



TOWN OF MADISON BOARD OF FINANCE

REGULAR MEETING, September 21, 2016

AMENDED

Draft- Subject to Approval

Present: Joseph MacDougald, Mark Casparino, Bennett Pudlin; Jennifer Tung, Sharon Kokoruda, Jason Ulstad (via teleconference)

Also present: Tom Banisch, First Selectman; Stacy Nobitz, Finance Director; Scott Erskine, Beach and Recreation Director; John Iennaco, Director of Public Works; Austin Hall, Director of Senior Services; Kelly Gould, Town Attorney; Beth Crowley, Library Director and Beth Coyne, President of EC Scranton Memorial Library Board; approximately 25 members of the public; MCTV

Mr. MacDougald called the meeting to order at 7:03 p.m.

REGULAR SESSION

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 July 20 8, 2016. On motion made by Mr. Pudlin and seconded by Ms. Kokoruda, the Board voted unanimously to approve the minutes of the Regular Meeting of July 20, 2016 as submitted.
3. Chairman's comments.
None.
4. Citizen and Finance member comments.

Gus Horvath, 34 Ahylesbury Circle, spoke to support items 5, 6 and the roads funds on the agenda. The town has 2 ordinances and one policy to help people struggling to pay property taxes. Regarding Paragraph C in the document for today's review, he questioned the income amount from 2010, and if that percentage of income vs. the amount on the other ordinance will help? He recommends a dollar amount plus 20%.

For paragraph i1, he wanted to know if it was a fixed or rolling amount. The State statute has a 75% cap specified. Paragraph 6 and 1, the aggregate with the deferral was not reviewed. Finally, we should put more money into item 5 for roads.

Henry Owen, 69 Wellsweep Drive, supports a tax freeze and wanted to know what can we do to move forward without losing good times.

NEW BUSINESS

5. Discuss and take action to recommend a Senior Tax Freeze Ordinance to the Board of Selectmen Mr. MacDougald explained that there are no policy changes in the draft being discussed this evening. He also noted that the concern he had expressed regarding how trusts are handled under the ordinance has been addressed.

Mr. MacDougald introduced Kelly Gould, Town Attorney from Berchem, Moses and Devlin, and requested that she review the process followed to bring the proposed ordinance to this point. Ms. Gould noted that the original draft generated by the Committee was modeled after the Guilford policy. The Committee worked to make the document more stylistic to the Madison ordinance format. She noted that the Committee also included an additional qualification, not utilized by Guilford, of an asset test that provided for a property valuation limit that includes addressing fluxuations in the value of a house. This program is coordinated with other Tax Relief programs. Ms. Gould also noted that revisions have been incorporated to address comments made by residents and members of the Board of Finance. The document is being presented to the Board of Finance for action this evening and will then be forwarded onto the Board of Selectmen.

Mr. MacDougald suggested that discussion focus first on the structure of the program and he asked for Board of Finance member comments. He commented that he supports the structure of having bands for the number of years of residence and the income levels.

Mr. Casparino commented that he believes the income level and number of years level bands used, to determine eligibility, are not at the level he would like to see. He has been contacted by residents who are struggling to pay their taxes and shifting the tax burden for individuals eligible under the proposed rates to other taxpayers could be considered unfair. He recommended that the bands be set so the maximum income level for residents with 20 or more years of residency are at the average State of Connecticut income level which would be \$45,000 - \$50,000. He believes this level would be fair to all residents of Madison. He also recommended that consideration be given to making the program available only to taxpayers with at least 10 years of residency.

Mr. Pudlin commented that he disagrees with Mr. Casparino's approach. He is confident that the Town followed the specified process by creating the Tax Relief Committee and this Committee worked hard to come up with a recommended ordinance. They reached a unanimous consensus and compromised at a maximum percentage of 80% of the Median household income as published by the U.S. Census Bureau. He believes the Board of Finance should respect the judgement of the Committee and send it to a vote. It has been

shown that, as structured, there will be a small impact on the balance of taxpayers. He believes it is important that the maximum benefit is given to those who contributed the most to the Town through many years of residency.

A resident commented that she agrees that a maximum income of \$87,000 is high and could have the impact of burdening taxpayers with an income lower than this maximum. She supports the program but agrees additional consideration should be given to the impact on other taxpayers.

Ms. Tung commented that she agrees with Mr. Casparino's concerns regarding the shifting of the tax burden and she recommended that consideration be given to basing the income limits on the State of Connecticut average income as a guide which would set the maximum between \$48,000 to \$50,000.

Mr. Ulstad commented that he agrees with Mr. Pudlin that the Board should respect the process and efforts of the Committee. He believes the income levels should be linked to the Madison income level rather than the State level.

Mr. MacDougald commented that he agrees a maximum income of \$87,000 looks like a large number. He would consider keeping the same banding structure but linking it to a number that the maximum number of Board of Finance members would support.

Mr. Hall commented that the analysis made by the Committee has demonstrated that the maximum the program could impact other taxpayers is \$130.00 for up to the next 20 years. He feels that if people understand the tax shift would be minimal, they would support the program.

Mr. Graham, 287 Boston Post Road, noted that as a member of the Committee, he would support an adjustment being made to the lower number of years of residency rather than altering the benefit for the residents with higher years of residency. The program is an important way to help seniors remain independent and in their homes especially those who have contributed to the Town for many years.

In response to a question by Mr. MacDougald regarding application of a single year of occupancy, Mr. Pudlin explained that the structure for the number of years of residency are set by State Statute so changes cannot be made.

Mr. Horvath recommended that an adjustment be made to reduce the percentage for an individual with 20 or more years of residency from 80% to 70%.

Mr. MacDougald commented that he had noticed that the percentage increased by 20% for the jump from 15 – 20 years to 20 years or more rather than the 10% increase for the other bands. Dropping the last percentage to 70% would make the maximum eligible income for a married couple \$75,000 which he feels would be palatable. Another option would be to slightly lower the percentages for all income levels.

Ms. Tung noted that 2016 data stated the average salary for many professionals in New Haven County is lower than \$75,761 and these are the people who would be impacted by the shift in the tax burden.

Mr. Pudlin noted that, while he still believes the Board should not make changes to the Committee's recommendation for the structure, he would support a reduction from 80% to 70% for taxpayers with 20 or more years of residency to move the Ordinance forward. He continues to believe that this is not the responsibility of the Board of Finance.

Mr. Casparino and Ms. Tung expressed disagreement with Mr. Pudlin's comment stating that they believe impacts on the property tax is the main responsibility of the Board of Finance as well as overseeing the Town's finances including revenue, expenses and tax impact. Ms. Tung recommended that the Board consider changing the percentages so that the lowest band starts at 20% but the increments change by 10% rather than 20%, making the highest band 60% which would limit the number of participants to those most in need and reduce the impact on other taxpayers. Mr. Horvath expressed concern that this recommendation would place eligibility for the Tax Freeze Program below the Tax Abatement Program. Ms. Tung stated that this program should have the most difficult eligibility due to the burden it places on the other taxpayers.

After discussion, a motion was made by Mr. MacDougald, and seconded by Mr. Pudlin to amend the bands in the Table for Income in the proposed Tax Freeze Ordinance to provide levels of 20%, 40%, 50%, 60% and 70%. Mr. MacDougald, Mr. Pudlin, Mr. Ulstad, and Ms. Kokoruda voted in favor of the motion and Ms. Tung and Mr. Casparino were opposed.

Mr. MacDougald noted that as a result of this change, adjustments will also be made to the percentages for single applicants to be in line with the percentages for married applicants.

Mr. MacDougald referred to a number of other minor changes that need to be made to incorporate Board of Finance member comments including:

- Page 2, Section C, Title of Chart, insert "in Madison" between "income" and "as"
- Wording should reflect that the appeals will be heard by a Board made up of the First Selectman or his designee, the Director of Administrative Services, the Finance Director and the Director of Senior Services.

The Board members discussed the wording on Page 3, Section H, Medical Expenses.

After discussion, on motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously so amend Page 3, Section H, Medical Expenses, to wording that would clarify that medical expenses can net against income if additional income in a specific year was needed for these expenses and this additional income makes an applicant ineligible for the program for a single year.

Mr. Pudlin recommended that the Selectmen work with Ms. Gould to clarify the language on Page 3, Section G, to allow the inclusion of property in a trust if the taxpayer is the primary beneficiary of the trust, following a review of the trust agreement by Town Counsel.

After discussion a motion was made by Mr. Pudlin, and seconded by Mr. MacDougald to request that the First Selectman work with Ms. Gould to clarify the language on Page 3, Section G regarding eligibility of trusts. Mr. MacDougald, Mr. Casparino, Mr. Pudlin, Mr. Ulstad, and Ms. Kokoruda voted in favor of the motion with Ms. Tung opposed.

On motion made by Mr. MacDougald, and seconded by Mr. Pudlin, the Board voted to recommend the Senior Tax Freeze Ordinance to the Board of Selectmen with modifications made consistent with the discussion this evening and any procedural changes necessary as recommended by Town Counsel. Mr. MacDougald, Mr. Pudlin, Mr. Ulstad, and Ms. Kokoruda voted in favor of the motion with Ms. Tung and Mr. Casparino opposed.

6. Presentation from the Library Board regarding the Scranton Library Referendum. Beth Coyne, President of the EC Scranton Memorial Library Board was present to discuss the referendum for the library expansion. She reviewed the importance of libraries in a community. She noted that the Library Board has presented a strong proposal to enhance the current library to bring it up to the standards that Madison residents deserve. Working with an architectural firm, the Board is coming forward with a set of plans that provides the town with what it needs in term of current library usage and also helps them grow. The project involves increasing the footprint of the library from 17,144 square feet to 37,189 square feet which more than meets the state's minimum expectations by .5 square feet per capita. The cost of the entire project, including all of the administrative work and final furnishings is \$14 million. A total of \$4.5 million has been raised from donations so a balance of \$9.5 million is needed to finish the project. They will continue to seek donations but if a vote was held today they would be asking the Town to bond up to \$9 million. She and another member of the Library Board are present to answer any questions on the project.

In response to a question by Mr. MacDougald, Ms. Coyne reviewed the timeline moving forward which included a presentation to the Board of Selectmen and Board of Finance on October 4th, a legal notice to be published for a Public Hearing on October 6th, a presentation to the CIP Committee on October 13th, approval by the Board of Selectmen at their October meeting, approval by the Board of Finance at their November meeting, approval by the Planning and Zoning Commission at their December meeting, action by the Board of Selectmen to send the project to Town Meeting at their December 5th meeting and a Town Meeting on January 26th.

Ms. Coyne explained that some of the timeline is driven by a State Library grant that would provide a portion of the funding noting that the required match must be in place before a three year deadline.

The Board members agreed a joint meeting with the Board of Finance and CIP should be arranged at the Library for a site presentation on October 4th. The presentation should focus on providing information to explain to the Board of Finance why this is the correction number to support.

In response to a question, Ms. Coyne explained that one of the benefits to be provided by the additional space provided by the renovation will be a large meeting room that can be gated off from the rest of the Library to allow meetings when the full building is not open.

In response to a question by Mr. Casparino regarding the proposed size which is larger than the Connecticut State guidelines for libraries, Ms. Crowley noted that this is a minimum number but the additional space will provide a building for future growth not just for the next 10 years.

Ms. Tung requested that the Board be prepared to provide information on any future tax increases needed for additional costs related to the expansion including staff and maintenance.

Mr. Pudlin requested that an estimate on the impact the \$9 million bond would have on the mill rate be available for the October 4th meeting.

In response to a question by Mr. Pudlin, Ms. Crowley noted that the Library Board is utilizing open houses, presentations, their website, videos, social media packets of information and a model at the library to educate the public on the proposed project.

Mr. MacDougald requested that Board members forward any additional questions to Mr. MacDougald so the Library Board can be prepared and Mr. MacDougald will work to set up the meeting with the Board of Finance, Library Board and CIP for October 4th.

6.A Approval of funding for the Town Center Project. On motion made by Mr. Casparino, and seconded by Ms. Kokoruda, the Board voted unanimously to add to the agenda Item 6A, Approval of funding for the Town Center Project. Mr. Banisch noted that Phase I of the Town Center Project included work on the sidewalks, installation of street lights and irrigation. The available funds did not provide for hooking up the system to the power and removal of the poles. A total of \$1 million was included in CIP funding to be available in the event that adequate grant funds were not received. The actual grant received was only for \$400,000 so approval is now needed to use the capital fund to complete the necessary work.

On motion made by Mr. MacDougald, and seconded by Mr. Pudlin, the Board voted unanimously to approve the release of funds from the Capital Fund to complete work on the Town Center project to include work outlined by the First Selectman.

7. Discuss and take action to allow the Beach and Recreation Department to expend funds totaling \$34,839 to purchase a slit seeder as well as a top-dresser to add to the equipment for the fields and grounds of the town. Mr. Erskine was present to seek approval to expend funds from the Long Term Equipment Fund. The purchase of a slit seeder and a top dresser to add to their equipment would help the Beach and Recreation Department improve its services to the town as well as increase their productivity. There is currently \$69,530 in the account and the cost of the two pieces of equipment would be \$34,839, leaving \$34,691 in the account.

Mr. Casparino expressed concern for not utilizing the funds for the outboard motor that had been previously discussed. Mr. Erskine explained that the Department is now outsourcing the buoy placement so it is not needed for this purpose. He noted that the boat remains in place but no funds need to be expended for the boat at this time.

On motion made by Ms. Tung, and seconded by Mr. Casparino the Board voted unanimously to approve the request of the Beach and Recreation Department to expend funds totaling \$34,839 to purchase a slit seeder as well as a top-dresser to add to the equipment for the fields and grounds of the town.

8. The following line transfers are designated as routine and appropriate for approval as a single action by the Board of Finance, if so desired. A board member may request removal of any line transfer item from the consent agenda for review and discussion.

Motion: To approve Line Transfers totaling \$26,786.80.

On motion made by Ms. Tung, and seconded by Mr. MacDougald the Board voted unanimously to approve Line Transfers totaling \$26,786.80.

Mr. Casparino took over running the meeting but Mr. MacDougald remained in attendance.

9. Discuss and take action to approve changes in Major Roads Capital Fund description as recommended by the Board of Selectmen. Mr. Casparino reference a draft dated 9/12/16 showing both the existing regulation for the Major Roads Capital Fund and the proposed regulation. The proposed regulation amended the wording to include use of the fund for rehabilitation of roads and associated infrastructure in addition to major reconstruction. Priority will be given to roads that generate more traffic. He noted that at a later date the Board will need to review the regulation that requires a listing of the individual road names when budgeting for use of the fund.

On motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously to approve changes in Major Roads Capital Fund description as recommended by the Board of Selectmen

10. Discuss and take action to approve changes to the Major Roads 2016-17 approved CIP Project List pending the Board of Selectmen approval. Mr. Iennaco referenced the 2016-17 Major Roads CIP Project list with additional roads included.

On motion made by Mr. MacDougald, and seconded by Mr. Pudlin, the Board voted unanimously to approve changes to the Major Roads 2016-17 approved CIP Project List pending the Board of Selectmen approval.

11. Discuss and take action to approve a Special Appropriation in the amount of \$446,097.10 from the Fund balance to the Major Roads Capital Project Fund to finance changes in the 2016-17 Major Roads project list. Mr. Iennaco noted that the requested funds are needed to fund the changes made in the CIP Project List. He believes this is a wise investment noting that if the improvements are not made, even more money will need to be expended in the future as the roads deteriorate further.

On motion made by Ms. Tung, with her appreciation to Mr. Iennaco for his recent implementation of efficiencies and cost savings in his department, and seconded by Mr. MacDougald, the Board voted unanimously to approve a Special Appropriation in the amount of \$446,097.10 from the Fund balance to the Major Roads Capital Project Fund to finance changes in the 2016-17 Major Roads project list.

12. Discuss and take action on a Special Appropriation in the amount of \$800,000 to purchase the LeSage Property at 351 Copse Road. Mr. Banisch noted that the Board of Selectmen had proposed an offer of \$800,000 for purchase of the LeSage Property. Purchase of this property, which is adjacent to other Town property, is consistent with the Plan of Conservation and Development. The purchase price includes a credit for funds paid for the lease of this property over a period of time.

On motion made by Mr. Casparino, and seconded by Ms. Kokoruda, the Board voted unanimously to approve the request of the Board of Selectmen for a Special Appropriation in the amount of \$800,000 to purchase the LeSage Property at 351 Copse Road.

13. Review of Financials. There was no discussion on Financials.

14. Citizen comments. There were no citizen comments.

15. Liaison Reports and Report from First Selectman. Mr. Banisch noted that he appreciates the Board's approval for funds for the road projects noting that the Town will see improvements to Copse Road.

16. Adjourn. On motion made by Mr. Pudlin, and seconded by Mr. Casparino the Board voted unanimously to adjourn the meeting at 9:30 p.m.

Terry Holland-Buckley, Clerk

