

**CITY OF NORWALK  
FINANCE & CLAIMS COMMITTEE  
SPECIAL MEETING  
SEPTEMBER 23, 2010**

**ATTENDANCE:** Nicholas Kydes, Chair; David Jaeger, Andrew Conroy, Nora King (7:14 p.m.), Douglas Hempstead (7:20 p.m.)

**STAFF:** Thomas Hamilton, Finance Director; Fred Gilden, Comptroller; Lisa Biagiarella, Tax Collector; Michael Stewart, Tax Assessor

**OTHERS:** Atty. Frank Zullo, First Taxing District Commissioner; Dominic DeGange, First Taxing District; Dr. Lynn Moore, Diane Cece, Jim Whitfield, Jack Light, Dan Grumman

**CALL TO ORDER**

Mr. Kydes called the meeting to order at 7:06 p.m. A quorum was not present.

**Claims Committee: receive the monthly Claims report; review and approve claims as required for Claims Report dated:**

**August 12, 2010**

**September 9, 2010**

**Narrative on Tax Collections dated September 23, 2010 – Receive Report and discuss.**

**Monthly Tax Collector's Report dated July 31, 2010 – Receive Report and discuss.**

Ms. Biagarelli said that there were no special requests to review for Claims.

Ms. Biagiarella reminded everyone that the last tax collection report had been done before the tax sale. She said that the current collection rate was 99.04% which represents nearly \$244 million, and the current sewer collection rate was 98.77% of the adjusted use levy, which represents more than 11 million dollars. Mr. Hamilton commented that this has probably been one of the best years in terms of total overall tax percentage collected.

The tax sale netted in excess of 5.2 million. There were 191 properties on the original list and 169 properties were paid in full before the sale. There were 20 parcels on the auction block, and 15 were sold. 5 had no bids and the City acquired 4 properties. Ms. Biagiarella said that 2 of the 15 property owners have redeemed their properties. The City is ahead of schedule and has sent out the delinquent notices earlier. There has been

inquires as to when the next tax sale will be. Ms. Biagiarella said that she expects to have the next one in 2012 unless poor collection necessitates having one earlier.

Mr. Conroy asked if the tax sale is helping stabilize the financial situation. Ms. Biagiarella said that the situation was basically the same as last year. She felt that the tax sales helped.

### **TAX RELIEF FOR THE ELDERLY**

Mr. Kydes said that he would like to speak about tax relief for the elderly. He views the Committee meetings as a workshop and would like to get more perspective from the public.

*Ms. King joined the meeting at 7:14 p.m. A quorum was now present.*

Mr. Kydes pointed out that the elderly most likely did not have children in the school system, had maintained their homes and now in their golden years, were struggling with the tax burden. He said that the City has put money aside to plant trees and other projects, so he would like to see money set aside to help the elderly.

Mr. Kydes then asked everyone to introduce themselves for those members of the public who were present, which the Council Members did.

Mr. Kydes then asked Mr. Hamilton to explain the various programs available. Mr. Hamilton then said that he had included a memo on the various tax relief programs in the Council Member's information packets.

*Mr. Hempstead joined the meeting at 7:20 p.m.*

He then proceeded to review the various programs (State Elderly Relief Tax Credit Program, State Elderly Freeze Program, Local Tax Credit Program, Local Tax Deferral Program and Tax Credit for Volunteer Services) in detail to the Committee.

Mr. Kydes asked if there were pro-active in terms of informing the elderly about these various programs. Ms. Biagiarella said that there is a dedicated staff member in the Tax Assessor's Office who works with the tax relief programs. She added that the office sends out a pamphlet with the tax bills. Some members of the public that were present said that they never had received one. Ms. Biagiarella said that many of the people who were enrolled in the programs had come to the Tax Collector's Office and asked about it. When someone does ask, the staff refers them to the Tax Assessor's Office for further information.

When Mr. Hamilton reviewed the Local Tax Deferral Program, he pointed out that people who are thinking of reverse mortgages would find that this program would be

better for them. Ms. King said that she has seen an increase in reverse mortgages at her job. Mr. Jaeger said that he had done some research on the Tax Freeze program that the State had discontinued.

Mr. Hamilton pointed out that the local elderly program would cost the other taxpayers more in their mill rate. Mr. Kydes said that he felt that there might be other funds available in the budget. Ms. King said that she believed that the City was doing all this commercial development to broaden the tax base. Mr. Hamilton said that his point was simply that there would be a cost associated with any local elderly tax relief. He went on to say that he had some concerns about the Danbury model where seniors who volunteer 100 hours are eligible for tax credits. One concern is that there is no mechanism to administer a program like this in the Tax Assessor's Office. It would require some intensive administrative work to enact. Danbury has an outside agency to manage the program. A second concern would be that it may exclude some of those who are the most needy, such as the disabled.

*Mr. Stewart, the Tax Assessor joined the meeting.*

Mr. Kydes asked Mr. Stewart what the Tax Assessor's Office does to let the elderly know about the program. Mr. Stewart said that State law requires that the office notify residents. For the general public, the information is published on the websites. There have been two presentations given at the Senior Centers. Ms. King asked if anything was on the tax bill. Mr. Stewart explained that his office does not produce the tax bill. However on the back of the tax bill, there is general information regarding this. Ms. Biagiarella said that whenever she has the funding to do the flyer in the tax bills, she does. Ms. King suggested that this information be printed on the bill.

Mr. Kydes said that it would be important to have an outreach to the elderly so they will know about these programs.

Mr. Hempstead said that he was glad that this discussion was occurring and pointed out that he didn't think it would be feasible to do this during this fiscal year. Mr. Hempstead pointed out that it would be important to know whether or not Danbury and Waterbury have other programs running besides the volunteer hour program.

Mr. Jim Whitfield

of Richards Avenue said that it sounds like there may be a change in the program. However, he expressed concerns that the scope of the program and wondered about the numbers of people who might be eligible for the programs. He then asked if other towns had been asked how they communicate with their seniors.

Mr. Jack Light said that he was a lifelong resident and that he agreed with Mr. Hamilton about the amount of work that would be involved in tracking the number of volunteer

hours. He pointed out that the cost of the Norwalk Hour newspaper was astronomical and that if one did not have a computer, they were out of luck. As one looking from the stand point of one who is over 80, he pointed out that his retirement benefits are not equitable to those that are being given out now. However, his oil bills and electric bill is the same as anyone else's. He then asked what the amount of his tax dollars went to education. Mr. Hamilton said that it was currently 60%. While it is good to question other cities, he felt that it was important not to try to force Norwalk into another city's program. He told Mr. Hamilton was doing a good job.

Atty. Zullo said that First Taxing District was working on their own elderly tax relief. He then asked Mr. DeGange to explain the First Taxing District program.

Mr. Dominic Degange said that the First Taxing District was piggy backing on the City's program. There was some very clear information on the City's website. He said that First Taxing District had sent out over 11,000 letters informing them about the rate increase. Mr. Degange said that he believed that the number of people who did not know was small. He added that First Taxing District was in the middle of switching the billing system. The Senior Centers do a very good job of getting the information to the elderly.

Mr. Stewart said that one of the responses from the residents was "Can the City do more?" He said that he had spoken with the Danbury Assessor's Office and that the spectrum of residents that the program has attracted include people who are barely mobile. He suggested that the elderly be able to enroll in both city programs. Mr. Stewart then went into some further detail about how this could be managed. Ms. Biagiarella said that many of the residents involved in the program wanted to know why the tax relief dollar amount was not increasing, although taxes were. Discussion followed.

Mr. Hempstead said that when he gets a letter from the Mayor and the DPW schedules for pick up, he thought that perhaps it could be included with that type of mailing. He pointed out that now the retirement age had been changed from 62 to 67, so people are working longer.

Mr. Kydes reiterated his point about budgeting for tax relief. Mr. Hempstead said that if this was done, it would incur a cost, since the programs Mr. Kydes was mentioning were capital programs.

Mr. Conroy said that based on some Census figures, Norwalk does not have a disproportionate elderly population and that he would like to see Mr. Stewart's idea of giving the people a larger amount rather than initiating a complicated volunteer credit program. Discussion followed.

Ms. Cece said that she was a major proponent of the deferral program. She then asked Mr. Hamilton a series of the detailed questions about the impact of this type of a program

on the tax bill, which he answered. Ms. Cece said that she had wanted to know this because if the City asked the tax payers to pay a certain additional amount to provide for the tax relief for the elderly. Ms. Cece said that she would have liked to have seen more publicity about this issue.

Mr. Dan Grumman said that he felt that perhaps freezing the taxes of those who are over 80 might be possible. Dr. Lynn Moore said that she came to find out more about the program.

Mr. Kydes said that it would be important to develop a communication plan and to have another discussion session about the deferral plan. He added that he would like to develop a strategy for the next tax season. Discussion about the timetable for notifying the public if there are qualifying amounts changes, or notifying people that there might be more funding available. Mr. Kydes said that he would like to see a December deadline. Mr. Hamilton outlined the process that would be required for a change. Discussion followed.

Mr. Kydes said that this will be on the next agenda on October 14<sup>th</sup> and that meeting will start at 6:30 p.m. Discussion followed about the information that would be needed for making a decision.

**Resolution Appropriating \$8,585,000 for Capital Projects of the First Taxing District and Authorizing The Issuance of \$8,585,000 Bonds Of the City To Meet Said Appropriate And Pending The Issuance Thereof The Making Of Temporary Borrowing For Such Purpose.**

Mr. Hamilton explained that this was a loan to First Taxing District. He said that Atty. Frank Zullo and Mr. Dominic Degange were present to explain why they needed this assistance. The First Taxing District was requesting to piggyback on the City's ability to bond. All the interest, a proportionate share of the fees and pledging its full faith and credit to repayment of these bonds. Mr. Hamilton said that the Loan Agreement in the information packet was tentative because there were still details that had to be worked out. There is also an administration fee of 35 basis points to the City over the 20 year life of the loan. Mr. Hamilton said that the City had done this type of arrangement before but never for this amount.

Mr. Hempstead had several detailed questions about the loan agreement. Mr. Hamilton said that there is a prepayment clause. He said that if the City decided to refinance the bond, if the savings would be passed to the First Taxing District. Mr. Hempstead asked about defaulting on the loan. Mr. Hamilton explained that this would most likely result in court litigation. Discussion followed about the details.

Because the First Taxing District had not yet had an opportunity to review the final contract, Mr. Kydes said that this item should appear again on the agenda for October 14<sup>th</sup> for a vote.

**Approve the Minutes for the following Finance Committee Meeting: July 8, 2010.**

**\*\* MR. HEMPSTEAD MOVED THE MINUTES OF THE JULY 8, 2010 FINANCE COMMITTEE MEETING.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF THE JULY 8, 2010 FINANCE COMMITTEE MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

**Authorize the Mayor, Richard A. Moccia, to execute a contract with InTech Health Ventures to provide administrative services to the City of Norwalk relative to the Early Retiree Reinsurance Program, at a cost of \$1,500 for one-time initial start up, and an on-going cost of \$3.00 per month per retiree. Account #71340-5258**

**\*\* MR. HEMPSTEAD MOVED THE ITEM.**

Both the City and the Board of Education provide benefits to Early Retirees and this authorization would allow the City to be reimbursed for the funds. The City submitted an application for this reimbursement. This involves 621 retirees between the City and the Board of Education. Due to HIPA regulations, a third party vendor must be used. This program covers claims over \$15,000. This could result in 1.5 million of revenue. The program is expected to continue to 2014 or the funds are exhausted.

**\*\* THE MOTION TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE A CONTRACT WITH INTECH HEALTH VENTURES TO PROVIDE ADMINISTRATIVE SERVICES TO THE CITY OF NORWALK RELATIVE TO THE EARLY RETIREE REINSURANCE PROGRAM, AT A COST OF \$1,500 FOR ONE-TIME INITIAL START UP, AND AN ON-GOING COST OF \$3.00 PER MONTH PER RETIREE. ACCOUNT #71340-5258 PASSED UNANIMOUSLY.**

**Receive Board of Estimate and Taxation Appropriations from: August 2, 2010 AND September 7, 2010:**

**AUGUST 2, 2010**

**\*\* MR. HEMPSTEAD MOVED THE FOLLOWING RESOLUTION:**

**RESOLVED, THAT A SUM NOT TO EXCEED \$13,200 BE AND THE SAME IS HERBY TRANSFERRED FROM CONTINGENCY TO THE DEPARTMENT OF PUBLIC**

**WORKS TO PAY FOR A PART-TIME ORDINANCE ENFORCEMENT OFFICER  
(ACCOUNT No.: 01-4010-5140).**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**SEPTEMBER 7, 2010:**

**\*\* MS. KING MOVED THE FOLLOWING RESOLUTIONS:**

**FISCAL YEAR 2010-11:**

**RESOLVED, THAT A SUM OF NOT TO EXCEED \$65,00 BE AND THE SAME IS  
HEREBY TRANSFERRED FROM CONTINGENCY TO THE FIRE DEPARTMENT TO  
COVER THE RE-INSTATED FIRE INSPECTOR POSITION. (ACCOUNT No. 01-3130-  
5110)**

**FISCAL YEAR 2011-2012:**

**RESOLVED, THAT A SUM NOT TO EXCEED \$8,000 BE AND THE SAME IS HEREBY  
TRANSFERRED FROM INCREASED ESTIMATE REVENUES TO THE RECREATION  
AND PARKS DEPARTMENT TO DEFRAY THE COST OF THE SUMMER CONCERT  
SERIES (ACCOUNT No. 01-6021-5258)**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**ADJOURNMENT**

**\*\* MR. HEMPSTEAD MOVED TO ADJOURN.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:15 p.m.

Respectfully submitted,

Sharon L. Soltes  
Telesco Secretarial Services