BOARD OF FINANCE

TOWN OF KILLINGWORTH

323 ROUTE 81

KILLINGWORTH, CONNECTICUT 06419

MINUTES

Special Meeting

June 13, 2026

Chairman Annie Stirna called the June 13, 2026, Special Meeting of the Board of Finance of Killingworth to order at 7:00 A.M. The meeting was held virtually via Microsoft Teams.

Members present: Chairman Annie Stirna, Vice-Chair Marcel Couture, Michael Kovacs, Clerk William Kosturko, John Mancini, and Steve Reeps.

Visitors: First Selectman Eric Couture
Selectman Nancy Gorski
Regina Regolo, Finance Director

Also in attendance: E. Nunes, C. McGonnagle, G.Clempa, T.Blewitt, W. Adamowitz, E.Unger, G.D'Orofrino, A. Roberts, L. Lefko, M.Drew, E. Sirguin, K. Towson, M. Nunziato

Chairman Stirna stated that the purpose of the meeting was to discuss and possibly set the mill rate for FY 26-27.

John Mancini moved, seconded by Steve Reeps, that the Board of Finance defer from setting the mill rate until the Town of Killingworth and the Town of Haddam had each approved the Board of Education budget for RSD 17 by virtue of a referendum.

In discussing the motion, John Mancini indicated his belief that there was no real need to set the mill rate at this time. Delaying setting the mill rate would incur a cost of $4,800; doing so would not represent a significant strain on town administrative staff. He stated that awaiting the vote on the Board of Education budget vote would provide more exactitude in calculating the Town's expense budget for FY 27-27.

Marcel Couture stated that delaying setting the mill rate at this time would impede taxpayers from appropriately planning for a significant portion of their overall individual expense budgets for the year. Steve Reeps indicated that sending out a tax bill due July 1, 2026 at the current mill rate, which would be required if a vote on the mill rate was deferred, would mask the true tax burden to be borne by the taxpayers in FY26-27. Specifically, if a mill rate increase of 2.25 was approved subsequent to July 1, 2026 taxpayers would be taxed at the old mill rate in July only to find a tax bill due on January 1, 2027 that had increased by 17%. Bill Kosturko noted that given the statutory requirements regarding the timing of the next referendum on the Board of Education budget, it was impossible for the precise

results of that referendum to be factored into tax bills required to be sent out for the July 1, 2026 payment date.

Steve Reeps noted the Board of Finance's general agreement on the need for a tax increase in order to reflect the results of the May 18, 2026 Town Meeting on the budget. At that time, the Town Meeting voted in favor of a pay-as-you-go approach to funding significant capital expenditures as opposed to a bonding proposal. The pay-as-you-go approach requires that the Town's General Fund be adequate to meet the potential for increased operating costs as well as variable capital expenditures. The Board of Finance had discussed a General Fund goal of approximately $4 million in the future to meet town needs. At the present time, thee General Fund balance is estimated to be $3,404,1212 at June 30,2026. Steve Reeps noted that, if the towns were to pass the most recent Board of Education budget submission at the next referendum, increasing the mill rate by 2 mills would actually decrease the General Fund as of June 30, 2026. Any reduction in the RSD 17 budget after a final referendum vote would assist the town toward obtaining a more robust General Fund.

John Mancini stated that setting the mill rate before the final adoption of the Board of Education budget would result in voter disenfranchisement. Steve Reeps noted that in the 2025-26 budget cycle, even though the Board of Finance had set the mill rate after two failed referenda on the RSD 17 budget, the vote totals on the third and final referendum significantly increased, with yes votes increasing 87% and no votes increasing 36% from vote 2 to vote 3. Bill Kosturko stated that the Killingworth town Charter vests in the elected members of the Board of Finance the authority to and duty of setting the mill rate. In doing so, the Board of Finance takes into consideration a number of variables and contingencies, many of which are not precisely calculable, in exercising its best judgement in carrying out its responsibilities, including looking to the needs of the town beyond the next budget cycle.

In summary: arguments in favor of deferral included: (1) the Board lacked the precise school budget data point at this time; (2) voter disenfranchisement risk if a mill rate is set before the third referendum; (3) no compelling hardship had been demonstrated from deferring. Arguments against deferral included: (1) supplemental December bills following deferral would represent a likely 17.2% jump over July bills for a property assessed at $350,000 — a $788 increase in the December installment over the July installment; (2) operating in a deficit position while awaiting BOE budget approval would further deplete an already-floor-level general fund; (3) the Board has a charter obligation for forward financial planning that extends beyond the outcome of a single referendum; (4) recent history in setting the mill rate between the second and third referendums did not suppress voter participation.

Upon the end of discussion, Bill Kosturko suggested an amendment to the original motion to reflect that a majority of the voters of each town vote in favor of the RSD 17 Board of Education budget is not required to approve that budget; rather, only a majority of the total number of voters of both towns combined is required to approve the RSD 17 budget. Kosturko moved to amend the original motion as follows:

"Moved, that the Board of Finance defer from setting the mill rate for FY26-27 until the RSD 17 Board of Education budget for FY 26-27 has been approved by virtue of a referendum."
John Mancini seconded the motion.

The vote to amend the motion was as follows:

Kovacs – yes
Mancini -yes

Couture – yes
Kosturko – yes
Reeps – yes
Stirna -yes

Motion to amend passes: 6-0 -0

The board next took the amended motion under consideration.

The vote on the amended motion was as follows:

Kovacs – yes
Mancini -yes
Couture – no
Kosturko – no
Reeps -no
Stirna -no

Motion Fails: 2-4-0

Marcel Couture moved that the Board decide on a mill rate at this meeting. The motion failed for lack of a second.

Chairman Stirna moved, seconded by Marcel Couture, to increase the mill rate for FY26-27 by 2.5 mills from 0.02622 to 0.02872.

In discussion, Steve Reeps stated that anything greater than a 2.25 mill increase is not fiscally appropriate given taxpayer burden considerations. He indicated his preference that any mill increase place the lowest possible financial burden on taxpayers while at the same time ensuring that the General Fund at June 30, 2027 not fall below the estimated General Fund balance of $3,404,122 at June 30, 2026. Applying this principle, a mill rate increase of 2.25 mills would result in the lowest additional tax burden while adding an additional $129,850 to the General Fund as of June 30, 2027. In comparison, a 2 mill increase would result in a reduction of $78,685 in the General Fund. As a result, he favored a mill rate increase of 2.25 mills rather than 2.50 mills.

John Mancini noted that the pay-as-you-go approach adopted at the May 18, 2026 was not set in stone for the future; the town could conceivably adopt a bonding approach different from the one rejected on May 18th.

Vote: Kovacs -no
Mancini -no
Couture – no
Kosturko -no
Reeps – no
Stirna – no

Motion fails: 6-0-0

Chairman Stirna moved, seconded by Marcel Couture, to increase the mill rate for FY26-27 by 2.25 mills from 0.02622 to 0.02847.

John Mancini clarified that while he views 2.25 mills as the most prudent level if the Board is setting the rate today — noting that two mills would be imprudent without knowing the school budget outcome and without assurance of a RSD 17 budget reduction sufficient to close the resulting general fund deficit — he maintained his position that setting the rate before the BOE budget referendum was not appropriate.

Marcel Couture stated that a 2-mill increase would produce a General Fund deficit, and that 2.25 mills is the minimum responsible increase. Steve Reeps stated that a 2.25-mill increase adds approximately $130,000 annually to the general fund, representing incremental progress toward the Board's target of a $4,000,000 General Fund.

Vote: Kovacs -yes
Mancini -no
Couture – yes
Kosturko – yes
Reeps – yes
Stirna -yes

Motion Passes – 5-1

Chairman Stirna thanked all in attendance and adjourned the meeting at 7:59 A.M.

Respectfully submitted,

William Kosturko, Clerk

E-mailed: Town Clerk
Board of Selectmen
Board of Finance
Abigail Albrecht, Tax Collector
Donna Dupuis, Town Treasurer
Elizabeth Disbrow, Administrative Assistant
Regina Regolo, Director of Finance