

*Public Hearing*  
7:00 p.m., Tuesday, January 29, 2008  
Durham Library

*Re: Proposed Senior Tax Relief Ordinances*

Meeting Minutes

In attendance: Ron Capozzi, Martin French, Carolyn Wallach, Laura Francis, John Szewczyk, James McLaughlin

Martin French welcomed everyone and called the meeting to order at 7:10 p.m. He started by explaining the process the Senior Tax Relief Committee had taken since their appointment in October 2006. The committee developed two proposals; presented them to the Board of Selectmen, held a Public Hearing on September 24, 2007, and again were holding this public hearing to answer any questions and educate the seniors on the proposals.

Ron Capozzi stated the Board of Finance upon their review approved the freeze ordinance but requested the committee to review income thresholds on the deferral program. M. French stated that both programs are inherently different and it is easy to get them confused.

Laura Francis commented the Board of Finance is willing to approve both ordinances but asked the committee to reconsider income levels and the index used to come up with the levels. She also said this topic had been discussed amongst residents with Janet Muraca and they prefer to stay with the current program; asking the committee if there was a downside in keeping three programs. R. Capozzi stated the only downside is administrative. M. French commented that he was not sure if these proposals would disrupt the existing program. L. Francis asked for this to be clarified with the Board of Finance.

A resident asked if she was participating in the current tax relief program what would happen to her property taxes now. M. French referred to the question and answer booklet question #70; the current tax relief program will roll into the new tax freeze program. Your taxes will be frozen at the level you are paying under the current plan.

M. French said that he supports the proposed income levels as they are now and stated there are many ways to get these numbers; take state program and double, poverty levels. If the levels go down below the existing numbers we will need to incorporate cost of living increases, indexing to something similar to CPI (Consumer Price Index) every year automatically.

R. Capozzi talked about the history on income levels used. He referred to a calculation that the Town of Guilford used; seniors who have been in town the longest and the average income for residents equal the point in which Durham residents get tax rate. He also referred to the last census; average family income for Durham residents equal the upper end; fixed, not indexed to rise and appears to be generous, stating that as time goes by the thresholds will be less of a precedent. The fewer the years in town, the lower the income level; he would like to encourage long term residents and reward them, that is why the levels increase.

Sue Vanderzee asked if the next census information would be used for indexing income levels. R. Capozzi stated \$84,000 average income used from the last census was fixed as proposed. M. French commented in order to change the income eligibility levels the ordinance would have to be amended at the time of the next census, and feels the current ceiling is high enough now and over a period of years using the program the town will have local data to review the program levels.

Carolyn Wallach said in her experience the deferral program that is being proposed is quite unique in that it offers 100% deferral with tremendous flexibility; offers much more than other towns.

A resident asked if these proposals would be cumbersome to administer and who sets the interest rate. M. French responded that the Board of Finance sets the interest rate. C. Wallach responded the administrative costs were somewhat unknown; depends on how many residents participate.

M. French stated the plus of the deferral program is that taxes are paid for in full to the town. The freeze program requires other taxpayers to pay the difference.

Dan Lehet commented that he feels freezing taxes is not the way to go. He asked what happens if new residents don't come into town; the young people would have to shoulder the burden. M. French responded that safeguards are in place; the Board of Finance will be reviewing annually. C. Wallach offered a worst case scenario of a \$50.00 additional cost yearly per household.

A resident recapped what she thought was her understanding of existing and proposed programs:

- 1.) Circuit breaker (current state program) with income eligibility level at \$36,500; relief offset by the State of Connecticut.
- 2.) Local relief program with income eligibility level at \$40,000; relief is determined on the amount of participants who apply and are approved.

She added that you can benefit from both programs as they offer substantial relief.

- 3.) Tax freeze proposal. She stated that it wouldn't help; it is frozen at the highest level they have ever been at and she would not have much time to participate in the program.

M. French responded to her comment on the tax freeze proposal stating that taxes will increase every year so the size of the benefit will grow. C. Wallach commented that if you qualify for the current state and local tax relief programs, the amount of that tax relief would be included when the freeze level is determined.

A resident asked if they were not currently enrolled in the state program would they not be eligible for the proposed programs. M. French responded no, you would have to see if you would qualify for the state program first, then the programs offered by the town.

L. Francis stated that she was struggling with the income levels but wants to capture as many of Durham's residents as possible. She likes the idea of both programs. M. French stated that he has had many conversation with residents about the deferral program; offers the opportunity to do repairs that they otherwise wouldn't be able to make to their homes keeping property values up, personal financial choice.

James McLaughlin asked if you can go in and out of a program. M. French responded yes. A resident asked if you can go from deferral to freeze. M. French responded yes but the downside would be if you originally freeze your taxes at \$2,300 and in five years you decide to opt out, you would come back into the program at the current tax amount; beneficial to stay in the program.

J. McLaughlin asked what would happen during a reevaluation. M. French stated that you would be treated as any other resident; the freeze would stay the same unless the reevaluation causes your taxes to go down.

A resident stated they liked the deferral program allowing you to do repairs on your home without huge interest charges.

R. Capozzi addressed the question of the tax burden being put on younger residents stating that this was only one side; instance - all houses with seniors were replaced with young families; skyrocketing expense to the town. Seniors are subsidizing young families through their taxes.

Richard Parmelee added that seniors are an asset to the community and understands there is a cap safeguard associated with the programs. M. French commented under the deferral program there is solid control with liens; the towns' money is safe and secure. The freeze program would make taxes predictable for seniors.

A resident commented that it would be an asset to be able to move from one plan to another and hoped that the people would consider accepting both.

L. Francis stated the Board of Finance approves the funding and the Board of Selectmen is responsible to bring to town meeting. A resident commented that rather than bringing proposals jointly to town meeting asked the Board of Selectmen to consider bringing them separately.

R. Parmelee thanked the committee for a job well done and stated he would like to see both proposals pass.

D. Lehet commented that 30% of seniors 65 and older do not have enough money for daily expenses. He feels the deferral program would help seniors; would benefit everyone.

J. McLaughlin endorsed the committee for doing a good job and taking a lot of their time. He stated their were people in the room who favor one proposal over another for personal reasons but hopes they give consideration to both programs; come to town meeting to vote.

Meeting adjourned at 8:05 p.m.

Respectfully submitted:

Beth Moncata