

**BOLTON BOARD OF SELECTMEN
AD HOC (Tax Issue) SUBCOMMITTEE
SPECIAL MEETING
7:00 PM, MONDAY, JULY 22, 2024
BOLTON TOWN HALL, 222 BOLTON CENTER ROAD
In-Person and Virtual (Hybrid Format)**

MINUTES

Ad hoc Committee Members Present In-Person: Deputy First Selectman Robert Morra, Selectman Amanda Gordon, Finance Committee Chairperson Ross Lally

Staff Present Via Zoom: Recording Secretary Linda H. McDonald, Chief Financial Officer Jill Collins, Tax Assessor Kara Fishman (7:07 p.m. by phone)

Staff Present In-Person: Tax Collector Lori Bushnell, Town Administrator James Rupert (7:06 p.m.)

Others Present In-Person: Selectman Mather Clarke, Finance Committee member Rhea Klein, and a few members of the public

Others Present Via Zoom: Keith Goodrow

- 1. Call to Order:** R. Lally called the meeting to order at 7:00 p.m. He apologized to the people in the audience for the inconvenience that this issue has caused some of them. He explained that the Finance Committee set the mill rate based on the amount they were given for the grand list, only to find out later that the grand list was undervalued by about 30 million dollars. That means the mill rate that was set was a little bit higher than it should have been and that is why taxpayers are owed some money back.

R. Morra added this committee was put together by the Board of Selectmen at a joint meeting with the Finance Committee to look into it and find out what happened and to come up with a proposal for a solution.

A. Gordon said the committee has identified that the order of priority, if they can with the information they have, is to identify a solution first and then to work on their investigation to find out what happened and how it can be prevented going forward.

- 2. Elect Chairperson:** R. Morra MOVED to nominate Ross Lally as committee Chair. A. Gordon SECONDED the nomination. There were no other nominations brought forward. MOTION CARRIED 3:0:0.

3. Discuss Path forward for Resolving Tax Issue:

A. Gordon explained, aside from the 500 people whose tax bills were based on their old assessment, everyone else's bill was correct, based on the mill rate that was set, with the grand list at the time the Finance Committee set the mill rate. This is not a refund. Because the grand list is larger than the committee anticipated it to be because of this clerical error, the town is expecting more income/revenue than they were at the time the mill rate was set. The town is choosing, because it is the right thing to do, to give that unanticipated revenue back to the public.

R. Morra said the committee is looking to make a return of overpayment which, by Town Charter, the town is allowed to do. The first order of business is to come up with what is the amount of the overpayment which is based on a portion of the mill rate.

Discussion followed with Tax Assessor Kara Fishman regarding the list of corrections she provided that were valid for those having the wrong assessment.

R. Lally asked K. Fishman what the difference between the old grand list and the new one is and what is the difference in taxes if the committee applies the current mill rate to the new grand list value because then the committee will be able to figure out the amount of money that needs to be returned to taxpayers.

R. Lally asked K. Fishman to verify, from their conversations, that there are 557 accounts that have the same assessment from one year to the next and there are 2,241 real estate accounts altogether. He asked if she was sure that all of the other accounts are correct. K. Fishman responded she got lists from Vision and QDS regarding the accounts and compared them to one another and feels comfortable that the real estate values are correct.

R. Lally explained that Vision is the vendor and the system that manages the real estate taxes and QDS (Quality Data Systems) is the system that has the personal property and motor taxes and the process is to move the real estate taxes from Vision over to QDS so that the Tax Collector can send out the tax bills.

R. Lally verified from L. Bushnell and K. Fishman that they are comfortable, based on comparing everything, that the real estate values are correct, that the personal property is not affected by this issue, and the motor vehicles are not either because personal property values are entered manually and motor vehicle values come from the State of Connecticut, a different source and both of those were checked by them.

R. Lally summarized that motor vehicle taxes are correct, personal property values are correct, and there is a corrected grand list that can be used to get to a final number of the values of the surplus monies that are to be returned.

A. Gordon reviewed the three options discussed at the committee's prior meeting on July 16th.

Option 1. Halt the collection of taxes, lower the mill rate to what it would have been had the grand list been corrected, send out new updated bills, send out refunds to people who have already paid their bills.

The Town Attorney has said there does not seem to be any legal basis or precedence for lowering the mill rate, either in the Town Charter or State precedence. L. Bushnell added that she has been informed by her system that it cannot be done.

Option 2. Continue the collection of taxes with due dates of 7/31 and 8/31, lower the mill rate to what it would have been had the grand list been correct, and send out refunds to everyone.

For the same reason as in option 1, this is also not a solution. An additional reason that this option would not work is that this option affects how much the town has in its interest-bearing savings account that funds a good chunk of the town budget. The town relies on a half million dollars in interest form

those accounts. By stopping collections, the amount of money in those accounts would go below a certain threshold where the town gets that amount of interest, substantially affecting the budget. Revenue would be lost.

Option 3. Continue collection of taxes with due dates of 7/31 and 8/31, keep the mill rate as it is, then send overpayments out to residents in the amount of the difference between what the mill rate was set at and what it would have been set at with the new grand list information.

This is the option the committee is left with and is the quickest option to return the overpayments to the taxpayers.

Discussion started on figuring out the details of implementing option 3 and who will cover the administrative costs of processing the overpayments. A. Gordon and J. Collins will each independently verify the adjusted grand list total as a means of checks and balances.

R. Lally said the committee has to find out exactly where this error occurred and if the town can get any of the expense back from the vendors involved with this. A. Gordon added it could have been an internal staff mistake or a software mistake or a combination. J. Rupert said an important part of the work this committee is doing includes finding out how it happened and figure out and recommend policies and procedures that can be put in place to ensure this cannot happen again.

A. Gordon said it is her intent that this be transparent process and the committee generates a report at the end that goes over the findings and the risk mitigation efforts that the committee is implementing.

L. Bushnell added that the State Office of Policy and Management (OPM) wants to see the town attorney's recommendations and what the problem was.

Committee members will attend the BOS special meeting on Tuesday, July 30, 2024 to make a recommendation and provide draft language for a motion on the adjusted grand list.

R. Lally said the immediate action items are to meet next week with the BOS with a motion so that the town can get the process going to find out if taxpayers want a check or a credit and to hold another Ad hoc committee meeting to go over where the issue occurred and what are the options for getting any consideration from the town's vendors.

Consensus of the committee was to schedule the next Ad hoc meeting for Thursday, August 1, 2024 at 6:30 p.m. at Town Hall and via Zoom.

4. Adjournment: A. Gordon MOVED to adjourn the meeting at 7:57 p.m. R. Morra SECONDED. MOTION CARRIED 3:0:0.

Respectfully submitted by Linda H. McDonald

Linda H. McDonald

Please see the minutes of subsequent meetings for the approval of these minutes and any corrections hereto.