

**Board of Selectmen  
Special Meeting  
Virtual Meeting**

**Thursday, April 23, 2020**

**MINUTES**

Present (virtually) First Selectman Dan Jerram, Selectman Alesia Kennerson, Selectman David Rosengren.

Others Present (virtually) Tax Collector Karen Wieduwilt, Treasurer Gordon Ross; Members of the Public: Regina Wexler, Ben Witte, Andrew Lefebvre, Bruce Delaini, Daria Hart, Penny Miller, Mary Beth Greenwood; Member of the Press Kathryn Boughton (Republican American), Administrative Assistant Christine Hayward.

**Discussion and Action regarding Executive Order 7S-6; Suspension and Modification of Tax Deadlines and Collection Efforts: 6a(deferment program) and 6b (Low Interest Rate Program):**

First Selectman Dan Jerram called the meeting to order at 6:05 PM. He explained that this was the first attempt at a virtual meeting and welcomed attendees. He offered information as to how to submit public comments for any virtual meetings – by email to [town@newhartfordct.gov](mailto:town@newhartfordct.gov) or by US Postal service to P.O. Box 316, New Hartford, CT.

Mr. Jerram stated that the meeting this evening was being held to address Executive Order 7S 6a and 6b and to make a decision as to which program(s) would be endorsed and then submit that information to the State as required.

First Selectman Jerram gave an overview of each of the programs, explaining that 18% per year is the usual tax penalty. The option for deferment (6a) affords taxpayers the opportunity to delay paying their taxes due July 1 for a 3- month period with no interest due. Taxes due on July 1 become payable by October 1 interest free. The 2<sup>nd</sup> option (6b) is a low interest rate program that lowers the interest due on delinquent balances of taxes paid between April 1 and June 30 and lowers the interest rate for taxes due July 1 (inclusive) for a 3 month period to 3% per year.

Selectman Rosengren asked if everyone understood the orders; stating that he had read them several times and had come up with a different interpretation following each reading. He asked if someone could summarize what they understood these options to mean. Tax Collector Karen Wieduwilt explained that the deferment allowed for the due date for taxes to be pushed from July 1 (due on August 1) to be paid by October 1 without any penalty. The low interest option reduces the interest on delinquent balances beginning April 1 and continuing through June 30 (and including taxes that are due and payable July 1) to be assessed at an interest rate of .25% per month for a period of ninety days from when they were due.

First Selectman Jerram stated that adopting a low interest program could have an impact on projected revenues. He noted that the revenue sheet shows projections of income from collection of interest charged for late payments.

First Selectman Jerram interjected that the options for consideration could also apply to the WPCA

(Water Pollution Control Authority ) with respect to sewer and water late charges. Selectman Rosengren questioned how that could be included as the order refers to taxes, not charges. Jerram clarified that the Order includes other entities, such as fire districts in addition to the WPCA. Mr. Jerram discussed the impact that a deferment might have on the town's cash flow and ability to function if tax revenues are not received. He noted that the fund balance is used to cover cash flow in the months of July and August while waiting for tax revenues to come in. He mentioned that there are large financial obligations that are due in those summer months. Regional School District obligation, health care costs, payroll (both general government and local Board of Education) as well as organizations that are included in the budget that expect to be paid. Jerram expressed concern that deferment of non-escrowed tax payments, which accounts for 60% of collections, could be problematic. Treasurer Gordon Ross added to the discussion stating that there is no time to conduct a study to determine what percentage of the 60% of non-escrowed taxpayers will take advantage of a deferment. He stated that no one has any way to determine what the cash flow could be. Mr. Ross expressed his opinion that he feels that most people like to pay their obligations and most voluntarily pay taxes on time and if that turns out to be the case, there would not be cause for concern. However, there is no guarantee of anything at this time. Both Mr. Jerram and Mr. Ross referred to a time a few years ago when there was uncertainty with the State Budget and there was an interim budget adopted using the mill rate from the prior fiscal year. This resulted in diminished cash flow and this created some stressful times in meeting financial obligations.

Selectman Rosengren stated that this deferment is made available to those who attest that they need/qualify for the deferment. He stated his concern that no one knows when this situation will end. He commented that he felt that there is possibility of help from the State and Federal Government and this will provide some relief if this continues for an extended timeframe. Mr. Rosengren stated that "if someone cannot pay their taxes, they can't pay their taxes. If they are out of work, people don't have more than a couple of weeks of safety income to deal with and if they are out of work and cannot pay, there is no sense in pummeling them." Selectman Rosengren stated his belief that he would like to adopt/offer both programs.

Selectman Kennerson commented that she was not sure that it made sense to offer both programs. She commented that she has been following what some other towns are doing and there are towns that have elected to not use the form that has been distributed by OPM used to attest to the need and some towns have decided to defer to anyone who requests it; no form required. She was not certain that New Hartford should offer that option but does understand that there are residents who have been severely impacted by this economic slow down and they may take a long time to recover. She added that the town has to balance many things for both the town and for the residents; noting that there are local organizations that rely on the town for funding. Ms. Kennerson stated that the reduced interest might provide incentive to those that can pay their bills so that the town has funds available to help the other quasi organizations continue to run. She referred to the fact that Executive Order 7W does include the WPCA. Mr. Rosengren interjected that the WPCA is not a town organization and did not feel that it would apply. Mr. Rosengren and Mr. Jerram discussed the form that has been created by OPM to attest need based requests. Mr. Jerram commented that there is no formal documentation required to show significant impact when requesting the deferral. Mr. Rosengren stated that they have to document significant economic impact by COVID 19. Ms. Wieduwilt stated that the Tax Collector Association had

been asking OPM questions about what documentation would be required and they were told that many might not have documentation. Mr. Rosengren stated that it would require the Selectmen reviewing the attestations to make a determination as to qualifying for a deferral or not. Mr. Rosengren reiterated an earlier statement made by Treasurer Ross that it is a voluntary system to pay taxes and Mr. Rosengren is of the belief that those who can pay their taxes will and only those who truly need the deferral will request one. The risk of not offering a deferral to those who will need it is great, according to Mr. Rosengren. He stated again that he would be in favor of offering both options.

Treasurer Gordon Ross commented that he read that Winsted adopted the low interest program due to their concern that they could not take the risk of not having the funds they need to operate. They felt there was less risk of people not paying their taxes with the low interest option. Mr. Ross questioned if Mr. Jerram was concerned that there was a large amount of residents who would take advantage of a deferral. Mr. Jerram replied that he doesn't know what will happen; but he is concerned about having the funds available to pay expenses. Mr. Ross stated that the town needs to offer guidance to residents that the town does need to operate and does need taxpayers to pay their taxes on time in order to operate, if a deferral option is considered. He trusts that most taxpayers will pay their obligations if they can.

First Selectman stated that he is struggling with this, not knowing what the best option is. He said that he does not know if there is an option to revisit this at a later date, but there needs to be a decision one way or the other this evening in order to meet the State guidelines for notification to the State regarding the option chosen. He would like to support the low interest option tonight and then revisit at the Selectmen's meeting on Tuesday.

Tax Collector Wieduwilt expressed concern that a firm decision needs to be made because the software company is creating programs for towns based on the option chosen. Mr. Jerram replied that there is still time to change course of action if needed. A brief discussion occurred regarding the current situation that residents have been charged interest at the usual rate for payments made in April. If a low interest option is adopted, there will need to be adjustments made to those taxpayers. Ms. Wieduwilt stated that there is currently an ordinance that states refunds less than \$5.00 are not returned. This low interest program may result in many adjustments that are at that level or less than that and it would seem prudent to credit those funds to the taxpayers since the program is all about saving taxpayers money.

Selectman Kennerson commented that she continues to support the low interest program. Selectman Rosengren stated that he, as a lawyer, does not see anything included within the Executive Order that would suggest that the option could be revisited. He re-stated that if people cannot pay their taxes, they won't pay because they simply cannot pay their taxes. Time will tell how many cannot pay their taxes. There is no reason to keep another obligation on them during the time when they are in deep financial difficulties. He supports the tax deferral option because things change day by day. There is uncertainty in many areas. If there happens to be a shortage in funding for the town at some point, that is the time to deal with that, he said.

Treasurer Ross asked for clarification that the interest rate reverts back to 18% after 3 months for both programs and Mr. Jerram confirmed.

Jerram summed up the discussion by stating that it was clear to him that one Selectman wants deferral,

