

TOWN COUNCIL
Town of Trumbull
CONNECTICUT
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TOWN HALL
Trumbull

TELEPHONE
(203) 452-5000



LEGISLATION & ADMINISTRATION COMMITTEE
MINUTES
APRIL 27, 2015

The Chair called the Legislation & Administration Committee to order at 7:03 p.m. All present joined in a moment of silence and the Pledge of Allegiance. The Chair asked all present to remember the three Trumbull youths who passed away too soon.

The Clerk called the roll and recorded it as follows:

Present: Chairman Suzanne Testani, Chairman, Enrico Constantini, Vice Chairman, Joseph Pifko Alternate, Edna Colucci and Daniel Marconi.

Absent: Scott Wich, Mary Beth Thornton, and Ken Martin, Sr., Alternate.

Also Present: Chief of Staff Lynn Arnow, Frank Smeriglio, Town Engineer, Mark Devestern, Tax Assessor, Town Attorney Dennis Kokenos, Town Council members Anne Marie Evangelista, Cindy Penkoff, and Vicki Tesoro, Senior Volunteer Tax Relief Committee members Sylvia Askinazi and Paul Niebuhr.

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1. RESOLUTION TC25-174: Moved by Mr. Marconi, seconded by Mr. Pifko.
BE IT RESOLVED, That First Selectman Timothy M. Herbst is hereby authorized to sign an agreement entitled "Master Municipal Agreement for Rights of Way Projects".

Mr. Smeriglio explained the State of CT is proposing a ten (10) year agreement with the Town for any right-of-way acquisitions or right of entry on State projects throughout the Town. It is a standard agreement. 160 Towns throughout the State have signed the agreement as is. Town Attorney Dennis Kokenos has reviewed the agreement. The Town typically owns a 50' wide path along the road; some roads vary in size therefore the 50' path would vary as well. The right-of-way is part of this path; sometimes it is necessary to purchase a section of the area from the property owner. This document defines what needs to be done in order to receive State funding for any of those acquisitions.

VOTE: Motion CARRIED unanimously.

2. RESOLUTION TC25-172: Moved by Ms. Colucci, seconded by Mr. Pifko.
BE IT RESOLVED and ORDAINED, That Chapter 18 Taxation of the Trumbull Municipal Code is hereby amended to include Article VI, Senior and Disabled Volunteer Tax Abatement. (*Public Hearing*) (Full Ordinance Attached)

Ms. Arnow indicated the Senior Volunteer Tax Relief Committee after conducting their research, submitted the attached Recommendation Report dated April 6, 2015 and Exhibit A to the Board of Finance. This ordinance is different from the ordinance that came before the Town Council in December.

See attached Senior Volunteer Tax Relief Committee Recommendation Report.

Ms. Arnow explained the program to the L&A committee.

- The program goes into effect July 1, 2015 through December 31, 2015 as a pilot program for the first six months.
- The program would not be income qualifying and total credits would be capped at \$15,000 for volunteer service in calendar year 2015. This affects the 2016-2017 Budget and qualifying volunteers would receive a \$300 credit for 50 hours of service.
- Service in calendar year 2016 affects the 2017-2018 Budget. The annual cap will be at \$30,000 with the volunteer earning a credit of \$600 for 100 hours of service representing 12 months.
- In 2015 the program would limit opportunities to volunteer at the Town Hall, Town sponsored events and Town related 501c3 groups. This will allow for better oversight. In 2016, the program allows for expansion to outside not-for-profit agencies.
- A list of volunteer opportunities will be created by the Town and will be carefully vetted.
- There are four (4) other Towns that provide a Senior Volunteer Tax Relief program: Danbury, Hamden, Bristol and Manchester, (3 are income qualifying).
- Danbury's program is 5 years old and has 31 participants. Manchester's program is 5 years old and has 18 participants. The Town was concerned that Trumbull would be inundated, but the numbers do not seem to indicate that.
- There is a vetting process for the volunteer which will include a background check. The Human Resource Department and the Tax Assessor will assist with the process. Individual Department Heads will track volunteer hours.
- The program will be assessed annually in February. The Town Council will have discretion to expand or discontinue the program at any time.

After discussion and review the L&A Committee discussed the following points:

- *Union Grievances*: Ms. Arnow indicated it is the Department of Labor Relations Director's opinion that the program will not be a union issue. The L&A Committee further discussed and noted the list of volunteer opportunities will be carefully vetted providing assurance there would not be union issues.
- *Taxation of Income*: Attorney Kokenos stated the Town is going to ask the IRS directly for clarification on this proposed tax credit as well as the other two (2) Town of Trumbull tax relief programs. Ms. Arnow added the program is acceptable to the Department of Labor if the following conditions are maintained:
 1. The volunteers cannot be employees.

2. All volunteer work may be performed for not-for-profit organizations if the program is expanded in 2016.
- *1099's*: Ms. Arnow explained a third party IRS memorandum was provided to the Town by Danbury which is the precedent all of the Towns use for not issuing 1099's it reads as follows: The real estate property tax paid is declared by the property owner. In the case of the tax credit it is already deducted from the real estate bill. The amount is already reduced and in essence is reporting the credit.
 - *Town Activities*: Concern that sports activities may be considered Town sponsored event/activities. Atty. Kokenos suggested language such as "Town Department Related Activities". Ms. Arnow suggested the following language be inserted into the 2015 recommendation: "To limit volunteer opportunities to Town Departments, Town sponsored events and Town related 501c3 groups excluding the Board of Ed". The L&A Committee noted the list of volunteer opportunities defines this. Mr. Devestern stated they had made the suggestion that someone with more financial authority approve which organizations would be included in the second year.
 - *Not an Income Qualifying Program*: There was concern the program does not service those who have the greatest need. Mr. Niebuhr indicated the program provides for those in need as well as providing the Town with individuals with certain skill sets that would not always be available to them.

Attorney Kokenos left the meeting at 7:53 p.m.

The Chair OPENED the Public Hearing at 7:57 p.m. There were two people from the public present to speak. Public Comment Attached. The Chair CLOSED the Public Hearing at 8:09 p.m.

Ms. Arnow explained to the L&A Committee that the program was designed to benefit seniors. Some seniors volunteer in the schools but many more volunteer in the community. The program will be reassessed on an annual basis. Inclusion of the BOE can be considered at that time. The Senior Volunteer Tax Relief Committee's last meeting was prior to the BOF April 9th meeting. Ms. Arnow stated the Recommendation Report was sent by the BOF with recommendation and the Town is seeking clarification from the IRS on the credit. Ms. Arnow referred to the third party memo from the IRS discussed earlier at this meeting and noting a tax credit is not an accession to wealth. The L&A Committee noted the Town is not in the business of giving tax advice. The Town will receive an opinion from the IRS. The L&A Committee discussed the possibility of capping the income. Some felt the spirit of the program was to make the program available to all seniors on a first come first serve basis.

VOTE: Motion CARRIED unanimously.

There being no further business to discuss the L&A Committee adjourned by unanimous consent at 8:17 p.m.

Respectfully Submitted,

Margaret D. Mastroni, Town Council Clerk

RESOLUTION TC25-172 PUBLIC COMMENT:

1. Marshall Marcus of 91 Stonehouse Road was present and indicated he was against the first program presented in December but supports this program. He suggested one mechanical change:
Disqualification at the time of application for delinquent taxes. He has knowledge of seniors who receive income once a year from an annuity. These seniors are usually delinquent on their taxes because they are only able to pay once a year the amount in full. Mr. Marcus suggested disqualification of the credit if the volunteer is delinquent at the time the credit is to be applied.
2. Tony D'Aquila of 29 Valleyview Road was present and indicated he had concerns. The Senior Volunteer Tax Relief Committee does not exist there were no agendas and/or minutes posted on the website. The Town Hall greeter is a union position, the park stickers were handed out previously to him by a full time employee and questioned why the possibility of this being a union issue would be addressed at a later date. Mr. D,Aquila spoke against excluding the Board of Education, not doing their due diligence, no income qualification and was concerned there was no guarantee there would not be discrimination. He questioned how the number of hours would be audited. Since the program is capped someone would be rejected and questioned who would make that decision. The IRS will treat the senior as an employee and the credit can be subject to taxes.

April 6, 2015

To: Elaine Hammers, Chairwoman, Board of Finance
Carl M. Massaro, Chairman, Town Council

From: Senior Volunteer Tax Relief Committee:
Lynn Arnow, Chief of Staff
Mark DeVestern, Tax Assessor
Dee Chiota
Gail Hanna
Paul Niebuhr
Maureen Gordon
Victor Pioli
Sylvia Askinazi

Re: Senior Volunteer Tax Credit Program – Recommendation Report

In January of this year, First Selectman Herbst proposed an ordinance to promote volunteer service throughout the community and draw upon the skills, knowledge and experience of Trumbull's seniors. As required by state statute, Selectman Herbst appointed a committee to research how such a program would be structured and what fiscal effect such a program would have on the Town's budget. The committee is required to present its findings and make its formal recommendations to the Board of Finance before it is considered by the Town Council.

INTRODUCTION

The committee met on four occasions since its appointment in February and has researched similar such programs offered throughout the state. The committee identified four municipalities; each has varying requirements, structures, program limits, and levels of participation.

As part of their research, the committee considered the following:

- Would there be sufficient volunteer opportunities within the Town for seniors who wish to participate?
- How to establish "eligibility" criteria for not-for-profit agencies and/or town departments providing volunteer hours. What kind of duties would they perform?
- The financial effects of an "income qualifying" program vs. a "non-income qualifying" program.
- Financial impact to the budget for both of the above.
- Senior profile statistics, including the average income for Trumbull seniors (65+).
- Logistics for administering the program, including the application process and any clerical/administrative cost necessary to manage the program.

The committee met with the Town's Tax Assessor, Mark DeVestern, and Economic Development Director, Ed Lavernoch, to review information from the 2010 U.S. Census and to gather additional information on the Town's senior population. The committee then met with First Selectman Herbst and Council Chairman Massaro to review the proposed resolution (TC 25-152), and to discuss findings and options.

FACTS

Based on the most recent census data provided by ESRI (U.S. Census Bureau, 2010), the profile for the Trumbull senior household population is as follows:

2014:	Age 65 to 74	834	45% have less than \$74,999 incomes
	Age 75+	1,766	80% have less than \$74,999 incomes
	Age 65 to 74	1,836	55% have greater than \$75,000 incomes
	Age 75+	2,222	20% have greater than \$75,000 incomes

The census data shows that **4,500** seniors (ages of 65+) would be eligible to earn the proposed \$600 tax credit if there were **NO INCOME QUALIFYING** restrictions. Such a structure could have a significant impact on the Town's budget.

RESEARCH

The following towns provide Senior Volunteer Tax Relief Programs: Danbury, Hamden, Bristol, and Manchester:

Manchester – Pop. 58,241

- **Income qualifying** at \$34,600 per person, or \$42,200 per couple
- \$500 credit for 50 hours, or \$1000 per household
- Program Cap: 40 people/\$15,000 cap
- Town-managed program
- 18 applicants in 2014

Danbury – Pop. 83,684

- **Income qualifying** at \$56,800 per person, or \$64,300 per couple
- \$600 credit for 100 hours
- No Program cap
- Managed by the Volunteer Center (United Way)
- 30 applicants in 2014

Bristol – Pop. 60,500

- **Income qualifying** at \$34,100 per person, or \$41,600 per couple
- \$300 credit for 50 hours
- Program cap at (\$24,000) 80 people – first come first serve
- Town-managed program
- 8 applicants in 2014

Brookfield – Pop.16,452

- **Income qualifying** at \$52,500 per person, or \$59,200 per couple
- \$600 credit for 100 hours
- Program cap at (\$54,000) 90 people – first come first serve
- Managed by the Volunteer Center (United Way)
- 8 applicants in 2014

RECOMMENDATIONS

After much discussion, the committee considered the following options:

Recommendation #1 – 2015 (Effects 2015 Grand List; 2016-2017 Budget)

Annual Cap \$15,000, or 50 persons

- **A 6 month Program, with a \$300 credit per person, for 50 hours of service. No more than two qualifying taxpayers per household may qualify for the credit.**
- “Non-Income Qualifying” program
- Available to 65+ and/or Permanently or Totally Disabled residents
- Limit Volunteer opportunities to Town departments, Town sponsored events, and Town-related 501-c groups (Excluding BOE)
- Earn volunteer hours between July 1–December 31, 2015
- Application process:
 - Submit intake form to determine eligibility
 - Volunteers must submit to a background check
 - Placements are based on the skills and interests of the applicant’s ability to perform all duties and responsibilities of the placement
 - Deadline to submit verified hours: January 31st
- Reassessment of the program in February of each year. Town Council should use its discretion to expand, or discontinue, the program at any time

Recommendation #2 – 2016 (Effects 2016 Grand List; 2017-2018 Budget)

Annual Cap \$30,000, or 50 persons

- **A 12 month Program, with a \$600 credit per person, for 100 hours of service. No more than two qualifying taxpayers per household may qualify for the credit.**
- “Non-Income Qualifying” program
- Available to 65+ and/or Permanently or Totally Disabled residents
- Expand Volunteer opportunities to select not-for-profit and charitable organizations, town departments, and town-related 501-c groups (Excluding BOE). A list of such qualifying organizations will be managed by the Tax Assessor, or his designee
- Earn volunteer hours between January 1–December 31, 2016
- Application process:
 - Submit intake form to determine eligibility
 - Volunteers must submit to a background check
 - Placements are based on the skills and interests of the applicant’s ability to perform all duties and responsibilities of the placement
 - Deadline to submit verified hours: January 31st
- Reassessment of the program in February of each year. Town Council should use its discretion to expand, or discontinue, the program at any time

The committee then revisited the objectives of the resolution proposed by First Selectman Herbst. As stated in Resolution TC 25-152, the goal is to “promote the goals of scientific, educational, literary, historical, governmental, charitable, and non-profit entities located in the Town of Trumbull by drawing upon the skills, knowledge and experience of its senior citizens...who choose to give their time, talent and energy by volunteering...”

It is, therefore, the recommendation of the committee to offer a “non-income qualifying”, senior or disabled volunteer tax credit program. Such program will provide an opportunity for Town residents of the age of 65 or over, or permanently or totally disabled, to reduce their property tax by utilizing their skills and experience by volunteering at town departments, non-profit agencies, and town-related events.

Connecticut General Statutes 12-129n – Optional municipal property tax relief program for certain homeowners age sixty-five or over or permanently and totally disabled

Current as of: 2014 | [Check for updates](#) | [Other versions](#)

(a) Any municipality may, by vote of its legislative body on recommendation of its board of finance or equivalent body, provide property tax relief to residents of such municipality, with respect to real property owned and occupied by such residents as their principal residence, or held in trust for and occupied by such residents as their principal residence, who are (1) sixty-five years of age and over, or whose spouses, living with them, are sixty-five years of age or over or sixty years of age or over and the surviving spouse of a taxpayer qualified in such municipality under this section at the time of his or her death or with respect to real property on which such residents or their spouses are liable for taxes under section 12-48, or (2) under age sixty-five and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or have not been engaged in employment covered by Social Security and accordingly have not qualified for benefits thereunder, but have become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government-related teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security, provided such residents or their spouses under subdivisions (1) or (2) above have been taxpayers of such municipality for one year immediately preceding their receipt of tax benefits under this section, and meet the requirements which may be established by such municipality with respect to maximum income allowable during the calendar year preceding the year in which

application is made for the tax relief provided in this section. No such property tax relief, together with any relief received by any such resident under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa shall exceed, in the aggregate the total amount of the tax which would, except for said sections 12-129b to 12-129d, inclusive, 12-170aa and this section, be laid against the taxpayer.

(b) Prior to initial approval by the legislative body of such municipality of the plan of property tax relief to be provided pursuant to the provisions of this section, the executive authority of such municipality shall appoint a committee consisting of not less than five resident taxpayers of such municipality, which shall undertake and complete within a period not in excess of sixty days following such appointment, a study and investigation with respect to such property tax relief and, on the basis thereof, prepare a report to be presented to the board of finance or equivalent body of such municipality, which report shall include the following: (1) The fiscal effect of such property tax relief on property tax revenue for such municipality; (2) recommendations with respect to the form and extent of such property tax relief. After the initial approval of such property tax relief by the legislative body of such municipality, such plan may be amended from time to time by vote of its legislative body on recommendation of its board of finance or equivalent body without compliance with the requirements of this subsection applicable to such initial approval.

(c) The total abatement of property tax revenue, based on an estimate in any tax year by the board of finance or equivalent body of such municipality, which may be granted in such tax year by such municipality pursuant to the provisions of this section shall not exceed an amount equal to ten per cent of the total real property tax assessed in such municipality in the preceding tax year.

(d) Any such property tax relief granted to any such resident in accordance with the provisions of this section shall not disqualify such resident with respect to any

benefits for which such resident shall be eligible under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa, and any such property tax relief provided under this section shall be in addition to any such benefits for which such resident shall be eligible under said sections.

(e) Reimbursement of such municipality under the provisions of sections 12-129b to 12-129d, inclusive, and 12-170aa shall be limited to such amount as the municipality would be entitled to receive for revenues lost because of tax relief provided under the provisions of said sections. The property tax relief provided for in this section may, in any case where title to real property is recorded in the name of the taxpayer or his or her spouse and any other person or persons, be prorated to reflect the fractional share of such taxpayer or spouse or, if such property is a multiple-family dwelling, such relief may be prorated to reflect the fractional portion of such property occupied by the taxpayer.

(f) Any municipality providing property tax relief under this section may establish a lien on such property in the amount of the relief granted, provided if the total amount of such property tax relief with respect to any such taxpayer, when combined with any such tax relief for which such taxpayer may be eligible in accordance with sections 12-129b to 12-129d, inclusive, or 12-170aa, exceeds in the aggregate seventy-five per cent of the property tax for which such taxpayer would be liable but for the benefits under this section and any of the sections mentioned above in this subsection, such municipality shall be required to establish a lien on such property in the amount that such tax relief exceeds seventy-five per cent of such property tax liability, plus interest applicable to the total of such unpaid taxes at a rate to be determined by such municipality. Any such lien shall have a priority in the settlement of such person's estate.

(g) (1) Any municipality establishing a program of property tax relief under this section shall make persons eligible for such relief if they qualify in accordance with

age and income pursuant to subsection (a) of this section and are unit owners of a cooperative.

(2) The amount of annual property tax relief in accordance with this subsection to any such person shall be determined in relation to an assumed amount of property tax liability applicable to the assessed value for the dwelling unit which such person owns and occupies, as determined by the assessor in the municipality in which the cooperative is situated. For purposes of this section the assessor shall determine the assumed amount of property tax liability applicable to the assessed value for the dwelling unit of each such person who is otherwise eligible under this subsection, but such determination shall not constitute a tax bill for purposes of property taxation of such cooperative or any individual dwelling unit thereof. Annually, not later than the first day of June, the assessor in such municipality, upon receipt of an application for such relief, shall determine, with respect to the assessment list in such municipality for the assessment year commencing October first immediately preceding, the portion of the assessed value of the entire cooperative, as included in such assessment list, attributable to the dwelling unit occupied by such person. The assumed property tax liability for purposes of determining the amount of the relief shall be the product of such assessed value and the mill rate in such municipality as determined for purposes of property tax imposed on said assessment list for the assessment year commencing October first immediately preceding. The amount of relief to which such person shall be entitled for such assessment year shall be equivalent to the amount of tax reduction for which such person would qualify, considering such assumed property tax liability to be the actual property tax applicable to such person's dwelling unit and such person as liable for the payment of such tax.

EXHIBIT A

Recommendation #1 – 2015 (Effects 2015 Grand List; 2016-2017 Budget)

Annual Cap \$15,000, or 50 persons

- A **6 month Program**, with a **\$300 credit per person**, for **50 hours of service**. **No more than two qualifying taxpayers per household may qualify for the credit.**
- “Non-Income Qualifying” program
- Available to 65+ and/or Permanently or Totally Disabled residents
- Limit Volunteer opportunities to Town departments, Town sponsored events, and Town-related 501-c groups (Excluding BOE)
- Earn volunteer hours between July 1–December 31, 2015
- Application process:
 - Submit intake form to determine eligibility
 - Volunteers must submit to a background check
 - Placements are based on the skills and interests of the applicant’s ability to perform all duties and responsibilities of the placement
 - Deadline to submit verified hours: January 31st
- Reassessment of the program in February of each year. Town Council should use its discretion to expand, or discontinue, the program at any time

Recommendation #2 – 2016 (Effects 2016 Grand List; 2017-2018 Budget)

Annual Cap \$30,000, or 50 persons

- A **12 month Program**, with a **\$600 credit per person**, for **100 hours of service**. **No more than two qualifying taxpayers per household may qualify for the credit.**
- “Non-Income Qualifying” program
- Available to 65+ and/or Permanently or Totally Disabled residents
- Expand Volunteer opportunities to select not-for-profit and charitable organizations, town departments, and town-related 501-c groups (Excluding BOE). A list of such qualifying organizations will be managed by the Tax Assessor, or his designee
- Earn volunteer hours between January 1–December 31, 2016
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