

Board of Finance  
Special Meeting - July 20, 2010  
Minutes

**Attending:**

Board of Finance Members: Jim Meinhold, Warren Serenbetz, Gail Lavielle, and Al Alper. Lynne Vanderslice participated via phone.  
Andy Pforzheimer - excused absence.

Others: Bill Brennan, (BoS) Sandy Dennies (CFO), David Lisowski (Assessor), Philip Damato (tax collector), Marilyn Gould (P&Z) and Kenneth Dartley (Wilton citizen).

**Call to Order:**

Chairman Warren Serenbetz called the meeting to order at 7:30pm. He stated the purpose of the meeting was to discuss the possibility of additional funding for the Elderly and Disabled Tax Credit.

**Introduction:**

Bill Brennan, First Selectman, introduced the subject stating the BoS met on the issue in recognition of the deadline to get out the tax bills. Given this item is not in the BoS budget, rather it is a “below the line” budget item, the BoF now needs to consider the request for additional funding in the broader perspective of the town’s funding.

Sandy Dennies, CFO, presented the situation stating the program was oversubscribed due to a change in the criteria for eligibility, which included a maximum credit available of \$4,000 (up from \$3,700), increase in the income level of applicants to \$74,999 (from \$63,400) and a maximum credit was provided to those whose income was below \$39,500 (from \$38,100). These changes expanded the program by allowing a larger applicant pool to qualify for a greater credit than experienced in prior years.

Furthermore, FY 2010 was the first time a “floating cap” was applied to the program, which was \$850,000, of which \$675,000 was to be used for credits and \$175,000 to be used for deferrals. The amount of interest charged for the deferrals

was reduced from 5% to 3%.

For example, this year there were 302 credit applications of which 170 met the eligibility criteria of income under \$39,500 qualifying for a full \$4,000 credit. This compares to last year with 236 applicants of which 113 met the criteria for a \$3,700 maximum credit.

Mr. Brennan stated the BoS believed in the event of no new funding the most equitable way to remedy the situation was to do a pro-ration over all applicants. This way would basically make everyone unhappy but in the end many more seniors would receive some amount of credit.

Mr. Brennan believes the dramatic increase in applications results from people having less income than last year partially due to the IRS not requiring a minimum distribution this year so taxable income declined for these seniors. He also indicated that there were other projects, which could require use of the Town's cash resources and he was concerned about using those same resources to further fund the Elderly & Disabled Tax Relief.

Mr. Brennan suggested one possible consideration was given \$44,500 was paid back to the town from earlier deferrals maybe it could be used to cover the current \$31,000 shortfall due to the cap on deferrals.

Mr. Serenbetz stated given a preliminary FY12 model for the mill rate introduced at the June meeting there was no drawdown of the General Fund money so anything taken out of the Charter Fund this year will impact next year's budget. He therefore asked Ms. Dennies to comment on this year's YE results and whether or not excess funds were available.

Ms. Dennies stated while technically YE 2010 closed June 30<sup>th</sup>, we have 60 days to close the books and pay outstanding bills and record revenues so the YE numbers are very preliminary. While tax revenues are up net income was down dramatically from budget as well as licenses and permits. There appears to be a savings on expenditures of possibly \$3million but there are many outstanding bills and while we currently look to close the books "in the black" it's too soon to be certain. She stated it's still too early to predict the outstanding bills for both operating (such as info technology) and capital expenditures (such as the Marvin Tavern project.)

Mr. Serenbetz stated it's important to remember that the FY10 year-end General Fund Balance already assumed much of the property tax revenue and savings highlighted by Ms. Dennies. Therefore her projections are not necessarily incremental to the FY11 budget. He agreed with the BoS assessment that a pro-rata basis was the fair procedure and acknowledged the BoF's job is to see if other money exists to put toward the funding.

Mr. Pforzheimer sent in a statement saying he is not comfortable giving additional money to the program as it was a difficult budget year for everyone. This year was a shared sacrifice across the town and it's not right to give any one group 100% of what they want.

Mr. Alper inquired what was the dollar amount needed to totally fund the shortfall of the program and it is \$230,000.

Ms. Lavielle stated incoming bills will come out of the operating budget and even though the capital expense budget is currently a favorable \$1million any open projects / expenses carry over to next year. She questioned the Elderly and Disabled Tax program's results from previous years. Ms. Dennies responded over the last two years everyone who applied to the program received what they wanted. There was no cap in place and the program was actually undersubscribed.

Mr. Meinhold asked why the BoE budget showed as of now it was "in the red." Ms. Dennies responded she wasn't sure but believes it also involves timing issues and perhaps money not yet received by the state. She will follow up with Ken Post. Mr. Meinhold agreed with Mr. Pforzheimer and further questioned why the need to decide is now rather waiting until all the numbers are final. Ms. Lavielle agreed with that thought process.

Mr. Serenbetz stated there was a specific process involved for setting the budget. The BoS gave its' recommendation for the Elderly and Disabled Tax Relief program after deliberate, well thought out discussion. The decision was made and the \$850,000 cap was set. This was part of the budget put to the town for the vote and the town approved it. He believes there is no need to wait for the final numbers and that rather the appropriate process took place and the budget is now finished for the year. If a change is needed it can be revisited for next year's budget. Mr. Brennan agreed with this statement.

Ms. Vanderslice agreed with Mr. Serenbetz saying other departments would like additional money but it's not realistic. She also said giving consideration to the pay

back of previously deferred taxes as a way of not capping this year's deferrals is not appropriate at this time, maybe something to consider for next year.

Mr. Alper agreed with the others saying if one line item is opened it could be opened for others. Ms. Lavielle commented the BoS voted on the cap and the process, the pro-ration is equitable and if the current numbers are not concrete to determine whether or not there is excess funding then the cap should be kept as is.

Prior to the vote, Ken Dartley, a Wilton citizen, stated the people impacted by this shortfall were the neediest people in town and for those to get less than what they did last year was unconscionable. He asked the BoF to defer making the decision until after the final numbers were in, commenting if there was an excess it should go back to those who paid for it.

Mr. Meinhold asked if voting now would preclude revisiting the issue in the future and the answer was no.

Mr. Alper made a motion to keep in place the current cap of \$850,000 for the Elderly and Disabled Tax Relief program. Ms. Vanderslice seconded the motion and it was approved unanimously.

The meeting was adjourned at 8:17pm.

Respectfully submitted,  
Amy Roberts  
Recording Secretary