

**SPECIAL JOINT MEETING
BOARD OF SELECTMEN / BOARD OF FINANCE
Wednesday, January 6, 2010**

PRESENT

Board of Selectmen: William Brennan, Richard Creeth, Hal Clark
Board of Finance: Warren Serenbetz, Al Alper, Lynne Vanderslice, Gail Lavielle,
James Meinhold

ALSO PRESENT: CFO Sandra Dennies, Judy Zucker, Jerry Holdridge, several members of
the public

Proposed Amendments to Elderly and Disabled Tax Relief Ordinance

First Selectman William Brennan called the meeting to order at 7:30 p.m. and thanked the Selectmen and Board of Finance members for re-arranging their schedules in order to attend. A special joint meeting was necessary in order to meet the Charter requirements for posting the notice of a public hearing that must be held before any ordinance is amended, as well as adhere to the schedule of February 1 to May 14 for applications to be submitted to the town for the tax relief program.

Eight months ago, the BOS set up the ETR Review Committee. After much input from the public and deliberations among themselves, the committee submitted a very thorough analysis and recommendations. On Jan. 4, 2010, the BOS made their decision on the recommendations and voted for certain revisions to the Ordinance. The purpose of this meeting is to advise the Board of Finance of the financial implications of these proposed amendments. No action is required by the BOF.

The current FY 10 budget contains \$800,000 for Elderly and Disabled Tax Relief. The utilization is approximately \$753,000; including \$600,000 for tax credits and \$150,000 for the tax deferral program.

The financial impact of the BOS proposed amendments to the FY 11 budget would be capped at \$850,000 and this would be reviewed annually. If the applications exceed that number, benefits would be pro-rated equitably.

Mr. Brennan advised that we now need to finish the draft of entire ordinance, post a legal notice for a public hearing, hold the public hearing on 1/19/10, and then on the same evening, the BOS would vote to accept or reject the proposed amendments. The BOS recommendations would then be forwarded to the BOF at their meeting on 1/26/10.

BOF Chairman Warren Serenbetz asked for a review of the recommendations that the Selectmen have decided not to include in an ordinance revision at this time.

Mr. Brennan stated that the recommendation to provide to applicants who are 75 years of age or older, a flat deduction of \$2,000 per year from their adjusted gross income (qualifying income) was not accepted.

Within the tax deferral program, the BOS is not recommending many of the suggestions. The interest rate in the program is currently 5% simple interest with only 6% of those eligible participating. In order to possibly provide an incentive to use this program, the BOS may reconsider recommending a 2.5% rate.

Mr. Clark added that the deferral program currently allows for the reduced interest rate to continue for one month after the death of the participant. The BOS is recommending a grace period up to 12 months in order to give heirs time to settle the estate before the penalty rate is applied.

The ordinance will have language regarding the cap to be set annually by the BOS in consultation with the BOF.

Mr. Creeth feels that the cap on the deferral program could be increased. Ms. Zucker pointed out there is some flexibility because there are no numbers included in the ordinance language.

After a lengthy discussion, including comments from the public, the meeting was adjourned at 9:14 p.m.

Jan Andras
Recording Secretary
(minutes taken from audio recording)