

Minutes of the special meeting of the Board of Finance held on December 4, 2008 in the Madison Town Campus

Present: Chairman Kathleen Rossini, Fillmore McPherson, Kathleen Stahelski, Jennifer Tung, Peggy Lyons

Also present: Dan Sullivan and John Brady from the Ad Hoc Senior and Disabled Tax Relief Committee, Kathy Traugh and Al Goldberg from the Board of Selectman, plus members of the community and press.

Ms. Rossini called the meeting to order at 7:37 p.m.

1. Citizen and Finance Member Comments.

Barbara Davis of 97 Stone Road requested a review of the amendments made to the tax relief proposed plan. Ms. Rossini stated that that was planned for later in the meeting.

Richard Gedney of 316 Race Hill Road stated that he heard the tax receipts for the town are as expected, by June we should see better returns on investments and D. Heinrich claims the State's contributions are on target. This should be good news for the town and better tax relief should be affordable.

Gus Horvath of 50 Beechwood Drive referred to an email he sent to the members of the Board of Finance in which he stated a disagreement with the proposed plan's number of steps. He suggested 3 steps. Mr. Horvath prefers a switch to tapering the benefit that favors the lowest income taxpayers, those incomes less than \$20,000. In addition he would like to see the cap raised slowly over the years rather than spend the entire cap immediately, perhaps increasing the cap of .5% by 0.1% every other year until it reaches 1% of the previous year's budget.

David Colton of 50 River Edge Farms Road stated that his property tax doubled in one year and is now equal to 1/3 his income. His income will not increase and the property had no real improvements since the previous assessment. "Are you telling me to get out of town you are too poor? It is a matter of justice." The town needs to make changes to cut expenses such as changing the football games back to day games so there is no requirement for the use of expensive lighting. Members of the ad hoc committee to review the senior tax abatement should be in the grip of the financial vice the property taxes are creating. The 5th commandment should be followed, honor your father and mother, meaning to respect your elders. Finally, he would like to see continual review and actions toward tax relief.

Jean Sweet of 282 Horsepond Road spoke to concur with Mr. Colton. She stated she raised 5 children in Madison, loves her town very much and wants to stay in Madison.

Ron Hick of 15 Hamilton Drive grew up in Madison, his parents died here and he hopes to die here. He might need to sell, but presently the market is too poor to even take that option. The assessor told him that she plans to change and raise the assessments back up next year. He is worried the taxes will double again after the next assessment.

Marinus De Jongh of 7 Deer Creek stated that he bought his present home 10 years ago, but has been in Madison for 30 years and has seen his taxes double in the last year. He requested the Board consider the length of time a person has been a resident in Madison in the tax relief program. We will lose many good qualities in our citizens, such as volunteers, generosity and kindness, if many seniors must leave town.

Irene Curtis of 21 Thelbridge Street stated that the Town needs to stay within a budget and cut back each year, just like the residents. It is too easy for a government with no product to increase the budget and taxes every year. Please, consider more cuts. Her income will not increase as the taxes will.

Marlene Beckman of 509 County Road stated that they have a 1100 sq.ft. home in an upscale neighborhood which has caused a large assessment increase, without any additions to their home. She was asked to speak on behalf of a resident that inherited his family's ancestral beach home which now has a property tax of \$48,000. This man expects he may need to sell his property. With insurance, health costs, social security and keeping the heat down to 62 degrees seniors have tight budgets. The Board should put themselves in other's shoes. She is very thankful that the residents can speak before the Board, but seniors are proud people and hate to ask for help. Please, provide real help.

Janet Harris of 9 Linden Lane stated that in her neighborhood one house is assessed higher than the others. The assessor is king of the hill; the numbers for increases are inexact, subjective and illogical.

Ms. Rossini stated that assessments are not in the control of the Board of Finance and such issues brought by the audience this Board cannot change.

Mr. Colton stated that he contested his assessment and found the attitude of the gentleman, at Memorial Town Hall, from the assessment firm one of "I could care less about your problems." No one will listen to our problems.

2. Discuss and take action on the Board of Selectman proposed Madison Senior and Disabled Tax Relief Program.

Ms. Rossini began the discussion by stating that the decision of the senior tax freeze was the charge of the Ad Hoc Committee and the Board of Selectmen did not forward such a program. The Board of Finance will only discuss the proposed ordinance as it was forwarded.

Ms. Stahelski stated that based on the comments from the audience the program under discussion does not get to the core of issues of concern to the community. Mr. McPherson considered the comments about the assessment to be of concern and the attitude of the assessor needs to be addressed by the First Selectmen. In addition, he agrees that we must cut government spending. Ms. Lyons appreciated the public comments.

The Board then reviewed the list of changes with input from Mr. Sullivan and Mr. Brady. Many of the following changes were briefly discussed.

- Residence and tax payer were qualifiers in the past and now the new program recommends only tax paying as a qualifier.
- It is more clearly stated in the new program that if a person moves to a new residence still in the town of Madison they are still qualified and previous benefits will be carried forward.
- Exclude IRA withdrawals to pay health bills from income total.
- An insurance inclusion was copied from the State regulations.
- A new hardship exclusion was copied from the Guilford ordinance.
- How to dispute the regulations was in practice and now is a part of the proposed ordinance.
- Review of the program presently occurs every 5 years; the new recommendation is every 3 years.

A break occurred in the meeting from 8:30 to 8:57 for a medical emergency in the audience.

- The bulk of the changes in the proposed program occur in Section 6. This section describes the conditions required of participants. The bulk of the discussion concerned the present system where the number of people qualifying and their amount of tax abatement is known prior to the finalization of the budget. Since the cap has not been reached before, the amount of the cap that is not provided as abatement is not added to the annual budget. Under the new program each year the cap must be spent in full and divided amongst the qualified taxpayers. All the funds approved under the cap will be utilized and divided amongst all those that qualify, spend all the money available in the cap every year.

Ms. Rossini stated that the goals are to have an equitable program, administrative simplicity, long term and those with the lowest income to have greater benefits, and consider the cost to the ineligible taxpayers. A \$500,000 home would have the extra cost of \$32 per year with the proposed program, this year they would have paid only \$17 to the abatement program.

Mr. McPherson questioned the Selectmen not including a step up and phase in of spending the full cap over three years.

Ms Stahelski, concurred by Ms. Tung, stated that longevity in the town was not provided as a qualifier and it is a big issue to the community. Ms. Tung stated that the Tax Collector stated such additions and tiers did not provide administration complexity and was achievable. Mr. Sullivan stated the Committee did recommend a 10 year qualifier, however the Board of Selectmen went with a 5 year time due to the Town Counsel's recommendation. Mr. McPherson stated that apparently there was a lawsuit in the State 7 years ago where this was tried by other towns and the towns lost the suits. Mr. Peter Pardo, 19 Thelbridge Street, agreed and stated the reason was that it was too difficult to choose a length of time in years and not be challenged for being unfair. Mr. Brady stated that most people in the program are residents for over 10 years.

Mr. McPherson has two concerns. First a cliff effect where if benefits are to be lost in the correct program a person will lose \$100 in a year, but in the new program they could lose \$1000 in

benefits. His second concern is the spending effect of using the entire cap each year and increasing the cap. For this year it would have cost the town an additional \$137,000 to spend the full cap, equivalent to two teachers. The people should really use the tax deferral program in addition to ease their burden. This will defer the taxes on the property until it is sold, and a person can defer all or a portion of the amount allowed. The tax collector can help explain the program to any lending facility to assure a person can still qualify for a new car purchase. The home will never be repossessed. He understands the concern for those who wish to sell their homes to pay for long term care, but the taxpayers should not take on the burden to allow people to pass their homes on as inheritance. Trying to support everyone equally on the whole page provided is “like hunting squirrels with a bazooka.” Perhaps Family and Youth Services could be provided \$15,000 to distribute extra to those with the greatest need as compared to providing to everyone equally with the full cap.

Ms. Rossini concurred that a deferral is safe and we do not want to transfer the tax burden if other options are available. Those with a large asset of a home greater than \$400,000 should try the deferral program. Presently that level covers 13 homes in the abatement program and many more will come as the baby boomers reach qualifying age. The Board could work to enhance the deferral program in the near future. She wanted to see more assistance to those in the lower incomes with more tiers, but using the State to provide that could be acceptable.

Mr. McPherson stated that phasing in the program would be a detriment to the lower incomes. Ms. Stahelski suggested the options include phasing the tiers and spending the full cap.

Ms Lyons stated we should provide a minimum for the bottom and try to assure an amount of relief. Mr. Sullivan stated there was a grandfather clause where no one could fall below the previous year’s benefit when the cap distribution could be spread over more people some years.

3. Public Comments

Mr. Goldberg said there are public expectations across the population and he encouraged the Board not to stall this program. Ms. Traugh concurred as 2 different committees came up with similar suggestions.

Mr. Pardo stated we need to respect the cap and leave a cushion. Perhaps spend 4% and leave 1% for flexibility for the following year.

Pat O’Rourke of 19 Lawson Drive stated he is getting a tremendous tax burden. He is not a burden to the town. Who can he appeal to regarding this burden?

Mr. Gedney spoke about how many seniors came to this town and bought homes at \$55,000 with low incomes. The people who have come into Madison to purchase \$300,000 homes with large incomes do not need our worry as they will not be eligible. The seniors are smart, too smart to buy into the deferment program. The reason being that it is insensitive to seniors and what is important to them in life: a house, a home, a sense of independence and ownership.

Mr. Hicks says he continues to express that keeping seniors in town will save the town money and help us. Everything says they should leave Madison; all but 3 people from his graduating class are still in town. The best idea is to spend the full cap.

Mr. Colton and Ms. Davis concurred with Mr. Hicks. Ms Davis added that .5% for tax relief is not enough and would take too long, we should increase the cap.

Further discussion of the Senior and Disabled Tax Relief Program will occur at the next regular Board meeting on December 17 at 7:30 p.m.

Ms. Rossini adjourned the meeting at 10:12 p.m.

Respectfully submitted,

Jennifer Tung
Board of Finance Secretary