

**CITY OF NORWALK
FINANCE AND CLAIMS COMMITTEE MEETING
REGULAR MEETING
OCTOBER 14, 2010**

ATTENDANCE: Nicholas Kydes, Chair; Douglas Hempstead, Andrew Conroy, Kelly Straniti, Nora King (6:52 p.m.)

STAFF: Thomas Hamilton, Finance Director; Fred Gilden, Comptroller; Lisa Biagiarelli, Tax Collector

OTHERS: Michael Stewart, Tax Assessor, Dominic DeGange, First Taxing District

CALL TO ORDER

Mr. Kydes called the meeting to order at 6:32 p.m.

Claims Committee: received the monthly Claim report; review and approve claims as required for Claims Report dated: October 14, 2010.

Ms. Biagiarelli said that there were no special claims filed this month.

**** MR. HEMPSTEAD MOVED TO APPROVE THE REPORT AS PRESENTED.
** THE MOTION PASSED UNANIMOUSLY.**

Authorize the City Tax Collector to make refund payments for Overpayment of Taxes without City Common Council approval up to \$15,000. The Current Threshold is \$5,000.00.

Mr. Hamilton explained that the current threshold of \$5,000 has been set over ten years ago. He suggested that the Committee that they may wish to consider changing the threshold to \$15,000. It is not uncommon when a parcel changes hands, there may be a double payments on property taxes. This requires \$5,000 overpayments to have a special request submitted and approval for the refund given by the Council. Mr. Hamilton said that this delays the repayment to the taxpayer by several months. Raising the threshold amount would reduce the number of taxpayers on the refund list. It was suggested that the amount be amended to \$10,000. Discussion followed.

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

**** MR. CONROY MOVED TO AMEND THE MOTION FROM:**

AUTHORIZE THE CITY TAX COLLECTOR TO MAKE REFUND PAYMENTS FOR OVERPAYMENT OF TAXES WITHOUT CITY COMMON COUNCIL APPROVAL UP TO \$15,000. THE CURRENT THRESHOLD IS \$5,000.00

TO: AUTHORIZE THE CITY TAX COLLECTOR TO MAKE REFUND PAYMENTS FOR OVERPAYMENT OF TAXES WITHOUT CITY COMMON COUNCIL APPROVAL UP TO \$10,000. THE CURRENT THRESHOLD IS \$5,000.00

**** THE AMENDED MOTION TO AUTHORIZE THE CITY TAX COLLECTOR TO MAKE REFUND PAYMENTS FOR OVERPAYMENT OF TAXES WITHOUT CITY COMMON COUNCIL APPROVAL UP TO \$10,000. THE CURRENT THRESHOLD IS \$5,000.00 PASSED UNANIMOUSLY.**

Narrative on Tax Collections dated October 14, 2010 – Receive Report and discuss.

Monthly Tax Collector's Report Dated September 30, 2010 – Receive and discuss.

Ms. Biagiarelli reviewed her written report with the Committee members. Some of the items specifically mentioned were the manners of collecting delinquent tax bills including the delinquent motor vehicles taxes, and delinquent personal business property taxes. The office is in the process of notifying all City and Board of Education employees who are delinquent with taxes that the City will be garnishing their wages. It was commented that the City of New Haven requires contractors has an affidavit that they do not have any outstanding back taxes. Discussion followed.

Ms. King joined the meeting at 6:52 p.m.

**** MR. HEMPSTEAD MOVED TO RECEIVE THE NARRATIVE ON TAX COLLECTIONS DATED OCTOBER 14, 2010 AND THE MONTHLY TAX COLLECTOR'S REPORT DATED SEPTEMBER 30, 2010 AS SUBMITTED.**

Resolution Appropriating \$8,585,000 For Capital Project Of The First Taxing District And Authorizing The Issuance Of \$8,585,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowing For Such Purpose (Continued from September 23, 2010 meeting)

Mr. Hamilton said that the borrowing agreement has now been finalized. Robinson and Cole, the City's bond counsel, drafted the loan agreement and bond resolution for the City. Mr. Hamilton then reviewed the details of the contract with the Committee members.

Mr. Hempstead asked about whether it would be right to issue short term bonds rather than serial bonds. Mr. Hamilton reviewed the details of serial bonds with the Committee.

**** MR. CONROY MOVED THE ITEM.**

Mr. Conroy then asked for clarification regarding some details on Page 3 of the agreement regarding the Debt Service Reserve Fund. He expressed concerns about a potential defaulted payment would be rolled forward into successive future years. Mr. Hamilton explained that this section of the agreement does not directly address a payment default. After a brief discussion about this, Mr. Hamilton said that he would be reluctant to make any changes in the agreement language without the Bond Counsel present. Mr. DeGange then reviewed the financial details of how the money would be disbursed in three payments. Discussion followed about these details. Ms. King pointed out that the bond attorneys have reviewed this as have the City Counsel.

Mr. Conroy pointed out that he would like to have Robinson and Coles confirm whether the phrase under discussion was open ended or not. Mr. Hamilton asked when Robinson and Cole should come down. Mr. Conroy said that he would be satisfied with a phone call or email response.

**** THE MOTION TO APPROVE THE RESOLUTION APPROPRIATING \$8,585,000 FOR CAPITAL PROJECT OF THE FIRST TAXING DISTRICT AND AUTHORIZING THE ISSUANCE OF \$8,585,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWING FOR SUCH PURPOSE PASSED UNANIMOUSLY.**

**Approve the minutes of the following Finance Committee meeting:
September 23, 2010.**

**** MS. KING MOVED THE ITEM.**

The following corrections were noted:

Page 1, under Monthly Tax Collector's Tax Report, paragraph 2, line 1 and forward:
"Ms. Biagiarella" to Ms. Biagiarelli"

Page 4, paragraph 6, line 1: please change "Mr. Conrad said that" to "Mr. Conroy said that"

**** THE MOTION TO APPROVE THE MINUTES AS CORRECTED PASSED WITH THREE IN FAVOR (KING, HEMPSTEAD AND CONROY) AND ONE ABSTENTION (STRANITI).**

Authorize the Mayor or the Financed Director to execute any and all documents relating to the procurement of electricity from [the chosen Firm] participating in RFP #2982 that provides the most favorable pricing, terms and conditions for the City, for a term not to exceed three (3) years, commencing January 1, 2011. Account various.

Mr. Hamilton explained that Mr. Foley was not able to attend the meeting. The electrical market has been deregulated in the State of Connecticut. The bid process is a two-step process. Eight responses to the RFP have been received from firms interested in bidding on the City's electric provider. The current contract expires December 31, 2010. The electric market is very fluid and changes daily. Mr. Hamilton said that because of this, the last time the request was submitted to the Council to pre-approve the awarding of the contract. There is a third party consultant, Source One that oversees much of the process. The current electrical provider is Siempra.

Mr. Hempstead asked how long the agreement would be for. Mr. Hamilton said that it was for three years. Mr. Hempstead pointed out that the CL&P rates have been dropping recently. He asked if this could be monitored during the next six months.

Mr. Hempstead requested that when the final provider is selected that the members of the committee be notified. Mr. Gildea said that he would do this.

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Hempstead said that it would be important to have a flyer or information sheet from Source One explaining the difference between Green Energy versus purchasing the electricity on the open market, since the Green Energy service tends to be more expensive.

Tax Relief Discussion and Action (Continued from September 23, 2010)

Mr. Stewart, the Tax Assessor, said that at the last meeting his department had been asked to contact other towns that had existing programs. He said that the staff had contacted both Danbury and Manchester. All the back up material that were in the original packet remained the same.

Danbury has a fully functional program and there are five full time employees that perform a number of tasks in the Assessor's Office, so it is hard to break out the costs of the tax relief program. Mr. Stewart said that the tax assessors office in the other towns also have the elderly residents request the tax relief. The Assessor's Office in Danbury has a volunteer staff to handle the program. When a resident enrolls, the resident is referred to the Volunteer staff and the Assessor's Office does not have any additional

contact with the resident until the resident turns in a voucher saying they have completed the 100 hours of volunteering.

Ms. King asked why Manchester was starting their program. Mr. Stewart said that Manchester wants to expand their program.

Danbury opens all their tax relief programs to all the elderly simultaneously. Mr. Stewart said that he had spoken to Mr. Hamilton about this and he would not have an objection to allowing elderly residents to use several credit programs. Mr. Stewart added that Danbury and Manchester had higher income thresholds for the elderly.

Mr. Kydes said that he was not in favor of the Danbury model because it would create a bureaucracy. He said that he felt that getting the word out to the community and increasing the threshold would be better.

Ms. King said that she would like to increase the tax deferral program and felt it should be promoted more strongly. Mr. Conroy agreed. Discussion followed.

Mr. Hempstead suggested that the Kiwanis Club and the Exchange Club could be venues for letting people know about the tax relief program. He then suggested that the relief amount be tied to any future tax increases. Mr. Stewart said that this could be difficult to calculate and explained the reasons. He pointed out that those who retired a number of years ago are the ones being the hardest hit. Mr. Hamilton said that there might be legal considerations for changing the age ranges.

Ms. King said that she felt that the City should educate the community about deferred payments.

Ms. Straniti asked what the idea of combining the programs. Mr. Stewart explained that if someone applied for deferred taxes, they would not be allowed to take advantage of the State and local credit programs. Mr. Hamilton then reviewed the amounts for the two programs. Mr. Stewart pointed out that if the resident owns 50% of the house, they would be given 50% of the tax credit.

The discussion then moved to the process for moving the item forward to the Ordinance Committee and then to the Council. Mr. Hamilton said that it would be a modification to the ordinance. Ms. Biagiarelli said that it would be possible to include something in the December tax bill letting the tax payers know that the Tax Assessor's office will have more information on tax relief.

Mr. Stewart then reviewed the income thresholds and the percentages that would apply. The discussion then moved to the difference in a reverse mortgage versus a tax deferral.

Mr. Kydes recommended that the credit qualification threshold for income being increased from \$27,000 to \$40,000 for Tier 1 and from \$45,000 to \$55,000 for Tier 2. Mr. Hamilton said that before he could cost out anything, he had to have a clear idea of what the program would be. Mr. Kydes asked if some scenarios would be able to be prepared by Monday before the Ordinance Committee meeting on Tuesday. Mr. Kydes asked for 10% increase in the credit. Mr. Hamilton said that he could have a rough set of numbers available by Tuesday evening for the Ordinance meeting.

The discussion then moved to the timeline and the strategy for getting more information out to the community. Mr. Kydes suggested that Channel 12 might be interested or Channel 79 spot. A flyer will go out with the tax bill. It was also suggested that there should be a press release on this. In January 2011, it would be good to have an interview on Channel 12 or Channel 79 run. Ms. Biagiarelli said that when the reevaluation was done, the Tax Office had gone to the various Norwalk clubs to do a presentation and it worked out well.

It was decided that it would be best to have the figures at the November meeting. Mr. Hempstead suggested October 25th as possible meeting because the November date would be on Veteran's Day. Mr. Kydes said that the next Finance meeting would be on October 26th at 7 p.m. before the Council meeting. The regular meeting will be on November 18th.

ADJOURNMENT

**** MS. STRANITI MOVED TO ADJOURN
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:25 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services