



Board of Aldermen
Shelton, Connecticut
FINANCE COMMITTEE – January 25, 2005

**NOTE: The audiotape used to record this meeting jammed. Minutes are from notes only – Patricia Bruder, Recording Clerk

Call to Order / Pledge of Allegiance

Alderman Stanley Kudej, Chairman, called the meeting to order at 6 p.m. All those present rose and pledged allegiance to the flag.

Roll Call - Finance Committee

Alderman Stanley Kudej, Chairman, present
Aldermanic President John F. Anglace, Jr. - present
Alderman Nancy Minotti - present

Corporation Counsel Thomas Welch
Superintendent of Maintenance Joe Sewack
Cheryl Russo and Tom O'Brien – Clough Harbor

Public Session

Alderman Kudej asked if any member of the public wished to address the Finance Committee. Being none, he declared the public session closed.

Add-On

Alderman Anglace MOVED to add to the agenda as Item 5 – Booth Hill School Construction – Viking Construction Contract; SECONDED by Alderman Minotti. A voice vote was taken and the MOTION PASSED 3-0.

1. Approval of Minutes

Alderman Anglace MOVED to recommend to the full Board to waive the reading and approve the minutes of the Finance Committee meeting of December 16, 2004; SECONDED by Alderman Kudej. A voice vote was taken and the MOTION PASSED 3-0.

2. Elderly Tax Review – Discussion

Ron Pavlucik of 287 Eagle's Landing discussed his proposal for a tax freeze for senior citizen property owners in Shelton.

He distributed the following attachments to the Committee:

1. Bridgeport Post Page 1 story, March 27, 1991 "Stratford OKs 2% Budget Cap." This story heralded the fact that town voters turned out in strong numbers to approve a proposed two percent cap on all future town budget increases.
2. Stratford newspaper cover story Thursday, May 10, 1990 depicting Mr. Pavlucik as a member of a Stratford initiative group (to limit town spending) arriving at town hall to pick up petitions.
3. The Boston Globe story of January 11, 2005 titled "State (Massachusetts) eyes property tax relief for seniors," on which Mr. Pavlucik notes "good examples of the problem, and possible solutions."
4. A handout titled "Tax Cap for Shelton Seniors," in which Mr. Pavlucik lists the background, problem, solution, benefits, and implementation of a proposed voluntary 'tax cap' program.
5. A copy of the "OLR Research Report" of November 29, 2004 titled "Property Tax Abatements for Seniors," by Kevin McCarthy, Principal Analyst. This report is a summary of the law regarding property tax abatements for seniors from the Connecticut General Statutes.

Mr. Pavlucik discussed the points of each of his handouts with the Committee. He noted that he has the resources to be able to work on a committee to see if it is feasible to offer tax relief to Shelton seniors, and would be available to do so.

Alderman Anglace explained that this is not a new issue, and it is a serious issue that is of interest to the Board of Aldermen. He told Mr. Pavlucik that the Board welcomes his enthusiasm and assistance, as a great, great deal of research will have to be done, especially as this will affect almost every city department.

Some of Alderman Anglace's questions were –

- Does state law allow us to legislate a tax freeze?
- What is the expected impact of such a program on the rest of the taxpayers if the program were allowed to begin at age 55, at age 65 and at age 75?
- Would there be a shift in the tax burden to the younger group?
- What would be the local administrative issues – what changes could be expected for the Assessor and Tax Collector, for instance?
- What would the costs be?

The state had an elderly tax freeze law in effect for many years where they subsidized cities and towns for the lost revenue. This law was repealed and those remaining on the program, grandfathered.

We still have people on the old program.

Since most of the members of the Board of Aldermen are over 55, would it be a conflict of interest for this Board to enact such legislation since we would most likely benefit from it? This question would have to go to the Ethics Committee.

Alderman Anglace discussed the State Law with Gloria Kovac, the Assessor.

He noted that any program of tax relief can't be approved until the Mayor appoints a committee of not less than five resident taxpayers. A 60-day study and investigation regarding tax relief could be done, and that committee could propose a report to Board of Aldermen's Finance Committee for review and recommendation to the full Board.

Once a plan is adopted, there wouldn't need to be another committee to amend it.

Alderman Anglace continued, stating that this is an interesting concept and deserves in-depth consideration. But before asking Mayor Laretti to appoint a committee, we have to go to work on it, we should be along on our efforts to shape the concept of the program.

The next step would be to continue research as the Finance Committee and try to put together the framework of approach.

Mr. Pavlucik offered his assistance where appropriate, and will wait to hear from somebody.

3. Energy Asset Management

Superintendent of Maintenance Joe Sewack was present, along with Cheryl Russo and Tom O'Brien of Clough Harbor & Associates in order to discuss the following three points:

- Review of "proposed bridge" from Phase 1 to Phase 2
- Review LOCIP eligibility and program guidelines
- Review expanded scope of program for Phase 2

After discussion, Alderman Anglace recommended, in order to negotiate, that we get together as a committee with Clough Harbor and work out the details and price of Phase 2.

The financing and all of the rebates will become part of Phase 2 if the bridge isn't done. Clough Harbor would roll everything they were going to do in the bridge directly into Phase 2 and just go forward – it would be the fastest solution.

At Plumb Library, Clough Harbor will come up with a more efficient solution, using the window air conditioners as a comparison.

Alderman Anglace stated, to efficiently manage the heating and air conditioning at all city buildings, this has got to be addressed.

We have to negotiate a price for the construction manager process. We have to agree and go to work and recommend to the full Board. \$9,800 is not a good expenditure, and we have to look at the air conditioning at the Library. We may have to hold a special meet of the Finance Committee. There can be a payback period of no longer than five years. We also have to discuss the need of a building committee. There should be at least a three-member building committee; even if it's not required.

The dollar amount is \$100,000 that triggers the need for a building committee.

Alderman Anglace will set up a special meeting prior to the next full Board meeting.

4. 38-40 Oak Avenue Drainage Issue - Claim

This claim is still being reviewed by the Insurance Carrier.

Alderman Anglace explained that the history is that all claims used to come to the Board of Aldermen to decide. Early on, this administration took the politics out of claims and turned all claims over to the insurance company. It is the insurance company that adjudicates the claim. From there on, if they decide to, they pay it, unless the claimant is denied. If it's decided not to pay the claim, then it doesn't come to the Board of Aldermen, the claimant takes it to court. It is out of the realm of the Board of Aldermen.

5. Booth Hill School Construction – Viking Construction Contract

Corporation Counsel Tom Welch was present. He noted that this item is scheduled for action at a special meeting of the full Board on Thursday.

The start date is February 1. Work will be conducted during the February and April vacations. This work will include some asbestos removal and some staging. The anticipated completion date is August 23.

This was negotiated and put to bid. Viking Construction was the low bidder. Some issues were resolved by the correspondence attached, titled "Standard Form of Agreement Between Owner and Contractor." Included is the \$3,740,770 price for Viking Construction. It shows a total budget with construction of \$4,413,500. A motion regarding funding will be necessary and required.

Alderman Anglace MOVED, per the recommendation of the Booth Hill Building Committee, to recommend to the full Board to approve the contract with Viking Construction for additions and alterations to Booth Hill School, with funding as previously approved by the referendum and in our budget; and further,

MOVED to authorize Mayor Mark A. Laretti to sign any necessary documents.

Alderman Anglace stated, \$3,740,770 is what is being approved. \$3.5 million was approved by referendum, leaving \$240,000 to meet the contract.

SECONDED by Alderman Kudej. A voice vote was taken and the MOTION PASSED 3-0.

Adjournment

At approximately 7 p.m., Alderman Minotti MOVED to adjourn; SECONDED by Alderman Anglace. A voice vote was taken and the MOTION PASSED 3-0.

Respectfully submitted,

Patricia M. Bruder
Clerk, Board of Aldermen