



TOWN OF MADISON

CONNECTICUT

06443-2563

MEETING DATE: Wednesday, January 06, 2016

MEETING PLACE: Senior Center, 29 Bradley Ave., Madison, CT

SUBJECT TO APPROVAL

Senior Tax Relief Committee

Members Present: Craig Bernard (R), Herb Gram (D), Scott Gyllensten (D), Ron Hick (U), Peter Thomas (R)

Others Present: Austin Hall (Director of Senior Services)

The subcommittee convened at approximately 7:08 p.m.

1) Public Comment.
None.

2) Review and take action on prior meeting minutes.

Mr. Gram asked if there were any questions or concerns. Mr. Bernard stated under Agenda #1, the third bulletin point should be deleted. All members present agreed. Mr. Thomas stated under Agenda #2; the word affective should be modified. All members present agreed.

Motion approved minutes at 7:10pm.

MOVED: by Mr. Gram and seconded by Mr. Thomas to approve the minutes of December 23, 2015 meeting.

VOTE: The motion was approved with five votes in favor and one abstention (Craig Bernard was not present on December 23, 2015 meeting).

3) Review:

a) Agenda -

Mr. Gram discussed concern regarding the different programs that have been available for the tax freeze, or that are equivalent, as many residents interpret the program more as a benefit for senior residents. He feels that the average senior citizen in the Town of Madison isn't necessarily walking away with a vast amount of cash under the tax relief program considering the financial contributions the senior residents pay in taxes towards the town. More importantly, he is concerned that outsiders assume the tax relief program is a 'gift' from the town to senior residents and in his opinion, should be more of a "zeroing down of the taxes that seniors pay on their properties that generally go towards education and the growth of the town, and should not be considered an alternate approach to getting a benefit from the state or the town."

In response to Mr. Grams' comments, Mr. Bernard stated that he wants this meeting to help out as much as possible. The program in place right now is an Abatement Program that reduces or alleviates property taxes for senior citizens using the best resources we currently have available while balancing the need of the Madison senior citizens making sure to stay in line with the budget.

Mr. Thomas says the ultimate purpose of this Tax Relief Committee is to find the most palatable solution through carefully evaluating all the current programs in order to take the best from each program to ultimately create one outstanding program, stressing that this must be done in a very limited amount of time.

Mr. Gram again reiterated his concern that the attitude is "seniors are looking for something for nothing." Mr. Bernard disagreed, stating his familiarity with the needs of seniors in Madison as he is a member of several committees that involve/address the needs of Madison senior citizens. He tells the group - think of this program as "coupons," which are to help reduce the burden a little bit to make a difference for qualifying seniors.

b) Abatement Program vs. Tax Relief Program -

Mr. Gyllensten asked – do we want someone to be able to qualify for the abatement and tax free program at the same time? Yes. The issue we want to avoid is allowing seniors to get stuck in the Abatement Program and then not reap the potential benefits of the Tax Relief Program. He wants seniors to partake in both programs in order to procure the most benefits available. The idea is to prevent the "either or," and encourage seniors to participate in the Abatement Program and then potentially transition into the Tax Relief Program. Mr. Hall then stated that currently, when an individual applies for the Abatement Program, he/she applies for the Tax Free Program simultaneously, so the main idea through the Senior Center is that we always encourage both programs.

In his opinion, Mr. Thomas feels that barriers have been created between the two programs and discusses coming up with the best solution for the people who have the highest need for assistance. He stated that in order to fully comprehend the importance of each program, the committee should really have a better understanding of how each one is created under different statutes, while stratifying the support we offer towards those who are of most need. With regards to Mr. Gyllensten's above statement, Mr. Thomas feels having a broader range of eligible income levels should be considered because the qualifications originally settled on were very conservative and the need for tax relief assistance is much broader today. Ultimately he suggested that the committee focus on reviewing the criteria of each program first, and then discuss what the conflict(s) to use each of these programs jointly would involve. So he proposed examining each program, recommending changes and then potentially integrating the programs into one solid program. Mr. Hall agreed that integration seems to be the common gap and he wants to create a finished product that involves both programs.

Mr. Hick feels that to successfully modify the Abatement Program, we must consider spreading the income limits out further and increasing what the current bottom limits are for individuals. We can come up with the same program by increasing the income limits and increasing the bottom levels. He stated that the lower limits aren't necessarily enough to really make a substantial difference. For example – a \$1,200 tax relief off a \$12,000 property tax bill doesn't realistically help a senior citizen who is struggling.

Subsequently, Mr. Bernard stated that each program has advantages and disadvantages and the task of the committee will be to eventually forecast and model these programs in order to see the prospective economic impact each program can provide. Maybe take the existing programs and modify them to their highest potential rather than recreating new programs.

Mr. Gyllensten explained that the current 129A credit gives us the most flexibility which was just refined about two years ago. The advantage of having a tax free program is that it provides a level of predictability, so we can plan ahead, but if there's a re-evaluation, it would be hard to know what the tax relief could provide. Mr. Bernard asked Mr. Gyllensten "How do you take the modeling combined with having predictability, to show the impact on the budget side for the town because right now it's based on a percentage for the overall budget? How do you see the deficit when you conduct a crossover?" Mr. Gyllensten then replied with "A re-evaluation would create a problem that would disproportionately impact the senior residents." Mr. Hall then stated that the last evaluation impacted the residents that fell in between the \$300K-\$500K income levels the most.

Mr. Thomas then proposed that a working session be created in order to provide a better understanding of what the committee wants to achieve and how that coincides with understanding the current program parameters for both the Abatement Program and the Tax Relief Program. Mr. Bernard replied -

\$1,200 is the current top discount through the Abatement Program, something he feels should definitely be looked at during this working session. Mr. Gyllensten stated that the main purpose of the committee should be to refine these two programs in order to have an end result that allows all senior residents to stay in town. Mr. Hall replied with the residents need to accept the benefits/programs that the town is providing in order to get assistance when needed and Mr. Hick stated he agreed, but that many Madison seniors unfortunately aren't aware of the current programs that the town offers.

Mr. Thomas recommended to the committee that they take a hard look at how much it costs to provide the Abatement Program and the Deferral Program, and believed the committee can get there, but will it be sufficient enough to address the growing need? That is the question. Furthermore, how far do we go in order to avoid touching the quality of the towns credit rating and avoid the potential impairment of other town programs being offered. He can't see more than what we net above the budgeted tax factor (98.5%) for the town and what is collected (99.5%), so his recommendation was that up to 1% of the town budget be allocated to these programs in the future. Mr. Thomas also stated that there was a counterpoint suggested in the past that the need is greater, with regard to comparison of other towns and suggested maybe we elevate the Abatement Program, but take careful precautions to avoid causing damage to the town.

Mr. Gyllensten then stated that part of what's being discussed can't possibly be quantified in order to show how Madison seniors use resources, in fact, it's impossible to do so. Mr. Thomas refuted that there are other parts of what the town sets aside that are not encompassed in these programs, so we're not limiting that, it's there, moreover, he wants to stay away from discussions that end up diluting the message of the committee. He again reminded the committee the importance of staying on point, and anything that can't be solidified be tossed to the side for the sake of staying focused on the fundamentals – define the programs and make them user friendly.

c) Working Session -

Mr. Gyllensten made the suggestion that the committee take part in a working session at the main town camps for at least a half day, particularly to allow for an opportunity to sit with Alma Carroll (Director of Town Services/Tax Collector), to work through the statutes of each program. Mr. Gram then asked the group if they would like him to set this up for next week. Mr. Thomas then stated that he would be willing to take time off of work during the day in order to attend this working session as he feels it's necessary in order to make the Abatement Program and Tax Relief Program better, possibly even discuss combining and/or connecting the two programs as he feels eventually there won't be much of a difference between the two. Mr. Gram agreed with this statement.

Mr. Thomas also felt that the 0.75% of abatement has not been fully utilized in the past and wanted to discuss in the working session how to fix that. He suggested that we open up the 0.75% to make it 1% at the end of the day. With that said both Mr. Bernard and Mr. Hicks want to double check on this because neither felt that the mentioned 1% is actually part of the cap. Mr. Thomas agreed that should be looked at would like to know the results. Mr. Hall stated that we have a gap of \$150K and asked how do we use that? Mr. Thomas wants to improve the utilization of what we get because it's not being done now.

Mr. Gyllensten recommended to the committee that the income levels under the Abatement Program be increased, then we have a combined cap between the Abatement and Tax Relief Program, giving priority to the Abatement Program first, then the rest would be applied to the Tax Relief Program. Furthermore, he suggested setting the 1% cap, and then whatever's left, maybe use that extra (retribution) towards other seniors that still need assistance. He feels the need is greater because of the change in local economy. Mr. Thomas asked that there be more clarification provided of Mr. Gyllensten's research and data.

Ultimately the committee collectively decided to allow Mr. Hall to set up some times/dates with Ms. Carroll and then email the available times/dates to the entire committee in order to solidify a working session for hopefully next Monday or Tuesday at the main town campus. Mr. Thomas stated that he would like the committee to have full access to information that's being used via Ms. Carroll, so he would prefer to have the working session at town campus when Ms. Carroll is available.

Mr. Thomas began wrapping up the meeting by asking Mr. Hall if he felt the committee had neglected any concerns during this session. Mr. Hall replied that he felt all the data has been made available to make the right decisions, it's just a matter of diving into each program in order to ensure they're reaching the max amount of people possible, and that the available money is being used 100%, stressing the idea that he (and the committee) want to guarantee that all the money available is used. Mr. Hall also stated that the committee needs to make the determination of what the top of the line dollar amount will be for each program.

Mr. Bernard recapped the meeting by stating the committee needs to look at existing programs – the Abatement Program, Tax Relief Program and Deferral Program and then maybe even reach out to surrounding towns who are equivalent such as Durham and Guilford in order to thoroughly understand how both towns conduct their programs and more importantly, how they choose to utilize these programs.

Lastly, Mr. Thomas confirms that Mr. Hall will set up the working session for next week and make sure that all committee members are able to attend. Mr. Hall once again confirms that he will shoot for next Monday or Tuesday and get back to everyone with Ms. Carroll's availabilities. All committee members

agreed and will anticipate an email from Mr. Hall with a potential time/date for the working session.

4. Public Comment.

Ms. Nancy Tillberg (Madison resident) – She agreed with Mr. Bernard’s comments regarding who are the best people in need of assistance and who has the most need for the assistance. She didn’t feel that someone of her income level be entitled to a tax relief because having a large home with large property is her own personal decision and expressed that if at any time she could no longer afford her home, she would choose to consider downsizing.

Mr. Thomas replied to Ms. Tillberg’s comments with “would you be comfortable with a tax deferral program if you qualified? If we didn’t have the restriction based on income?” His thoughts behind this were that many residents want to sell, but unfortunately haven’t been successful and are forced to remain in their homes even though the resident would like to downsize. Mr. Thomas explains that these residents should be able to use this tax relief benefit in the meantime until the resident is able to sell their home and move into something more affordable.

Mr. Gyllensten replied that under the 129A benefit, we could create a certain level where for example, if the resident has a one million dollar home, the town wouldn’t necessarily be able to assist the resident. So the tax relief would still exist, but the income levels could be higher in order to ensure more could benefit from it.

Ms. Tillberg stated that her concern was going forward, some may not have a pension, and what someone may or may not being able to pay is going to change overtime, so again this will make it harder to determine what asset level will qualify for the programs.

Mr. Thomas replied with “we want to capture as best we can where the need is.” Some people have half million dollar mortgages and for different reasons are no longer able to maintain due to those circumstances, so the idea is allowing some who may need the assistance for different reasons that another resident may not.

Mr. Steve Meader (Madison resident) spoke about the Deferral Program which currently has only nineteen (19) people in it. He suggested that the Deferral Program shouldn’t really be considered a “qualified program” at this time. The town of Madison considers IRA is income, which throws him out of the program. Mr. Meader only makes

\$30K between him and his wife with Social Security, but because the town requires him to report his IRA, he can't utilize the program which is frustrating.

Mr. Thomas then stated - when talking about a population that is going to be changing we have to take into consideration that the next generation is going to have a different need than the current, because they're not saving the way the previous generation did. In other words, he felt that making the program asset based rather than income based could allow for more successful results. When viewing a life cycle, the savings of people are lower and there is a predominant lack of pensions so it's important to look at the various natures of a family's home and what they expect out of it. These reasons are why Mr. Thomas feels there is a high importance to understanding the programs and what they provide. He also recommended that Mr. Hall take some time to walk the committee through what seniors have to endure during the sign up process for either the Abatement program or Tax Relief Program during the working session next week. All members of the committee agreed this was a good idea in order to contribute to the understanding process.

Mr. Gram ended the meeting with the thought that he and his wife contemplate whether or not to downsize on many occasions, but don't know what they would do with all their belongings that have been collected over the years. Their grandkids are not in a place where passing their belongings down to them would be a feasible option. The point being, having the tax relief would support the seniors staying where they are in the town rather than moving.

8. Adjourn

Before adjourning, the committee discussed creating the working meeting for next week which Mr. Hall will confirm with Alma Carroll, the Town Tax Collector. The committee also agreed to meet again at the Senior Center next Wednesday, January 13, 2015 at 7:00p.m.

There being no objection, the meeting adjourned at 8:32 p.m. by Peter Thomas.