

Ryan Knapp, Chair
Judith DeStefano, Vice Chair
Neil Chaudhary
Dan Honan
Mary Ann Jacob
Chris Eide



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TOWN OF NEWTOWN

Minutes of the Legislative Ordinance Committee Meeting

The Ordinance Committee met on Tuesday July 12th, 2016 in The Council Chambers of the Municipal Center, 3 Primrose Lane, Newtown. Committee Chairman Ryan Knapp called the meeting to order at 7:00 pm.

Present: Mr. Chaudhary, Ms. Jacob, Mr. Eide and Mr. Knapp. 15 Members of the public
Absent: Ms. DeStefano, Mr. Honan

MINUTES:

Mr Eide moved to approve the minutes of 6/13/2016, Mr Chaudhary seconded. All in favor, 4-0

PUBLIC COMMENT:

Steve Rosenblatt, 50 Watkins Dr, said at the Council meeting of June 29th a question was asked how much of the total tax revenue for town was derived from seniors. Mr. Rosenblatt said that based on his work with the Finance Director, \$25.67M is the estimated senior contribution to municipal taxes. Mr. Rosenblatt then asked what is the committee focusing on? That he and the Finance Director did a lot of work on a possible plan and questioned the direction of the committee. Mr. Rosenblatt then read a prepared statement [attached] that covered why to provide senior tax abatement and questioned were seniors to leave town, who would pick up the balance of the tax burden?

George Guidera, 24 Equestrian Ridge Road, asked if the committee yet has a draft of any new concepts. Mr. Knapp asked for clarification on the question then responded there is an existing ordinance and the committee is in the process of considering different suggested modifications but has no draft as of yet.

Paul Mangifico, 15 Kent Road, Speaking for himself Mr. Mangifico said he has spoken to friends and feels Newtown is facing a dire predicament. Seniors are hurting both financially and the feel they are not being treated right. Many are upset and selling their homes with some leaving town and some leaving the state all together. Many cannot deal with the increases that have happened year over year. Town and BOE employees have been getting large increases over this time. He noted good schools are good for everyone, but feels there needs to be a recognition that we cannot continue down this road of increasing spending during a period of declining enrolment, and that decisions like not closing a school has lead to increasing costs and tax burden.

Old Business

Review and recommendation regarding senior tax abatement program.

Ms. Jacob kicked off discussion by summarizing the role of the Legislative Council (LC) and Ordinance Committee (OC) along with what has been done to date. In September of 2015 a concept of relief to all seniors was presented however it could not be taken up until after the election. The LC charged the OC and the OC recognized due to time constraints and charter stipulations they could not address this until after the budget. The goal is to present to the LC by September. She spoke to some of the concerns and the purview of the committee.

Mr. Knapp summarized the information provided by Mr Tait at the LC meeting on the 29th.

Mr. Eide reported back on the statute research that the current ordinance reflects the state statutes. There is no asset test listed in the statute but that may not preclude a community from having one. The statutes do mention age and income.

Mr. Chaudhary found three different statutes related to tax relief. He also suggested we explore the state reimbursement option.

Mr. Knapp will contact legal to get an opinion of their findings.

Ms. Jacob raised the public comment of where are we going.

Mr. Chaudhary feels the intent of this program is to be needs based and would be comfortable extending the income limit.

Mr. Knapp commented that in 2013, after the difficult revaluation year of 2012, all three boards (LC, BOS and BOF) made a commitment to add \$150K to the program and extend the income levels. Since then it appears we are going the opposite way, leaving \$170K then \$249K on the table.

Mr. Chaudhary asked, hypothetically, what could be done with the leftover funds? Could it be distributed to remaining seniors? Would they have to apply?

Ms. Jacob floated the idea of a possible new group E from 70,001 to infinity.

Mr. Knapp will talk to legal to confirm our options.

Mr. Eide asked about the concept of a tax lien.

Mr. Knapp recalled the committee had looked into that but felt we may never recover the funds as we would be behind the bank and others.

Mr. Eide said the statute does deal with residency and that it has to be your primary.

Ms. Jacob said that we do a tax freeze by controlling spending.

Mr. Knapp suggested we ask CCM if any towns are not using income groups and also raised concerns about tracking without applications.

In respect to the audience the committee allowed for a public comment period.

Public Comment:

Bernie Cohen, 52 Watkins Dr, suggested that if we were unsure how much surplus funds would be available to for the balance of the seniors, we could roll the prior year surplus over.

Steve Rosenblatt, 50 Watkins Dr, provided a copy of his plan for the record. He also wondered about the concept of reducing the assessment value of property for seniors and if that would be allowed under statute.

Janice Garten, 2 Watkins Dr, feels disproportionately taxed relative to friends in comparable properties. She only wants to be treated equally.

Review and Recommendation regarding Pension Committee ordinance language.

Mr. Knapp discussed setting a meeting with the pension committee separate from other agenda items.

Review and Recommendation regarding abatement for volunteer fire, ambulance and underwater rescue personnel.

The group discussed sending the draft to legal asking for comment. They also had questions regarding bylaws.

PUBLIC COMMENT:

None.

Ms Jacob motioned to adjourn at 8:50. Mr. Eide Seconded.

Respectfully Submitted,

Ryan W. Knapp
Ordinance Committee Chairman



Ryan Knapp <ryan.w.knapp@gmail.com>

correction to minutes

2 messages

Stephen Rosenblatt <stevedot213@gmail.com>
To: Ryan Knapp <ryan.w.knapp@gmail.com>

Thu, Jun 16, 2016 at 5:40 PM

Ryan; I was not aware my emails to you and Mary ann Jacob became part of the public record.

As to the correction: the plan that I submitted to the legislature called for a 10% abatement not \$1000, as mistakenly heard and indicated in minutes of the last meeting.

The plan I developed and submitted to Bob Tait last summer and rationale for the plan is below.
I wish you and I could discuss it with Bob Tait before the committee meets again.

Steve Rosenblatt

Bob:

Here are my thoughts based on the alternatives you presented from your analysis of senior homeowners in Newtown.

Groups A, B and C already receive an generous reduction of their property taxes, over 40% on average, and the benefit amounts should remain the same as this year.

Group D, this year's test group, benefited relatively few seniors, and the number of people in this group probably will not change as we go forward.

I would recommend revising the qualification requirements of Group D and make it an "all other senior taxpayers" category, which provides a 10% tax credit for all homeowners age 65+.

With the median tax on homes currently at just over \$8,000, based on the current mil rate, a 10% credit to one thousand seniors who do not qualify within the first three groups, would cost around \$800,000. \$150,000 has already been budgeted for this year's Group D, so the additional cost to accommodate a new version of the plan would be \$650,000.

I believe this is a small investment on the part of the town to be able to promote Newtown as the best place in Connecticut to retire to and efficiently and effectively increase our tax base with new retirees to service the growing demands of the school and town budgets.

Ryan Knapp <ryan.w.knapp@gmail.com>
To: Stephen Rosenblatt <stevedot213@gmail.com>

Fri, Jun 17, 2016 at 3:49 PM

Hello,

Thank you again for coming the other night. That type of advocacy is very effective and is often employed, along with letter writing campaigns, by other groups who look to have their interests represented. Some of the accounts regarding seniors leaving and why were very powerful. It carries a lot of weight when you hear it first hand than someone like myself relaying it to the LC. I will note your comment on 10% vs \$1000 when we vote on the minutes at our next public meeting so it will be recorded as such. I felt the correspondence warranted inclusion because it was discussed at length during the public meeting. The committee will be looking into and considering your proposal. I will let you know when we schedule our meeting with Bob Tait and would welcome you to come and speak to it. It will be sometime after we get feedback on the 29th.

Have a great weekend,

-Ryan

[Quoted text hidden]

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Ryan W Knapp
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You may ask why it is important to provide tax relief to all senior taxpayers in Newtown. What is so special about the seniors? Don't all taxpayers have a problem with the increasing tax burden of the town and school budgets?

What is so special about the senior taxpayer is: we don't receive benefits from the town in proportion to the taxes we pay to the town?

We don't have school age children costing over \$16,000 a year to educate, although we do recognize someone else paid for the education of our own children, in another time, years ago.

We don't swim in Olympic size swimming pools costing the taxpayers six million dollars.

We don't have a senior center fit to be called one, in a town that prides itself in being "special".

And, shame on us, we don't vote often enough, in sufficient numbers in budget referendums to make our concerns heard and understood.

The result will be seniors leaving Newtown and not being replaced, because of increasing taxation.

Who then will be paying for the \$20,000 per student cost projected for a school budget in 2020?

An across the board increase of senior tax relief will not fix the much larger tax problem the town faces in the coming years. But it may help to keep taxpaying seniors in town, paying a proportionately greater share for what they receive, in support of the general good

Stephen Rosenblatt
50 Watkins Drive
Sandy Hook

In the follow-up discussion at the LC meeting of June 29, the subject was raised as to the total tax contribution of senior households in Newtown.

In June, 2015, Bob Tait did estimate that amount to be \$25, 677,698, on a median assessed value of a \$234,000.

A copy of that analysis is available.

2,048 SENIOR HOUSEHOLDS THAT OWN HOMES
2,041 - 691 = 1,350; SOME WILL NOT APPLY; ESTIMATE 1,000 FOR GROUP D

EXISTING (WITH 2014-15 EXPERIENCE)

<u>Reference Designation</u>	<u>Modified Income Level</u>	<u>Maximum Available Tax Credit</u>	<u>Estimated # of Recipients</u>	<u>Total Benefit Amount</u>
Group A	\$0 to \$45,000	\$2,525	334	\$843,350
Group B	\$45,001 TO \$55,000	\$1,750	165	\$288,750
Group C	\$55,001 TO \$65,000	\$1,300	169	\$219,700
Group D	\$65,001 TO \$70,000	\$800	23	\$18,400
			691	\$1,370,200

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Group A	\$0 to \$45,000	\$2,525	334	\$843,350
Group B	\$45,001 TO \$55,000	\$1,750	165	\$288,750
Group C	\$55,001 TO \$65,000	\$1,300	169	\$219,700
Group D	<i>All Senior qualifiers</i>	10%	1000	\$800,000
			1608	\$2,151,800*

*Includes the added \$150,000 budgeted for 2015 test of Group D, making incremental cost for new Group D \$650,000.

TOWN OF NEWTOWN
SENIOR TAX BREAK WHAT IF CALCULATION
6/16/2015

CALCULATION # 1				median assessment = 234,000				discount	
# seniors (a)	# sr households (b)	total assessment	total tax	%	\$	Average			
1,000	818	191,341,800	6,327,673	10.0%	632,767	\$ 774			
1,143	935	218,703,677	7,232,531	12.0%	867,904	\$ 929			
770	630	147,333,186	4,872,308	13.0%	633,400	\$ 1,006			
638	522	122,076,068	4,037,056	14.0%	565,188	\$ 1,083			
507	415	97,010,293	3,208,130	15.0%	481,220	\$ 1,161			
4,058	3,318	776,465,024	25,677,698						3,180,478

CALCULATION # 2				median assessment = 234,000				discount	
# seniors (a)	# sr households (b)	total assessment	total tax	%	\$	Average			
1,000	818	191,341,800	6,327,673	10.0%	632,767	\$ 774			
1,143	935	218,703,677	7,232,531	10.0%	723,253	\$ 774			
770	630	147,333,186	4,872,308	10.0%	487,231	\$ 774			
638	522	122,076,068	4,037,056	10.0%	403,706	\$ 774			
507	415	97,010,293	3,208,130	10.0%	320,813	\$ 774			
4,058	3,318	776,465,024	25,677,698						2,567,770

CALCULATION # 3				median assessment = 234,000				discount	
# seniors (a)	# sr households (b)	total assessment	total tax	%	\$	Average			
1,000	818	191,341,800	6,327,673	6.5%	411,299	\$ 503			
1,143	935	218,703,677	7,232,531	6.5%	470,114	\$ 503			
770	630	147,333,186	4,872,308	6.5%	316,700	\$ 503			
638	522	122,076,068	4,037,056	6.5%	262,409	\$ 503			
507	415	97,010,293	3,208,130	6.5%	208,528	\$ 503			
4,058	3,318	776,465,024	25,677,698						1,669,050

(a) Per 2010 census adjusted to 2015 registrar of voters report (data was shifted down one row - one row = five years)
 (b) Total number of households was obtained by current registrar of voters report. Allocation to age groups was done by total percentage.