

TOWN COUNCIL
Town of Trumbull
CONNECTICUT
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TOWN HALL
Trumbull

TELEPHONE
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LEGISLATION & ADMINISTRATION COMMITTEE
MINUTES
November 1, 2012

Call to Order: Chairman Suzanne Testani called the Legislation & Administration Committee to order at 7:01 p.m. All present joined in a moment of silence and the Pledge of Allegiance.

Present: Chadwick Ciocci, Vice Chairman, Kristy Waizenegger, Jeff Jenkins, Fred Palmieri and Jeff Donofrio.

Absent: Martha Jankovic-Mark and James Meisner, Alternate.

Also Present: Town Council Chairman Carl A. Massaro, Jr., Town Council member Vicki Tesoro, Chairman, Economic and Community Development Director Mr. Edward Laverneich Chairman of the Economic Development Commission Mr. Ralph Sather, Labor Counsel Attorney Jeffrey Mogan and Attorney Terrance Brennan.

Moved by Mr. Palmieri, seconded by Mr. Ciocci to take RESOLUTION TC24-91 out of order.

VOTE: Motion CARRIED unanimously.

1. RESOLUTION TC24-91: Moved by Mr. Donofrio, seconded by Mr. Jenkins.
BE IT RESOLVED, That the Town Attorney is hereby authorized to settle a claim known as Barbara Falkowski v. Town of Trumbull.

Attorney Terry Brennan of McGann, Bartlett and Brown was present and indicated the case dates back to January 10, 2009. Atty. Brennan recommended to the committee to settle the claim.

VOTE: Motion CARRIED unanimously.

Moved by Mr. Donofrio, seconded by Mr. Ciocci to take RESOLUTION TC24-83 as the next item of business.

VOTE: Motion CARRIED unanimously.

2. RESOLUTION TC24-83: Moved Mr. Palmieri, seconded by Mr. Donofrio.
BE IT RESOLVED. That funding for a labor contract between the Town of Trumbull and AFSCME, LOCAL 818 – COUNCIL 4 (Trumbull DPW Supervisors) beginning July 1, 2012 and ending June 30, 2017 is hereby approved.

Labor Counsel Jeffrey P. Mogan, of Berchem, Moses & Devlin was present. Atty. Mogan distributed a summary of the Town of Trumbull & DPW Supervisors Union Contract Settlement to the committee members (Attached).

A negotiation commenced in April 2012 and came to a tentative settlement in early October 2012. The unit consists of twelve (12) employees. This labor agreement does not represent large dollar savings but does set a precedent. This does not include the Director of Public Works that position is not a union position.

Atty. Mogan reviewed the wage increases as outlined in the summary as follows:

2013- 0%

2014 - 2.25%

2015 - 2.25%

2016 - 2.50%

2017 - 2.5%

The state average increase for 2013 is 2.27%; 2014 is 2.30% and 2015 is 2.35%. The last contract, (2008 to July 1, 2011) had wage increases of 3.25%, 3.5%, 3.5%, and 3.5%. The average cost of this contract is below the state annual average increase.

The health plan is being replaced with Comp Mix Plan; the current plan is the Century Preferred PPO. A broad description of the new plan is the low utilization of high cost services, such as hospital visits and diagnostics. The high cost services are subject to a deductible and co-insurance. The high utilization of low cost services, (i.e. doctor's visit) will be at the co-pay level of \$20. The deductible would be \$500 for an individual and \$1,000 for a family. Once the deductible is met they would go to 20% up to \$1,000/\$2,000. The cost maximum would be \$1,500 or \$3,000. The numbers result in savings for people on the plan who are young and healthy, the plan is approximately 10% less expensive for the Town, however the people who have a hospital stay, x-rays and other services within a year would incur costs a little more but the new plan represents savings for the Town.

Atty. Mogan explained for the Chair that currently employees receive 1.25 sick days per month, accruing 15 sick days per year. New employees starting July 1, 2012 would get 1 sick day per month, accruing 12 per year. The maximum accumulation of sick days has been decreased (for employees hired after July 1, 2012) from 200 to 180 days. This settlement also represents a change in short term disability benefits, they will only be available once the employee has used all of his/her sick days, with the exception of 30 days. The number of sick days that roll over per year did not change in this settlement/contract.

The employee cost sharing is frozen at the current rate of 13% for the first year but thereafter it increases .5% per year until 2016 to 15%.

New hire employees after July 1, 2012 will no longer be eligible to participate in the Town of Trumbull Retirement Plan and are eligible only for the Town of Trumbull Defined Contribution Plan. The Town will match employee contributions in the Defined Contribution Plan in the amount of 7% of the employees' annual salary. Atty. Morgan spoke in favor of this change. The 12 members of the bargaining unit are grandfathered in and will stay with their current retirement plan.

Compensatory time - By law the Town is required to pay out compensatory time at the end of employment. The change represents a way to limit. Before comp. time was given at the discretion of the employee, now it will be at the discretion of the First Selectman or the Director of Public Works.

Mr. Jenkins spoke in favor of reducing the amount of accrued sick days from 200-180 on the first year, 180-160 sick days in the second year and 20 days per year for the years thereafter.

Ms. Waizenegger spoke in favor of the changes in this settlement and hopes to see these changes across the larger bargaining units moving forward.

VOTE: Motion CARRIED unanimously.

3. RESOLUTION TC24-82: Moved Mr. Jenkins, seconded by Mr. Palmieri
WHEREAS, the Town of Trumbull adopted Resolution TC19-211, an ordinance to create the Town of Trumbull Assessment Fixing Program; and

WHEREAS, the Trumbull Economic and Community Development Commission endorses and recommends the Town of Trumbull Business Tax Incentive Program Ordinance to replace the Town of Trumbull Assessment Fixing Program;

NOW THEREFORE BE IT RESOLVED AND ORDAINED, that Chapter 18 – Taxation, of the Trumbull Municipal Code is hereby amended to include Article IV, a Business Tax Incentive Program.

Mr. Lavernoich worked with the Town Attorney to draft ordinance. The final draft had been distributed via e-mail to committee prior to this meeting, (See Attached). The Chair indicated a public hearing had been noticed for the 10-29-12 L&A meeting, that meeting had been postponed to 11-1-12 due to Hurricane Sandy. The Public Hearing has been noticed for the full council 11-8-12 meeting. There will not be a public hearing at this meeting.

Mr. Lavernoich explained that the original ordinance had been adopted by a previous Town Council approximately a decade ago, but had never had been printed in the municipal code. The summary of the ordinance was distributed via e-mail to the committee prior to this meeting, (See Attached).

Mr. Massaro explained that Mr. Sather, Mr. Palmieri and himself are three (3) members of the Tax Partnership Screening Committee, they reviewed the document in depth and recommended a series of amendments to the document which had been approved by the Economic Development Commission. The Tax Partnership Screening Committee minutes of the Committee had been distributed the L&A Committee prior to this meeting, (See Attached). Before the L&A committee is a proposal to repeal an existing ordinance and replace it with this final draft. An item debated in committee was retroactivity. Mr. Palmieri felt it was unfair for businesses that may be eligible for the current plan to be ineligible for the new plan. He noted that there may be some legal exposure to the Town. Mr. Palmieri stated that Atty. Kokenos concurred. The Tax Partnership Screening Committee agreed the section on retroactivity should be removed. Mr. Massaro explained the alternative to the recommendation of the Tax Partnership Screening Committee was to leave the current program in place for a certain amount of time for those that might still be eligible. What was not liked about the alternative was that the current program has a higher threshold for qualification and a higher benefit than the new proposed program. The new program is a lower threshold but a lower benefit. The non-retroactive application of this was eliminated so that anyone could take advantage of the new program moving forward. If you have a building permit you would be ineligible. In doing that the committee adjusted some of the definitional language items.

Mr. Lavernoich indicated to Ms. Waizenegger that the Town Attorney has confirmed that the original ordinance was in fact an official ordinance. Mr. Massaro added that if one was to look in the municipal code for the original ordinance it would not be found because it had not been printed in the code. Unless they knew it had been adopted and had done the research they would not be able to find it. Mr. Lavernoich indicated for Mr. Jenkins that it was estimation that there would not be anyone who would be looking to participate in the old program. Mr. Lavernoich stated that the ordinance would be included in the Town's marketing program.

In response to Mr. Donofrio, Mr. Lavernoich confirmed that under section 4(g), they would need to apply for the benefit and prove that they need it prior to getting the building permit, if they had already gotten the building permit it would be the assumption that they have already gone through a full design for the project, had gotten all of their approvals and knew that they could get the financing. If they had gone that far then they probably could undertake the project without the tax incentive. Mr. Lavernoich explained to the Chair that he is familiar with other towns' programs and had written tax incentive programs with his previous employer.

Mr. Palmieri stated that it is his understanding that the Town Council is under no obligation to approve any project because it meets the qualifications and that they can debate whether it meets the best interest of the Town.

Mr. Donofrio spoke in favor of the opportunity to exempt LEED certification.

In response to Mr. Ciocci, Mr. Lavernoich explained section 4(k) was inherited from the previous ordinance. Reconstruction in general is a good thing, but if someone makes a case that financially it would cripple their project and if the Town Council thinks the

project is good for the Town they can waive the requirement. Section 4(a)'s logic was inherited in committee, options were explored, the decision was that this was a town of homeowners; the competition for business was looked at differently. There is a broad range of categories, they wanted the flexibility to approve or deny. The threshold is \$500,000 for two (2) years, the state ordinance says that you can get two years of assessment fixing for a \$500,000 project. This program will improve business real estate in Town and was the emphasis of this ordinance. The versions of the ordinances had different thresholds for the creation of jobs, Mr. Lavernoich recommended to the Economic Commission that there should not be a required minimum, but that there should be a requirement that the agreements be brought to the Town Council for approval and to have a way to reconcile, monitor and enforce the job creation requirements within the agreement. Every one of the projects recommended will go before the Town Council. Mr. Palmieri stated that the focus of the ordinance is to encourage new business to come to Town and to encourage growth of the businesses that is currently in town. This could only serve to broaden the grand list.

Mr. Sather indicated that the Economic Commission is in favor of the ordinance and views it as an economic development tax reform; they want to lower the rate, broaden the base and give Mr. Lavernoich and the Town an opportunity to be proactive.

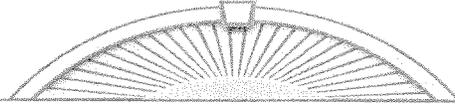
Ms. Waizenegger indicated that a public hearing is required and spoke in favor of hearing the public. The Chair stated that the public hearing will be held at November 8, 2012 Town Council meeting, the committee is voting on sending the resolution to the council with their recommendation.

Mr. Donofrio spoke in favor of this ordinance. Trumbull needs a type of competitive tool to attract new business and to encourage existing owners to expand business.
VOTE: Motion CARRIED unanimously.

There being no further business to discuss and upon motion made by Ms. Waizenegger, seconded by Mr. Palmieri the L&A Committee adjourned by unanimous consent at 7:59 p.m.

Respectfully Submitted,

Margaret D. Mastroni
Town Council Clerk



BERCHEM, MOSES & DEVLIN, P.C.

To: Daniel Nelson, Chief of Staff
 From: Jeffrey P. Mogan, Esq.
 Re: **Town of Trumbull & DPW Supervisors Union Contract Settlement**
 Date: October 2, 2012

Below is a summary of the material components of the settlement reached with the DPW Supervisors Union, Local 818 of Council 4, AFSCME, AFL-CIO.

1. Term

5 years: July 1, 2012 – June 30, 2017

2. Wages

7/1/12 – 6/30/13	0%
7/1/13 – 6/30/14	2.25%
7/1/14 – 6/30/15	2.25%
7/1/15 – 6/30/16	2.50%
7/1/16 – 6/30/17	2.50%

3. Health Insurance

A. Health Plan

Existing Century Preferred PPO plan replaced with a Comp Mix plan with the following deductibles and co-payments:

Deductible & Co-Insurance

Current – None

New – \$500/\$1000 annual deductible
 20% co-insurance after deductible up to \$1,000/\$2,000
 Cost share maximum of \$1,500/\$3,000

<u>Co-Pays</u>	<u>Current</u>	<u>New</u>
Office Visit	\$15	\$20
Inpatient Hospital	\$100	Deductible
Outpatient Surgery	\$0	Deductible
Emergency Room	\$75	\$100

Urgent Care	\$50	\$75
High cost diagnostic	\$0	\$75
Preventive Care	\$0	\$0

B. Employee Cost Sharing

Current	13.0%
7/1/12	13.0%
7/1/13	13.5%
7/1/14	14.0%
7/1/15	14.5%
7/1/16	15.0%

4. Pension Plan

Employees hired after July 1, 2012 shall not be eligible to participate in the Town of Trumbull Retirement Plan (defined benefit pension plan) and are eligible only for Town Defined Contribution Retirement Plan. Town will match employee contributions in the Defined Contribution Plan in the amount of 7% of the employee's annual salary.

Employee contribution to defined benefit pension plan increases from 5.50% to 6.0% effective July 1, 2014.

5. Miscellaneous

A. Wages and Benefits (Art. III)

- Decrease annual sick days for employees hired on or after July 1, 2012 from 15 to 12 sick days per year
- Decrease maximum accumulated sick leave for employees hired on or after July 1, 2012 from 200 to 180 days.
- Short term disability benefits only available once employee has used all of his or her sick days, with the exception of 30 days.

B. Premium Pay (Art. IV) – Compensatory time in lieu of overtime payment granted at discretion of First Selectman or Director of Public Works, no longer at the discretion of the employee.

Town of Trumbull, CT

Business Tax Incentive Program

Town of Trumbull, Connecticut

Business Tax Incentive Program Ordinance

Section 1 –DEFINITIONS

“Agreement” or “Agreements” shall refer to a written tax incentive agreement or written tax incentive agreements between the Town and those Applicants granted a business tax incentive under this Ordinance.

“Applicant” shall mean any property owner applying for the business tax incentive as established by this Ordinance.

“Application” shall mean such forms as may be created or amended thereafter pursuant to Section 3 hereof to allow a business property owner to apply for a tax incentive hereunder.

“Committee” shall mean the Tax Partnership Screening Committee as established by this Ordinance, consisting of the following voting members: The Chairman of the Town Council; Two other members of the Town Council appointed on an annual basis by the Chairman; and Two members of the Economic & Community Development Commission, appointed on an annual basis by the First Selectman. The Town’s First Selectman, Finance Director, Tax Assessor, and Economic & Community Development Director shall be ex-officio, non-voting members.

“Council” shall mean the Town Council of the Town of Trumbull.

“Construction Cost of Improvement” or “Construction Costs of Improvements” shall mean the cost to create new or substantially rehabilitated space for private business activities, the purposes of which are more fully set out in Section 4(A.) of this Ordinance.

“Director” shall mean the Economic & Community Development Director of the Town.

“Principal” shall mean any person or entity that is an owner, member, partner or officer in or of the Applicant or Property Owner.

“Program” shall mean the Business Tax Incentive Program as established by this Ordinance.

“Project” or “Projects” shall mean real estate development projects.

“Property” shall mean any or all of the real estate parcel, the location, the existing improvements, or the improvements constructed as part of the Project.

“Ordinance” shall refer to this Business Tax Incentive Program Ordinance unless otherwise specified.

“Town” shall mean the Town of Trumbull, Connecticut.

Section 2 - PURPOSE

In an effort to promote new private investment in business facilities, as well as attract, retain and expand current businesses, the Town of Trumbull has adopted this Business Tax Incentive Program Ordinance, hereinafter referred

Town of Trumbull, CT

Business Tax Incentive Program

to as the "Ordinance". Pursuant to Section 12-65b of the Connecticut General Statutes, this Ordinance establishes the requirements and procedure for the Town to grant real estate tax incentives for certain types of real estate development Projects, hereinafter referred to as the Project or Projects, and to enter into written tax incentive agreements, hereinafter referred to as Agreement or Agreements, with qualifying property owners.

Section 3 - ADMINISTRATION

The Program will be administered by the Economic & Community Development Director of the Town, hereinafter referred to as the Director. The Director shall be responsible for the following: 1) The creation of an Application form, which may be amended from time to time as requested by the Council or the Committee; 2) The maintenance of files including all Applications to the Town, whether ultimately approved or not approved, with attendant documentation, filed pursuant to this Ordinance; 3) The preparation of any analysis or supporting documentation that may be requested by the Committee, or Council in their consideration of Applications; 4) The creation of Agreements, as contemplated by this Ordinance, working in conjunction with the Town Attorney; and 5) All other related tasks as determined by the First Selectman to be necessary for the consideration of Applications received by the Town pursuant to this Ordinance.

In the event that the Director's position is vacant, or the Director is otherwise unavailable to administer the Program, the First Selectman may elect to administer the Program or may designate another Town employee to administer the Program.

Section 4 - MINIMUM REQUIREMENTS AND ELIGIBILITY

An Applicant shall submit an Application to the Director. As part of the Application, the Applicant shall be required to: 1) Disclose the names and addresses of all its Principals; 2) Provide a written confirmation from all Town Departments that the Applicant and/or the Principals are in good standing and are not in violation with any Town's Zoning Regulations, Building Code, or any other ordinance, which shall include but not be limited to being a taxpayer in good standing for any and all payments of real property, personal property, or motor vehicle taxes due and payable by the Applicant or the Principal. 3) Provide evidence of the Applicant's qualifications and current capacity to undertake and complete the proposed Project; and 4) Provide a detailed description of the proposed Project that demonstrates it meets the following minimum eligibility requirements, to wit:

- A. The Project will create new or substantially rehabilitated space for private business activities, which for the purposes of this Ordinance will include: office space, retail space, manufacturing space, warehousing space, distribution space, space for information technology equipment, space for telecommunications equipment, parking structures intended to serve any of the above types of space, or any combination of the above uses that may be allowed to co-exist pursuant the Town's Zoning Regulations. Home Occupations (as defined by the Trumbull Zoning Regulations), and all other land uses are not eligible tax incentives pursuant to this Ordinance.
- B. The Project will constitute an investment in new building or buildings, or building rehabilitation, for which the construction costs shall be documented at completion to be Five hundred Thousand (\$500,000) or greater, which costs of shall not include the purchase of real property or the acquisition of real property by any other means.
- C. The Project will create new, permanent full-time jobs.
- D. The Project, notwithstanding the tax incentive, will result in an increase in property tax revenues due from the Property relative to the tax year immediately preceding the approval of the tax incentive. The Council may waive this requirement by resolution if the Project involves demolition of a structure that

Town of Trumbull, CT

Business Tax Incentive Program

- 1) the Applicant represents and 2) the Committee determines is functionally obsolete; or the Project remedies conditions of significant blight or other symptoms of abandonment on the Property that the Committee determines were caused by the neglect of a previous owner of the Property.
- E. The Project will be compatible with the Town's Plan of Conservation and Development at the time Application is made.
- F. The Applicant is the current owner of the Property or can offer definitive evidence that it has entered into an agreement to purchase the real property to be developed for the Project.
- G. The Project's construction will commence within twelve (12) months of the Council's approval, and shall be completed within twenty-four (24) months of the Council's approval, unless the time frame for completed construction of the Project is stated to be more than 24 months at the time the Application is approved. In the event that the Project's construction is not commenced and/or completed within a the time frame specified in the Council's approval, then any approval granted by the Council shall immediately terminate and the full amount of the tax (including accrued interest) that would otherwise be due shall immediately become due and payable, unless otherwise authorized by an action of the Council.
- H. The Project and Property Owner or Principal of Property Owner shall remain in good standing with the Town, shall not be delinquent on real estate, personal property or motor vehicle taxes, and shall not be in or violation of the Town's Zoning Regulations, Building Code, or any other ordinance, statute or code, that may be applicable to the Project or the Property. If payment of annual real estate taxes is not made within thirty (30) days of the real estate taxes becoming due and payable, the Town may elect to revoke any tax incentive for the current year and the Project and Property will be subject to the normal assessment and levy practices of the Town for that year. If payment of annual real estate taxes is not made within 60 days of the real estate taxes becoming due and payable the Town may elect to terminate the Tax Incentive Agreement and the Project and Property will be subject to the normal assessment and levy practices of the Town on a going-forward basis. If a Project or Property is found to be in violation of a zoning regulation, building code or any other ordinance, statute or code, and the Applicant or Owner fails to remedy to the violation within 60 days notice from the Town, the Town acting through the First Selectman, may elect to terminate the Agreement. The First Selectman may, at his sole discretion and subject to notice to the Council, elect to provide the Applicant or Owner with as much as an additional 60 days to remedy a violation if he determines that the Applicant or Owner is making a good faith effort to remedy a violation.
- I. Council approval under this ordinance must be obtained prior to the initial application for a Building Permit for the Project.
- J. Council approval of a tax incentive pursuant to this Ordinance shall be made at its sole and absolute discretion.
- K. The Project will attain Leadership in Energy and Environmental Design (LEED) Certification. A Project not planned to achieve LEED Certification shall not receive consideration pursuant to this Ordinance unless: a) the Application includes an explanation of the Project's inability to achieve the Certification; b) such explanation is deemed to be acceptable by the Committee in its report to the Council; and c) an exemption of the LEED Certification requirement is noted in the Council's resolution to approve a tax incentive. All Agreements entered into pursuant to this Ordinance will specifically require or exempt the Project from obtaining LEED Certification, as provided for in the Council's approval.
- L. Any Applicant, which for purposes in this subsection shall include any owner, member, principal, partner or officer in or of the Applicant or Property Owner, who is delinquent in any real estate, personal property or motor vehicle taxes, interest or liens that are due to the Town, shall be ineligible to enter into any such Agreement or receive any benefit pursuant to this Ordinance until such delinquencies or liens are remedied.

Town of Trumbull, CT

Business Tax Incentive Program

Section 5 – TAX INCENTIVE SCHEDULE

- A. Subject to the approval of the Council and the execution of an Agreement, for a proposed Project with a construction cost of improvements of Five Hundred Thousand Dollars (\$500,000) or more, but less than Three Million Dollars (\$3,000,000), the taxable assessment of the Project's real property improvements will be fixed at 70% of the normal assessment for the Property for a two year period subsequent to the completion of the Project. The Agreement will specify the Grand List years for which the fixing of the taxable assessment will occur.
- B. Subject to the approval of the Council and the execution of an Agreement, for a proposed Project with a construction cost of improvements of Three Million Dollars (\$3,000,000) or more, the taxable assessment of the Project's real property improvements will be fixed at the following percentages of the normal assessment for the years subsequent to the completion of the Project: In year 1, 70%; in year 2, 70%; in year 3, 70%; in year 4, 70%; in year 5, 70%. The Agreement will specify the Grand List years for which the fixing of the taxable assessment will occur.
- C. For a Project with a construction cost of improvements of Three Million Dollars (\$3,000,000) or more, an Applicant may request a Tax Incentive Schedule that is different than provided for in Paragraph B of this Section. Such a request must be accompanied by a full disclosure of the finances of the proposed Project, including but not limited to, as applicable: real property acquisition costs, pre-development cost estimates, construction cost estimates, financing assumptions, rental or other income assumptions, and post-construction property operating cost estimates. Pursuant to this paragraph, any of the Director, the First Selectman, the Committee or the Council may retain outside expertise to evaluate and analyze the financial information provided, and may request that the Applicant pay the reasonable costs of the outside expertise as a requirement of the Application review process. Such a determination shall be made at the sole and absolute discretion of the Council.

Section 6 - APPLICATION PROCEDURE

- A. An Applicant shall apply for a tax incentive pursuant to this Ordinance in writing to the Economic & Community Development Director on such Application forms provided by the Economic & Community Development Office. The Applicant shall provide all required information in sufficient detail to allow the Council to determine costs and benefits associated with the implementation of the requested tax incentive.
- B. Upon receipt of the completed Application the Economic & Community Development Director shall refer the Application to the Committee, which shall convene at the request of the First Selectman. The Committee will review an Application for eligibility, completeness and appropriateness, including the criteria provided in Section 4 Minimum Requirements and Eligibility. Applicants will be notified within 14 calendar days of any deficiencies in the Application submission, or the Committee's need for additional information from the Applicant related to the Project. Within thirty (30) days of its receipt of the Application, the Committee will submit a recommendation and written analysis to the Council for its consideration.
- C. The Committee may, if it deems necessary, request a determination from the Planning & Development Director as to whether the proposed Project is compatible with the Town's Plan of Conservation and Development.
- D. The Council, in its sole discretion and after having held at least one public hearing (not required by 12-65b; may not want to do this, as it would set up special notice requirements), shall: 1) approve the tax incentive

Town of Trumbull, CT

Business Tax Incentive Program

with those terms requested in the Application; or 2) approve the tax incentive with modifications or conditions to those terms requested in the Application; or 3) deny the Application; acting within 60 days from the date of the first regularly scheduled meeting at which the referral from the Committee appears on the Council's agenda. Granting of the tax incentive shall require a majority vote of the Council among those present and voting. The Council's decision shall be in its sole and absolute discretion and conform with applicable provisions of the Connecticut General Statutes, while considering both the information and request provided in the Application package, and the recommendation provided by the Committee.

- E. The Council may elect to require, as a condition of its Approval, that any Agreement entered into pursuant to this Ordinance contain a provision that the Applicant provide full documentation of the construction costs of the Project upon the Project's completion. In the event that an Agreement requires such documentation to occur within a specified timeframe, and it does not occur, the Agreement will provide for the First Selectman to take any and all necessary actions to terminate the Agreement.

Section 7 – AGREEMENT

- A. Pursuant to the Council's resolution to approve a tax incentive, the First Selectman will be authorized to enter into a Tax Incentive Agreement with the Applicant.
- B. The Agreement shall only apply to real estate property taxes, and shall not apply to personal property taxes, or motor vehicle taxes.
- C. Fees associated with obtaining local permits or licenses of any type are not shall not be abated, waived, reduced, forgiven or deferred pursuant to this Ordinance.
- D. Any and all terms of the Tax Incentive Agreement entered into between the Applicant and Town pursuant to this Program shall be drafted, amended and/or otherwise prepared at the sole and absolute discretion of the Town.

Section 8 – TRANSFERABILITY

Tax Incentive Agreement entered into pursuant to this Ordinance shall not be subject to assignment unless a) the assignee is identified and the transaction is specifically provided for in the Council's original approval of the tax incentive; or b) the assignment is approved by a subsequent action of the Council. In the event it is determined that an assignment, transfer and/or sale not specifically provided for by the Council has occurred the Agreement shall terminate effective on the date of the assignment, transfer and/or sale, and the full amount of the real estate taxes that would otherwise be due to the Town shall immediately become due and payable, and shall be a Municipal Tax Lien as provided for in Chapter 205 of the Connecticut General Statutes. In this event, nothing herein or contained in any Agreement entered into pursuant to this Ordinance shall be interpreted as preventing the Town from applying the normal assessment and levy practices of the Town in regard to current or future property taxes due from the Project or Property, or outstanding interest and/or lien fees applicable thereto.

Section 9 - TOWN COUNCIL AUTHORITY

Nothing in this Ordinance shall require the Council to approve any tax incentive Agreement. This Ordinance may be amended or repealed by action of the Council. The Ordinance will expire on the date three (3) years after its initial passage by the Council, unless specifically renewed or re-adopted by Council action.

Section 10 – SEVERABILITY

The provisions of this Ordinance are severable. If a court determines that a word, phrase, clause, sentence, paragraph, subsection, section, or other provision is invalid or that the application of any part of the provision to

Town of Trumbull, CT

Business Tax Incentive Program

any person or circumstance is invalid, the remaining provisions and the application of those provisions to other persons or circumstances are not affected by that decision.

Summary of Business Tax Incentive Program Ordinance- 2012 Version

- Definitions for commonly used terms are provided to clarify responsibilities, procedures, eligibility, and evaluations criteria.
- Establishes clear Purpose related to encouragement of private investment for business real estate projects, as opposed to residential development.
- Establishes clear responsibility for Administration of program with E&CD Director. Provides for the operation of the program if there is no E&CD Director when an application is filed. Requires the E&CD Director to create an Application form which would be amended/updated from time to time at the request of the Tax Partnership Screening Committee or Town Council.
- Requires permanent record keeping related to all applications submitted to the Town. Specifies the types of information that must be submitted by an applicant for consideration under the program.
- Specifies the minimum eligibility requirements/characteristics a project must meet/have to be considered under the program. Specifies acceptable time-frames for the completion of approved projects.
- Requires property owners with tax incentives to be in good standing, and defines good standing. Establishes timeframes within which property owners must correct delinquencies or violations of law.
- Requires projects to attain Leadership in Energy and Environmental Design (LEED) Certification, unless specifically waived by the Town Council.
- States that the Town Council has sole and absolute discretion to grant approval of a tax incentive.
- Creates a standard tax incentive schedule for approved projects, intended to compete with the lowest property tax rates in the region. Establishes a procedure for an applicant to request, and the Town to consider, a customized tax incentive schedule for projects. Consideration for a customized schedule would require disclosure of additional financial information by the applicant.
- Creates a procedure for applicants, and specifies time periods for the Tax Partnership Screening Committee and Town Council to consider applications. Allows Town Council to request certain types of additional information if it determines it is needed, including close-out documentation of project costs.
- Establishes basic parameters for tax incentive agreements.
- Establishes limited circumstances under which tax incentives may be assigned from an owner to a subsequent owner. Establishes a three year duration for the tax incentive program, unless the program is renewed or re-adopted by the Town Council.

TAX PARTNERSHIP SCREENING COMMITTEE

Thursday, October 25, 2012

Trumbull Town Hall

Minutes

I. Attendance

Present: Ralph (Skip) Sather (ECD Chairman), Gary Bean (ECD), Carl Massaro (Town Council Chairman) Fred Palmieri (Town Council), Debra Lamberti (Town Council), Mark DeVestern (Tax Assessor, Ex-Officio Member)

Absent: Timothy M. Herbst (First Selectman, Ex-Officio Member), Maria Pires (Finance Director, Ex-Officio Member)

Also present: Edward Lavemoich (ECD Director), Dennis Kokenos (Town Attorney), Daniel Nelson (Chief of Staff)

II. Meeting

The meeting convened at 5:12 p.m. with a quorum of committee members present (Sather, Bean, Massaro, Lamberti).

Fred Palmieri arrived at 5:17 p.m.

III. Review & Discussion of Proposed Business Tax Incentive Ordinance

Mr. Lavemoich distributed copies of Connecticut General Statute Section 12-65(b) which enables municipal legislative bodies such as the Town Council to approve real estate tax agreements with business owners, a summary sheet of the proposed Business Tax Incentive Program Ordinance, a "tracked changes" copy of the proposed ordinance with suggested changes recommend by the Tax Collector, and the 2003 approved Town of Trumbull Tax Assessment Fixing Program.

Mr. Lavemoich provided the committee with a brief history of how the Town Officials began revising the current Tax Assessment Fixing Program in 2008. Mr. Lavemoich began work on the document in May of 2012 in collaboration with ECD Commission members and Attorney Kokenos. The ECD Commission voted to recommend and approve the proposed ordinance at the October ECD meeting. In the interim, employees of the Tax Collector's department had the opportunity to review the ordinance and suggested minor amendments to ensure potential applicants were "current" in paying their taxes.

Mr. Palmieri asked whether seventy (70) percent assessed value in Section 5(B) represented the current Town assessed value of a property or whether the Town was providing seventy percent of the assessed value of a property or thirty (30) percent tax reduction on the assessed value. Mr. Lavemoich and Mr. DeVestern confirmed that seventy (70) percent represents the potential assessed value on the existing assessment, a potential five year thirty (30) percent reduction.

Mr. Bean and Mr. Palmieri made inquiries to Attorney Kokenos regarding the potential for lessees and property owners to enter into agreements with one party potentially being delinquent in taxes. Mr. DeVestern asked whether lessees were majority or minority shareholders. Upon further discussion, the commission agreed that the term "lessees" would be stricken from the Ordinance;

the effect of the change would be that only an owner of property could be Applicant to the program.

The committee proceeded to review the document and discussion continued regarding additions to the definition section of the ordinance, insertion of terms that can provide further clarification to what type of applicant is eligible and when the ordinance will go into effect.

Gary Bean left the meeting at 6:31 p.m.

IV. Action on Business Tax Incentive Ordinance

Mr. Massaro called for a motion to accept the following seven (7) amendments to the proposed ordinance:

- Any reference to lessee in the proposed ordinance shall be deleted.
- The term "Principal" shall be added to the definition section; the "Principal" shall mean any owner, member, partner or officer in or of the Applicant.
- Insert the words "new" before the phrase "private investment" and the word "current" before the phrase "businesses, the Town..." in Section 2-Purpose.
- Add the phrase "or principal of property owner" to Section 4(H).
- Add the word "initial" before the phrase "application for a..." in Section 4(I).
- Delete all of Section 10-No Retroactivity.
- Section 11-Severability shall become Section 10-Severability.

Mr. Palmieri moved, seconded by Ms. Lamberti, to accept the seven (7) amendments as proposed.

Vote: 4-0 (unanimous)

Attorney Kokenos recommended that Town Council Resolution TC24-82 be amended to read, "WHEREAS, the Trumbull Economic and Community Development Commission endorses and recommends the Town of Trumbull Business Tax Incentive Program Ordinance to repeal and replace the Town of Trumbull Assessment Fixing Program."

Mr. Massaro called for a motion to accept the following three (3) amendments to the document:

- Delete the word "business" before the phrase "property owner" in Section 1 – Definitions.
- Add the phrase "or property owner" to the sentence that defines the "Principal" in Section 1-Definitions.
- Add the language changes suggested by the Tax Collector in Section 4-Minimum Requirements & Eligibility.

Mr. Palmieri moved, seconded by Ms. Lamberti, to accept the three (3) amendments as proposed.

Vote: 4-0 (unanimous)

Attorney Kokenos confirmed that he would incorporate the committee's amendments into the ordinance.

Attorney Kokenos left the meeting at 7:10 p.m.

Mr. Massaro called for a motion to recommend the revised Business Tax Incentive Ordinance to the Town Council.

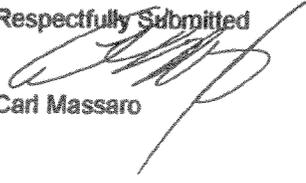
Mr. Palmieri moved, seconded by Ms. Lamberti, to recommend the revised Business Tax Incentive Ordinance to the Town Council.

Vote: 4-0 (unanimous)

V. Adjournment

Ms. Lamberti moved, seconded by Mr. Palmieri, to adjourn the meeting. By unanimous consent, the meeting adjourned at 7:15 p.m.

Respectfully Submitted


Carl Massaro