



**TOWN OF MADISON
BOARD OF FINANCE**
REGULAR MEETING, February 17, 2016

Draft- Subject to Approval

Present: Joseph MacDougald, Mark Casparino, Bennett Pudlin, Jason Ulstad,
Sharon Kokoruda (arrived 7:20 p.m.), Jennifer Tung

Also present: Tom Banisch, First Selectman; Stacy Nobitz, Finance Director; Mike Ott,
Public Works Director; Scot Erskine, Beach and Recreation Director;
Alma Carroll, Tax Collector; Austin Hall, Senior Coordinator; Deb
Milardo, Human Resources; Laina Piscatelli, Project Manager Facilities;
Herb, Gram, Craig Bernard, Scott Gyllensten, Ron Hick, Ad Hoc Senior
Tax Relief Committee; Filmore McPherson, Joe Beerbower, member of
the public; MCTV

Mr. MacDougald called the meeting to order at 7:00 p.m.

EXECUTIVE SESSION

1. Review Settlement – Patricia Alonso v. Town of Madison. On motion made by Ms. Tung, and seconded by Mr. Casparino, the Board voted unanimously to enter Executive Session at 7:00 p.m. in Conference Room D, to review the settlement for Patricia Alonso v. Town of Madison.

On motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously to return to open session at 7:10 p.m.

REGULAR SESSION

Mr. MacDougald called the regular session to order at 7:15 p.m.

1. Pledge of Allegiance. The Board of Finance and members of the audience stood and recited the Pledge of Allegiance.

2. Approval of minutes – Regular meeting of January 20, 2016 and special meeting of January 28, 2016. On motion made by Mr. MacDougald, and seconded by Mr.

Casparino, the Board voted unanimously to approve the minutes of the regular meeting of January 20, 2016 as submitted.

On motion made by Mr. Ulstad, and seconded by Mr. MacDougald, the Board voted unanimously to approve the minutes of the special meeting of January 28, 2016 as submitted.

3. Chairman's comments. There were no Chairman comments,
4. Citizen and Finance member comments. There were no citizen or Finance member comments.

NEW BUSINESS

5. Presentation from the Ad Hoc Senior Tax Relief Committee. Mr. Hall provided a history on the current Tax Relief Programs in Madison. He noted that the primary goal of the programs is to help senior citizens to remain in their homes as long as they want.

Mr. Gram noted that the current programs assist very low income residents and the proposed tax freeze program will assist middle income residents. He noted that the Tax Relief Committee had modeled the proposed Tax Freeze Program after Guilford's program. He reviewed the members of the Committee and outlined the presentation to be made this evening.

Mr. Bernard began the presentation by reviewing the Committee's charge which was to take a fresh look at Madison's Tax Relief Programs offered to Madison residents to assist them to stay in their homes. The Committee reviewed the existing programs and then looked at the possibility of creating a Tax Freeze Program. Mr. Hall and Ms. Carroll were very helpful sources of information. The Committee worked hard to make recommendations for programs that would meet the needs of the Town's seniors but also be fiscally responsible to the Town. Another benefit of keeping seniors in their homes is that these homes are not then sold to families who increase the number of children in town which impacts the education budget.

Mr. Bernard reviewed the existing Tax Deferral Program noting that there has been limited participation. They believe the lien placed on a participant's house acts as a deterrent. The Committee recommends that this program be maintained.

Mr. Bernard reviewed the existing Tax Abatement Program. This program is based on income and number of years of residency. Participation can be complex since participants need to apply for the State program first. This program does not address the issue of tax variability and does not address the risk associated with revaluation. In addition the income cap of \$63,660 limits the number of participants. The Committee also recommends this program be maintained.

The Committee first looked to see if the current programs could be adjusted to accommodate additional residents or if these programs could be replaced with a Tax Freeze program. After study and discussion, it was agreed that the Committee would recommend a new Tax Freeze Program together with retention of the current deferral and abatement program with individuals receiving the greater benefit offered by either program.

Mr. Bernard noted that the recommended Tax Freeze program was based on Guilford's program with two recommended changes to improve the program as follows:

- Implementation of an asset test on the value of the participant's home
- Use of a lower income band for qualification which would make the maximum income higher than the current Madison band but lower than the maximum Guilford band.

Mr. Bernard noted that the Committee would also recommend the incremental funding of the tax relief program be increased from 7 to 10 basis points. If during a year the cost of the program exceeds the cap, the Abatement program would be funded first, the Tax Deferral Program second and the Tax Freeze would be funded on a pro-rated basis.

Mr. Bernard noted that the current 23% participation rate is projected to increase to a maximum of 30% of households. The estimated use was based on assumptions from the Guilford model which has a 25 year history with the program and shows a 41% utilization participation rate. Madison's rate is assumed to be slightly less due to the changes recommended for the Madison program of a lower maximum income and a property asset test.

Mr. Gyllensten reviewed more detailed background on how the Committee arrived at their recommendations and how the program will impact the balance of taxpayers. He provide detail on the objectives of the tax freeze, eligibility requirements, income and residence requirements, property value limits, program caps and the fiscal impact on the not participating residents. He noted that the projection is that the program will level off in 10 years.

Mr. Gyllensten noted that the Committee unanimously recommended the continuation of the Tax Deferral and Tax Abatement programs and implementation of the Tax Freeze Program.

Mr. Gyllensten reviewed the steps moving forward now that the Committee has provided its report within the 60 day requirement. The report is presented first to the Board of Finance to determine if the program is fiscally responsible. Then the program is moved forward to the Board of Selectmen and then for approval by Town Meeting.

Mr. Gyllensten agreed to send out all information on the study to the Board members and will post the power point presentation on the Town website.

Mr. Gram noted that the group has agreed to remain assembled as a Tax Freeze Committee if needed.

The Committee members were thanked for their hard work and input in performing the requested study.

Mr. MacDougald recommended that discussion and action on the recommendation of the Ad Hoc Senior Tax Relief Committee should be included on the agenda for the March meeting.

6. Discuss and take action to grant permission to the Beach and Recreation Director, Scot Erskine, to expend funds from the Program Equipment fund with the intent to outfit the Surf Club with new chairs and relocate the folding chairs from the Surf Club to the Town Gym. Such permission is pending Beach & Recreation Commission approval. Mr. Erskine noted that during the recent bus accident on I-95 it was found that the Department facilities are under equipped to handle the rated capacity at the Surf Club and that there is no seating available at the Gym when used as a Shelter/Mass Casualty Incident location. By allowing \$8,000 to be expended from the Equipment Fund they will purchase 128 chairs, four 30 x 72' rectangle banquet tables and eight 60" round tables, which will outfit both facilities with sufficient seating. The intent is to outfit the Surf Club with the new chairs and relocate the folding chairs they have at the Surf Club to the Gym. The expenditure will leave \$32,000 in the fund moving into next fiscal year.

On motion made by Ms. Tung, and seconded by Mr. Ulstad the Board voted unanimously to grant permission to the Beach and Recreation Director, Scot Erskine, to expend funds from the Program Equipment fund with the intent to outfit the Surf Club with new chairs and relocate the folding chairs from the Surf Club to the Town Gym noting that this permission is pending Beach & Recreation Commission approval.

8. Discuss and take action to approve a Line-Item Transfer request from the Facilities Department in the amount of \$750.00 from Gas/Police (1-100-2102-0000-6206-635-70) to Communications/Cell Phone. Ms. Piscatelli noted that the line item transfer was needed to provide additional funding needed for cell phones.

On motion made by Mr. MacDougald, and seconded by Ms. Tung, the Board voted unanimously to approve the request of the Facilities Department in the amount of \$750.000 from Gas/Police (1-100-2102-0000-6206-635-70) to Communications/Cell Phone (1-100-2102-0000-5301-600-00).

9. Discuss and take action to approve a Line-Item Transfer request from the Facilities Department in the amount of \$2,945 from Gas/Memorial Town Hall (1-100-2102-0000-6206-600-64) to Overtime/Summer Help. Ms. Piscatelli noted that the line item transfer was needed to provide additional funding for Overtime to cover custodial services during holidays and call-ins.

On motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously to approve the request of the Facilities Department for a Line-Item Transfer in the amount of \$2,945 from Gas/Memorial Town Hall (1-100-2102-0000-6206-600-64) to Overtime/Summer Help (1-100-2102-0000-1320-552-00).

10. Discuss and take action to approve a Line Item transfer request from the Human Resources Department in the amount of \$4,174.30 from Salary Adjustments (1-100-8150-0000-1330-830-00) reflecting salary amendments made during the final implementation of the Reclassification Plan. Ms. Milardo noted that the line item transfer was needed for final salary adjustments needed to implement the Reclassification Plan.

On motion made by Mr. Ulstad, and seconded by Ms. Kokoruda, the Board voted unanimously to approve the request of Human Resources for a Line Item transfer in the amount of \$4,174.30 from Salary Adjustments (1-100-8150-0000-1330-830-00) to Salary – Town Planner (1-100-4100-0000-1010-000-00) and Salary – Assessor (1-100-1125-0000-1010-730-00) to reflect salary amendments made during the final implementation of the Reclassification Plan.

11. Discuss and take action to approve a Special Appropriation in the amount of \$42,032.84 from the HR Department for the Settlement Agreement between the Town of Madison and Police Officer Patricia Alonso. Ms. Tung proposed looking at some accounts from which to make this a line item transfer and not a special appropriation. Accounts discussed included the Human Resources Salary Adjustments (Ms. Milardo said the still needed the funding), the Legal Account (Mr. Banisch did not agree) and the Police Department fuel accounts with a good deal of saving due to current prices. Ms. Nobitz recommended that the funds come from Contingency which currently has a \$65,000 balance.

On motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously to amend the prior approval of settlement with Office Patricia Alonso as follows:

1. In lieu of salary continuation for one (1) year in the amount of \$69,173 Alonso's weekly salary will be continued through June 30, 2016, with total gross payments in the amount of \$27,140.16 at which time a lump sum payment in the amount of \$42,032.84, to be taken from Contingency, shall be made to Alonso.
2. Alonso's employment shall terminate with the Town of Madison effective upon execution of the Settlement Agreement. Payments to her, in accordance with the terms of the Agreement, shall now cease effective June 30, 2016 rather than one year from now.

12. Discuss and take action to approve a Line Item transfer request from the Public Works Department in the amount of \$6,500.00 from Solid Waste (1-100-2103-0000-4210-623-78) to Purchased Services/Trees. On motion made by Mr. MacDougald, and seconded by Ms. Kokoruda, the Board voted unanimously to approve the request from

the Public Works Department for a line item transfer in the amount of \$6,500 from Solid Waste (1-100-2103-0000-4210-623-78 to Purchased Services/Trees (1-100-2100-0000-4900-624-00) to cover unexpected additional expenses due to an unusual amount of tree work this year.

7. Discuss Town Budget process & materials. Board members reviewed the 2016-17 Budget Workshop Schedule. Mr. MacDougald noted that the Public Hearing is scheduled for February 23 at 7:30 p.m. at Polson Middle School. He asked the Board members to review the schedule and let him know if there are any issues that require further discussion.

Mr. Pudlin recommended that the Board schedule a special meeting following the February 23rd hearing to discuss the budget.

Mr. MacDougald recommended that the Board continue discussion on the Library, and the Major Roads budgets and that a presentation on the Health insurance account be provided. Mr. Pudlin commented that the CIP presentation will be an important item for discussion.

13. Review of Financials. In response to a question by Mr. Pudlin, Ms. Nobitz noted that the actual health insurance claims in the last report were higher than what is expected.

14. Citizen comments. Mr. McPherson commented on the Elderly Tax Relief Program presentation noting that he supports the idea of coordinating the Abatement and Deferral programs together and possibly a new Tax Freeze program. He also supports the idea of including a market value asset amount in the program eligibility criteria. In response to a question, Mr. Pudlin clarified that the State legislation allows the program to consider the value of a resident's house as a part of program eligibility.

Mr. McPherson expressed concern that residents are not utilizing the deferral program primarily because they are concerned that the program requires a lien being placed on their property, because they wish to leave the home to family after they pass.

15. Liaison Reports and Report from First Selectman. Mr. MacDougald noted that an impressive Award Presentation was held at the Board of Police Commissioners meeting.

16. Adjournment. On motion made by Mr. Casparino, and seconded by Mrs. Tung the Board voted unanimously to adjourn the meeting at 8:45 p.m.

Terry Holland-Buckley, Clerk

