2025-04 which included an option for the Board of Education not to participate in this Bid, noting that the Board of Education could secure services directly with whoever else that they feel they would rather do that with, noting that the Board of Education could consider calling Casella directly. He stated in addition to an email exchange with Casella's Marketing Manager Mr. Brian Hovey that Mr. Hovey also reached out to him via telephone; and that he alluded to a conversation that he had with Board of Education Director of Grounds and Facilities Wayne Donaldson. Therefore, he stated that the Board of Education may have already discussed this option.

Mr. Masalin stated based on the telephone conversation with Mr. Hovey that he contacted CWPM's President to ask if he had any problem with giving up the Board of Education's portion of the bid, and he noted that CWPM stated they did not. Mr. Masalin stated that he conveyed this information to Mr. Donaldson earlier today. Therefore, he stated that the flexibility in this motion would allow the Board of Education to make their choice on how they wanted to proceed.

Mr. Masalin stated transitionally changing Curbside Collection Service providers may be the biggest challenge for the town going forward because of all the household trash and recycling carts would have to be picked up; in conjunction with the new carts that would have to be delivered. He stated that one of the reasons the town solicited Requests for Proposals as early as they could was to provide the time needed to get things set up; in the event there was going to be a change in service providers. He stated that the town has already met with CWPM to make sure that they understood what they bid on; and to make sure there would not be any surprises that they could foresee. He stated for many years CWPM has been their contractor for the Transfer Station and for the Bulky Waste Service; and he noted that their presence has been growing in the curbside collection realm, both in the private subscription and in picking up for towns. He stated that CWPM recently picked-up a contract with Stonington through the purchase Crandall Waste Management; who was now totally out of the waste collection business.

Mr. Masalin stated the CWPM Curbside (Trash/Recycling) Contract was in the amount of \$4,448,000; noting that the Board of Education cost was \$79,000; whereas the Casella bid for the Board of Education was 73,000. He went on to note as he presented during his March 18, 2025 Fiscal Year 2025/2026 Budget Work Session with having hard numbers from the March 6, 2026 Bid Opening that Account #10140113-54210 (Disposal Services) could be reduced from \$752,500 to \$711,000.

Mr. Masalin stated that he was comfortable with CWPM's proposal noting that their total cost represented a 2.5% increase for Curbside (Trash/Recycling) Collection Services year over year, which was the reason their proposal came in lower than Casella's proposal, whose increase was 5% year over year.

Councilor Buhle questioned whether Casella was asked if they would match

CWPM's proposal. Mr. Masalin stated doing that would be unethical.

Councilor Buhle questioned whether there would be any changes in the revenue for the Recycling. Mr. Masalin stated this was a difficult question to answer explaining that the town does not pay or benefit from recycling because Southeastern Connecticut Regional Resource Recovery Authority (SCRRA) covers the full cost; or derives the benefit from whatever the Recycling Market might be delivering.

Mr. Masalin went on to explain that the town pays a Tipping Fee; that was recorded in a separate budget line as he discussed during his March 18, 2025 Budget Work Session. He stated that sometimes the town does receive a revenue based on an equation that was established between Southeastern Connecticut Regional Resource Recovery Authority (SCRRA) and Casella for their disposal of Single Stream Trash at the SCRRA Facility. He stated SCRRA Member Towns simply piggyback on the SCRRA Contracts.

Councilor Buhle stated that she understood that the town was capable of changing Curbside Collection Contractors and trash carts. However, she noted the email exchange from Casella's Market Manager Brian Hovey in which he stated that Casella was willing to match CWPM's cost because of the relationship they had with Ledyard. Therefore, she questioned whether Casella would match the price for the entire 6-years. Mr. Maslin stated that he did not pursue it any further, because that would be a very unethical practice. He noted in his email to Mr. Hovey that he mentioned two previous Trash Collection court cases, that were based on frivolous issues, and not on substantial issues, which this one would represent.

Mr. Masalin also noted that Casella's bid included several asterisks that represented variable cost at their discretion; such as a surcharge for diesel costs, or any other random type of things that they might deemed was affecting their cost of doing business. He stated that he would suggest that the next time the town solicited bids for Curbside Trash and Recycling Collection Services that they make the Bid Specifications explicit to include every cost.

Mayor Allyn, III, stated that Mr. Masalin covered the Curbside Trash and Recycling Collection Services Bid process well. He stated that he was pleased with CWPM's increase in every year of the three option years.

VOTE: 3- 0 Approved and so declared

The Finance Committee thanked Mr. Masalin for attending tonight's meeting.
Mr. Masalin left the meeting at 5:37 p.m.

RESULT: RECOMMENDED FOR APPROVAL
MOVER: Tim Ryan
SECONDER: Jessica Buhle

AYE: 3 Saccone, Buhle and Ryan

- 3. MOTION to appropriate and transfer the Board of Education Fiscal Year 2024/2025 audited surplus of \$118,629 from unrestricted fund balance to Account #22570101-58250 (BOE Reserve Fund) in accordance with “Resolution Creating a Funding Mechanism for Making Annual Appropriations to a Capital Reserve Fund for the Board of Education” adopted on September 28, 1988.

Moved by Councilor Buhle, seconded by Councilor Ryan

Discussion: Finance Director Matthew Bonin stated with the Fiscal Year ending June 30, 2024 Audit completed that in accordance with “*Resolution Creating a Funding Mechanism for Making Annual Appropriations to a Capital Reserve Fund for the Board of Education*” this action would move the Board of Education’s surplus in the amount of \$118,629 to their Capital Non-Recurring Account. He stated this was an administrative action.

VOTE: 3- 0 Approved and so declared

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Jessica Buhle

SECONDER: Tim Ryan

AYE: 3 Saccone, Buhle and Ryan

- 4. MOTION to adopt the proposed “Resolution of the Town of Ledyard to Adopt an Optional Motor Vehicle Depreciation Schedule” as presented in the draft dated March 10, 2025.

DRAFT: 3/10/2025

Res. 003-2025/_____

RESOLUTION
OF THE TOWN OF LEDYARD
TO ADOPT AN OPTIONAL MOTOR VEHICLE
DEPRECIATION SCHEDULE

WHEREAS: the State of Connecticut adopted House Bill #7067 entitled: “An Act Concerning an Emergency Certificate of Need Application Process for Transfers of Ownership of Hospitals that have Filed for Bankruptcy Protection, *The Assessment of Motor Vehicles For Property Taxation*, A Property Tax Exemption for Veterans Who Are Permanently And Totally Disabled And Funding of the Special Education Excess Cost Grant”.

WHEREAS: House Bill #7067 allows Municipalities to adopt a modified depreciation schedule for vehicles as follows: The modified schedule generally increases, by five percentage points, the taxable portion of a vehicle’s MSRP that is subject to property tax. By law, a vehicle’s property tax assessment equals

its depreciated MSRP value multiplied by 70%.

THEREFORE BE IT RESOLVED: that the Ledyard Town Council hereby adopts the Optional Motor Vehicle Depreciation Schedule as shown in the Table below with assessed values for new vehicles (up to one year old) at 90% of their MSRPs, rather than 85%, and correspondingly increases the values for older vehicles by five percentage points. By law, unchanged by the bill, the minimum assessment amount is \$500.

Table: Valuations Under the Current Schedule and the Bill’s Optional Modified Schedule

<i>Vehicle Age (in years)</i>	<i>% of MSRP</i>	
	<i>Current Schedule</i>	<i>Modified Schedule</i>
Up to 1	85	90
2	80	85
3	75	80
4	70	75
5	65	70
6	60	65
7	55	60
8	50	55
9	45	50
10	40	45
11	35	40
12	30	35
13	25	30
14	20	25
15-19	15	20
20+ ≥ \$500	≥ \$500	≥ \$500

BE IT FURTUER RESOLVED; that in accordance with House Bill #7075 this Resolution along with the attached Form provided by the Office of Management & Policy (OPM) will serve as the Town of Ledyard’s notification of its adoption of the Motor Vehicle Modified Schedule.

Adopted by the Ledyard Town Council on: _____

S. Naomi Rodriguez, Chairman

I CERTIFY that the above resolution has in no way been altered, amended or revoked, and is in full force and effect.

AND I DO FURTHER CERTIFY that Mayor Fred B. Allyn, III is the Mayor of the

Town of Ledyard, and has been since May 1, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Ledyard this _____ day of _____, 2025.

(Seal) _____ Patricia A. Riley, Town Clerk
Town of Ledyard

History:
Under the State’s new methodology(House Bill # 7067) for motor vehicle valuation Ledyard would see a 13% decline in motor vehicle valuations.

The State’s new motor vehicle taxation model, which will commence with the October 2024 Grand List will use the vehicles MSRP (Sticker Price) in year one, followed by a 20% depreciation in year two, then a straight-line annual depreciation of 5%.

However, House Bill #7067 allows Municipalities to adopt a modified depreciation schedule for vehicles as follows: The modified schedule generally increases, by five percentage points, the taxable portion of a vehicle’s MSRP that is subject to property tax. By law, a vehicle’s property tax assessment equals its depreciated MSRP value multiplied by 70%.

By adopting the Modified Depreciation schedule by a vote of the Town Council; it would move to MSRP, then 90% in year two, 85% in year three and so on. This change Ledyard would reduce the Grand List decline to 0.64% as opposed to the 1.6% under the State’s new model; and recover nearly \$444,000 in taxes.

Moved by Councilor Ryan, seconded by Councilor Buhle
Discussion: Mayor Allyn, III, provided some background explaining because the State recognized that Public Act 24-46, and its potentially flawed language, “*An Act Establishing a Property Tax Exemption for Veterans Who Have a Service-Connected Permanent and Total Disability Rating*”; would impact cities and towns local tax revenues; that in crafting House Bill #7067 entitled: “*An Act Concerning an Emergency Certificate of Need Application Process for Transfers of Ownership of Hospitals that have Filed for Bankruptcy Protection, **The Assessment of Motor Vehicles For Property Taxation**, A Property Tax Exemption for Veterans Who Are Permanently And Totally Disabled And Funding of the Special Education Excess Cost Grant*” the State agreed to provide towns and cities an option to adopt a *Modified Motor Vehicle Tax Deprecation Schedule* that would not reduce their local tax revenues as greatly as the new Deprecation Formula would.

Mayor Allyn stated although he was not a fan of the motor vehicle tax; that

Municipalities have come to rely on it. Therefore, he stated the State should not make changes to the Assessed Deprecation Value of Motor Vehicles that would impact Municipalities local tax revenues without making major changes at the State level.

Mayor Allyn went on to explain that Governor Lamott and the State Legislature passed a Public Act, which allowed cities and towns to change the depreciation schedule provided in House Bill #7067, which was noted in the proposed Resolution, that would have started at 85% of the Manufactures Suggested Retail Price (MSRP) and then depreciate by 5% each year thereafter. He stated by the Town Council adopting a *Modified Motor Vehicle Deprecation Schedule* that Ledyard's Motor Vehicle Assessment would start at 90% of the Manufactures Suggested Retail Price (MSRP) and then depreciate by 5% each year thereafter. He stated this 5% change would provide an additional minimum of \$444,000 of additional motor vehicle tax revenue for Ledyard. He stated that he was reluctantly supporting the Modified Motor Vehicle Tax Deprecation Scheule, because he did not like adding a tax back to the people. However, he stated with the proposed legislation that would provide more reductions in revenues for Ledyard that he did not know where the town could go to make up the difference in the loss of revenues.

Mayor Allyn went on to state recovering the \$444,000 in Motor Vehicle Taxes was good for Ledyard because it would help to offset the loss of tax revenue provided in Public Act 24-46 (Veterans Tax Exemption) which was projected to be more than 400,000. He also noted the proposed legislation "*An Act Establishing a Property Tax Exemption for Property Located on Certain Indian Lands*"; which was designed to negate the Town's ability to collect personal property tax from the third-party private vendors operating at the Mashantucket Pequot Foxwoods Resort Casino. He explained if his piece of Legislation was approved by the State that Ledyard would see a loss of \$625,000 to \$825,000 in tax revenues. He noted the way the that language currently reads was that the State would add \$100,000 to the Mohegan Pequot Fund for both the towns of Ledyard and Montville; which would result in a loss of \$725,000 in tax revenue for Montville and a loss of a minimum of \$625,000 in tax revenue for Ledyard. He stated even if they net back \$100,000 that it was going to be a significant tax loss for their communities.

Councilor Buhle questioned what other towns were doing about House Bill #7067 relative to the option to adopt a *Modified Motor Vehicle Tax Depreciation Scheule*. Mayor Allyn stated that Stonington was the first municipality to adopt the Modified Scheule and that Preston and Norwich were also in the process of approving it. He stated a lot of towns were adopting the Modified Motor Vehicle Tax Deprecation Schedule because they all recognize the burden of the loss of tax revenue that House Bill 7067 has put on them.

Councilor Buhle stated it was difficult to try to compare apples to apples relative to taxes for motor vehicles and for real property, noting that they were inconsistent across the State. She stated because she lived in a town that had a low Grand List and a high mil rate, that her motor vehicle taxes for her car was higher than if she lived in

Fairfield, even though her car was valued the same in both towns; whereas her house in Fairfield would be worth more than what it was valued at in Ledyard. Therefore, she stated that she wanted to make sure Ledyard was not singling themselves out with the adoption of a Modified Motor Vehicle Deprecation Schedule. However, she stated if other area towns such as Groton, Stonington, East Lyme, and Norwich were doing the same that she would agree with the Modified Motor Vehicle Deprecation Scheule.

Councilor Ryan addressed this year's Real Property Revaluation that was currently underway. He stated with the Revaluation that the Grand List would go up and the Mil Rate would come down. He went on to note that the State's Motor Vehicle Tax Cap was set at 30 Mils; however, with a Mil Rate of 32 that Ledyard has already exceeded the State's Motor Vehicle Tax Cap. Mayor Allyn, III, explained under the Motor Vehicle Tax Cap Program that the State has been reimbursing the Town for the difference.

Councilor Ryan questioned if Ledyard's real property Mil Rate goes below the Motor Vehicle Tax Cap that the town would lose revenue. Mayor Allyn stated that was correct, therefore, he stated by adopting the Modified Motor Vehicle Deprecation Schedule that it would provide a little bit of protection in terms of revenue. Councilor Ryan questioned whether the age of the vehicle was based on the Model Year or the year the Vehicle was put in service (purchased). Mayor Allyn stated the age of the vehicle was based on the Manufacturer Suggested Retail Price which was always by the year.

Councilor Ryan stated that he was pleased to see for vehicles age 20+ that the depreciation flattened out of \$500 in assessed value, noting that was the bottom line value. He stated that he would support adopting the Modified Motor Vehicle Tax Depreciation Schedule, noting that providing this option was something the State did right, pending so many unfunded mandates coming down from them.

Councilor Saccone stated that he agreed with Mayor Allyn, III, in that car taxes were a burden. However, he noted without adopting the Modified Motor Vehicle Deprecation Schedule that it would put the town in a worse financial position; which would end up being regressive in its own way. He commented that it was unfortunate that this was something that they had to deal with.

VOTE: 3- 0 Approved and so declared

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Tim Ryan

SECONDER: Jessica Buhle

AYE: 3 Saccone, Buhle and Ryan

5. MOTION to approve a tax refund to Corelogic Centralized Refunds, P.O. Box 9202, Coppell, TX 75019-9760 in the amount of \$2,454.84.

Moved by Councilor Buhle, seconded by Councilor Ryan

Discussion: Councilor Saccone explained in accordance with the Tax Collector's Procedures that refunds over the amount of \$2,500 need to be approved by the Town Council. He stated because both the property owner and the lender paid the taxes that refunds were due.

VOTE: 3- 0 Approved and so declared

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Jessica Buhle

SECONDER: Tim Ryan

AYE: 3 Saccone, Buhle and Ryan

6. MOTION to set a Hybrid Format (Video Conference and In-Person) Public Hearing date to be held on April 21, 2025 at 7:00 p.m. to be held in Ledyard Middle School Auditorium 1860 Route 12, Gales Ferry, Connecticut, to receive.

Moved by Councilor Buhle, seconded by Councilor Ryan

Discussion: Mayor Allyn, III, explained although the State has a proposed Fiscal Year 2025/2026 Budget, the Legislature has not started talking about it publicly yet. He also noted that the town was hoping they would obtain more information regarding Employee Healthcare costs. Therefore, he stated by moving the Public Hearing from April 7, 2025 to April 21, 2025 that it would provide the Finance Committee more time to work on the Budget. He stated per the Town Charter they had to hold the Public Hearing by the last Monday in April.

The Finance Committee noted because they just completed their Budget Work Sessions with the Department Heads yesterday (March 18, 2025), that they have not had time to begin their budget deliberations. They agreed to move the Public Hearing to Monday, April 21, 2025. They also discussed the location of the Public Hearing and agreed to hold it at the Ledyard Middle School Auditorium instead of the Council Chambers.

VOTE: 3- 0 Approved and so declared

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Jessica Buhle

SECONDER: Tim Ryan

AYE: 3 Saccone, Buhle and Ryan

7. MOTION to set the Annual Town Meeting (Hybrid Format (Video Conference and In-Person) date regarding the proposed Fiscal Year 2025/2026 Budget on May 19, 2025 at 7:00 p.m. to be held at the Ledyard Middle School Auditorium, 1860 Route 12, Gales Ferry, Connecticut; and to adjourn to a Referendum to be held on May 20, 2025 between the hours of 6:00 a.m. 8:00 p.m.

Moved by Councilor Buhle, seconded by Councilor Ryan

Discussion: Mayor Allyn, III, noted in accordance with the Town Charter the Annual Town Meeting shall be held on the third Monday in May; and adjourn to vote on the voting machined the following day.

Administrative Assistant Roxanne Maher noted that the Registrars had asked that the Town Council consider holding the May 20, 2025 Budget vote on the voting machines from 10:00 a.m. - 8:00 p.m. instead of 6:00 a.m. to 8:00 p.m. The Finance Committee stated that they would prefer that the Referendum Vote be held from 6:00 a.m. to 8:00 p.m. noting that based on the expected budget increase they believed that there would be a larger voter turnout this year than what they had last year.

The Finance Committee discussed the location of the Annual Town Meeting and agreed to hold it a the Ledyard Middle School Auditorium instead of the Council Chambers.

Superintendent of Schools Jason Hartling stated that he would reserve the Ledyard Middle School Auditorium for the April 21, 2025 Public Hearing and May 19, 2025 Annual Town Meeting.

VOTE: 3- 0 Approved and so declared

RESULT: RECOMMENDED FOR APPROVAL

MOVER: Jessica Buhle

SECONDER: Tim Ryan

AYE: 3 Saccone, Buhle and Ryan

8. Discussion and possible action regarding the Fiscal Year 2025/2026 Budget.

Councilor Ryan stated that he appreciated the time of all the Department Heads who attended the Budget Work Sessions that were held on March 6, 10, & 18, 2025 to present their proposed budgets. He stated that he also appreciated their candid and straight forward discussion with regards to the budget figures for the next fiscal year. He noted as Mayor Allyn, III, has stated many times in previous meetings, both during the Finance Committee Meetings and the Town Council Meetings, that the upcoming fiscal Year was going to be a tough year. He stated as they were scouring through each line of the General Government Budget that every Department Head stated that they were trying to operate as lean as possible.

Councilor Ryan went on to state that he also appreciated the Board of Education presenting their proposed Fiscal Year 2025/2026 Budget at the Town Council's March 12, 2025 meeting. He stated the exchange and discussion they had during the meeting made it very clear that in the 4 plus years he has served on the Town Council that the upcoming year was going to be one of the toughest years they have seen. He stated between the loss in revenue due to State Requirements; and the reduction in the Grand List that it was not a good situation overall.

Councilor Buhle noted as Mayor Allyn, III, has been saying, the Town does not have a ton of money; and the proposed Fiscal Year 2025/2026 Budget was lean. She stated that there were no more places to cut from without severely impacting the services that residents receive. She stated Ledyard was not overspending, but that they have a revenue issue, because Ledyard does not have much commercial properties or businesses that would help to increase their Grand List and lower their Mil Rate. She stated every town around us has commercial businesses and industrial development, which provided them with a larger Grand List and a lower Mil Rate. She stated that each year it was a challenge for Ledyard to try to bring our Department Heads salaries in line with area towns, to make us more competitive in an effort to prevent our staff from leaving Ledyard to move to another town that paid more. She also stated that Department Heads have continued to work to identify savings where possible, as they have done year after year.

Councilor Saccone questioned whether the revised Revenue for the Board of Education has been accounted for in the proposed Fiscal Year 2025/2026 Budget. Finance Director Matthew Bonin noted that Superintendent Hartling was present this evening. Superintendent Hartling stated the Board of Education provided revenue projections with their original Fiscal Year 2025/2026 Budget submission, however, he stated that those revenue projections were subject to change. He stated in talking with Senator Cathy Osten this morning that she was working on several things. He stated there was a slight decline in the Education Cost Sharing (ECS) Funding from what they initially submitted. However, he noted that the total Education Revenue increased by \$316,000. He stated that the Board of Education would keep the Town Council updated as they learn more information.

Councilor Saccone stated the Finance Committee was working with the Mayor Allyn, III, and Finance Director Matthew Bonin to identify savings where possible and working within the confines of what the State has dealt us this year to watch over their taxpayers money.

The Finance Committee agreed to schedule a Special Meeting on Tuesday, April 1, 2025 at 4:00 p.m. to continue their work on the proposed Fiscal Year 2025/2026 Budget.

RESULT: CONTINUE

9. Any other Old Business to come before the Commission.

None.

X. ADJOURNMENT

Councilor Buhle moved the meeting be adjourned, seconded by Councilor Ryan.

VOTE: 3 - 0 Approved and so declared, the meeting was adjourned at 6:01 p.m.

Respectfully submitted,

Anthony Saccone, Sr.
Committee Chairman
Committee

Finance

DISCLAIMER: Although we try to be timely and accurate these are not official records of the Town.