



BOARD OF ALDERMEN  
SHELTON, CONNECTICUT  
***FINANCE COMMITTEE – OCTOBER 4, 2007***

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**Call to Order / Pledge of Allegiance**

Alderman Stanley Kudej, Chairman, called the meeting to order at 5:30 p.m.

**Roll Call - Finance Committee**

Alderman Stanley Kudej, Chairman, present  
Aldermanic President John F. Anglace, Jr. - present  
Alderman Christopher Panek – present

Others Present:

Alderman Randy York  
Corporation Counsel Thomas Welch

**Public Session**

**Dave Goiello, 65 Walnut Tree Hill Road**

I'm here to talk about the Senior Tax Relief. The proposed ordinance to freeze property taxes for certain eligible seniors is a welcome step that many seniors have been looking forward to for some time. It is unfortunate that the ordinance was not proposed 11 months ago when the State Statute that authorized this type of program became law. Had the City enacted the ordinance then, seniors would not have been hit with a 10 to 25 percent tax increase this year. I would strongly urge the Board to increase the income eligibility to perhaps \$50,000 so more seniors can participate. Other towns in the area have higher income limits. The freeze is a good first step. However we need to identify other ways in which seniors can get a break on property taxes without shifting the tax burden to other Shelton citizens. We all face higher fuel bills and electric bills, so asking other citizens to pay more so seniors can pay less is not the right way to go. We also need to give seniors as many options as possible when it comes to paying their

property taxes. While several options were discussed by the Committee that the Mayor appointed two years ago, they dismissed them. The City should give seniors choices so they can decide what is best for them based on their own personal needs.

Trumbull offers three different options as do other towns. They also all have higher income limits. The challenge to the City is, how do we pay for this tax relief for one group without raising taxes on another group? That is why I suggested more than two months ago that Shelton pursue a possible hotel occupancy tax that would provide additional money to the City. With five hotels currently in action and a sixth soon to be built, a six percent added tax to the room charge would generate more than a \$1 million of tax revenue per year to the City, and this at no additional cost to our own citizens. Thank you.

Patricia Bruder for Elizabeth Regan, 7 Pine Needle Drive

I am speaking on behalf of my mother. Ten years ago my mother sold her beautiful home on 24 Regan Circle, a home that my dad built for her. She felt she had to move because she couldn't afford to be there any more after my dad passed away. She couldn't afford the taxes on her home, so she moved into her condominium at 7 Pine Needle Drive, which is across the street from the Shelton Lakes Nursing Home – in an area that is considered "downtown Shelton." Her taxes went up so exorbitantly this year, because of the near-million-dollar homes that went up across the street – and increased the value of her condo. She moved to the condo in the first place because she couldn't afford to pay the taxes on her large home on over an acre of land, and now she's paying even more taxes on her little second-floor condo. That is the problem. She asked me to express to you that she feels she should not be paying more taxes on her small condo than she paid in her home. That is the root of the problem that needs to be addressed. Thank you.

Alderman John "Jack" Finn, 17 Princess Wenonah Drive

I have also received a number of phone calls from constituents in my district, as well as from other areas of town, expressing concern that the limitation is at 70. They would like to see it lowered to 65 and also include the disabled receiving the tax break as well. They are also having problems meeting their daily bills between the tax increase,

electric bill increase, gas increase, and all the other increases that go along with it. If you consider taking in everybody else, 65, disabled, I would appreciate it.

*Judson Crawford, 8 Jordan Avenue*  
*Member, Board of Apportionment and Taxation*

Good evening. The cost of living has grown faster than the income did for the elderly and disabled. To relieve some of this fiscal stress for senior citizens, the tax relief program should be expanded to make it available to a broader constituency. After reviewing your proposals, I would request that the Board of Aldermen consider two additional thoughts. One, the program should be offered to those seniors as was stated here, 65 and older, not 70, with a maximum income starting at \$50,000. This would be for the individuals receiving permanent and total disability benefits from the Social Security Administration. Two, that the party spends at least 184 days out of a year in their place of residence. I feel you should be warned that if seniors leave, young families will move in, increasing the cost burden on the Board of Education. Senior tax relief is not a charity. It is about common sense. I think the issue seems to be, can Shelton afford it? And the answer is, Shelton can afford it. The tax relief program would be based on the amount of money allocated and the property owners applying for it. The Board of Aldermen, should a new formula be adopted, now is the time before a new budget process begins. Thank you.

As of your 9-13-07 budget report that you have in your hands, number one, when the Board of Aldermen adopted the 2007-08 budget, account number 001-0000-331.28-00 Control Interest Tax TSFR was never included, yet \$24,920 has been received by the City of Shelton. From whom? For what?

I'm a little bit upset with the number of accounts that are in the negative. There are five of these accounts. Sick time buy back, Annual report, Recyclable collection, Municipal sewer usage, Animal shelter building committee. Total - \$261,759.  
Contingency General will not cover that amount.

Number three, the same as last year. The Fire Marshal gasoline account 001-2200-512.40-01 again - zero expended year to date, yet under the Fire Department, the Police Department, and Highways & Bridges, those accounts are being expended.

Finally, this question will be to all you of the Board of Aldermen and should be requested information, have all tanks of the City of Shelton that use #2 heating fuel been filled for the upcoming season? The heating fuel account still shows zero expended. There is \$110,000 appropriated.

I felt that you, the members of the Finance Committee, should be brought this information, and especially under that first item the Control Interest Tax. I would like to find out what the answer is, what that is for. Thank you.

1. Approval of Minutes

Alderman Anglace MOVED to waive the reading and approve the minutes of the Finance Committee meeting of August 28, 2007; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

2. August Statutory Refunds

Alderman Anglace MOVED to recommend to the full Board that the report of the Tax Collector relative to the refund of taxes for a total amount of \$6,239.21 be approved and that the Finance Director be directed to make payments in accordance with the certified list received from the Tax Collector with funds to come from the Statutory Refunds Account 001-0000-311.13-00; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

3. Approve HSBC National Bank USA as Depository for City Funds

Alderman Anglace MOVED to recommend to the full Board to approve HSBC National Bank USA, 704 Bridgeport Avenue, as a depository for City funds; SECONDED by Alderman Panek.

Alderman Panek stated, I'm not familiar with this coming before us in the past, are we using somebody else, are we changing to this?

Alderman Anglace explained, the depositories for funds in the organizational meeting of the Board of Aldermen, you approve the various city banks and finance agencies to be depositories where they can collect taxes and turn them in. It's just a conduit; a convenience. We extend that to all the banking facilities in town. This one is new.

Alderman Panek asked, so we're adding this to the list.

Alderman Anglace stated, we're probably going to get a request from Commerce Bank and any other bank that comes in. It's a convenience.

Alderman Panek asked, any bank can request it, and we just put them on the list?

Alderman Anglace stated, they don't make any money off of this, it's just a convenience for their customers – it allows them to come in and pay their taxes there.

The Tax Collector, who was in the audience, confirmed this.

Alderman Anglace stated, I'm not familiar with this bank. I would like to know what HSBC stands for. Please tell us what it means before the full Board meeting.

The Tax Collector said she would find out for sure and let the Aldermen know.

[Note – HSBC stands for Hong Kong Shanghai Bank Corporation]

A voice vote was taken and the MOTION PASSED 3-0.

#### 4. Proposed Senior Tax Freeze Ordinance

Alderman Anglace MOVED to recommend to the full Board the adoption of the Senior Tax Freeze Ordinance as presented at public hearing subject to the addition of the following:

- e. That this tax freeze program shall only be available to eligible Shelton taxpayers whose taxes are paid in full as of the date of application.

- f. Passage of this Ordinance shall be effective with the fiscal year commencing July 1, 2008 upon the Grand List of October 1, 2007.
- g. That it is the intent of the municipality not to establish a lien on the "frozen property."
- h. That it is the intent of the municipality not to impose an asset limit upon the applicant of the "frozen property."

SECONDED by Alderman Panek.

Alderman Anglace stated, presented at public hearing was the two-page document listing a, b, c and d. This motion adds e, f, g and h.

Alderman Panek stated, I have additional recommendations. First and foremost, I would like to recommend that in the first paragraph of the ordinance, we remove Connecticut General Statutes Sections 12-170v and 12-170w and replace that with Connecticut General Statutes Section 12-129n. The reason for my recommendation of that to this ordinance is that after investigating those Statute sections, those sections require us to follow the State determined income limits. Section 12-129n which I want to place in there allows the municipality to establish the maximum income limit, therefore we could increase the income limit, which would in turn allow many more seniors to participate in the program. If we leave it as it reads now, it will limit us to the maximum cap that the State has told us we must follow. If we change it to Section 12-129n it will allow us – our legislative body, our Board of Aldermen - to increase that amount and I believe we can increase it to \$50,000, I think it would be fair, and would allow that many more people to meet the guidelines and enter into the freeze program.

Alderman Kudej asked, how does that impact the non-qualifiers, the young people in town?

Alderman Panek stated, how does it impact them?

Alderman Kudej stated, I talked to Gloria this past week, and she said that the way it's set up right now, it wouldn't impact anybody until the next revaluation, because it would probably stay stable. The young folks weren't going to be slapped with any.

Alderman York stated, I believe that would stay the same no matter how many are allowed on it because until the mill rate changes the freeze is going to remain what it's at.

Alderman Anglace stated, when Counsel comes here I'll have him explain to you that Section 12-129 of the Connecticut General Statutes applies to tax credit programs, and not the tax freeze.

Alderman Panek stated, I can just tell you several people attended on Monday night the Trumbull meeting, as a matter of fact I brought copies for everybody to show you what Trumbull is doing, and what Trumbull passed, and I think it has a direct correlation to what we're doing here. Let me just read one of the elements in Trumbull's new proposal: "the income qualification limit would be increased to \$58,000 allowing more seniors to qualify for any one of Trumbull's three programs – their tax credit program, tax deferral program, or their tax freeze program." So Trumbull has just passed, Monday night, an increase to \$58,000 for credit, deferral, or freeze. The reason they're able to do that is because they don't cite the Statute that we're citing in this ordinance. They cite 129n. I spoke to Trumbull's town attorney, I spoke to their assessor's office, I spoke to their program administrator who administers their entire senior tax freeze program. That is the information I was given from them. I made copies of this for you. It also has a very descriptive page that shows the costs for Trumbull – what their current cost is, what their projected cost is for next year, how many seniors are involved in the program. I think you'll see the number of participants in the freeze program in Trumbull is very small. Trumbull has 980 participants in their senior tax relief program – 85 percent utilize the credit, 11 percent utilize the deferral, only 2.5 percent of those participating utilize the freeze. The reason for that is because the income guidelines. So along with increasing our income guidelines for the freeze, I feel we should reinvestigate our credit program that the Senior Tax Relief Committee worked on in 2005-06, and also investigate offering a deferral program. I'm in favor of looking – giving our seniors more options. Give them as many options as we can. Increase the income limits. Give them more than what is proposed by the current ordinance before us.

Alderman York voiced her support of Alderman Panek's research and proposals.

Alderman Panek continued, I've done some research in other towns – I've looked at Cromwell, Madison, Trumbull. They all have different income limits – from \$54,000 to \$58,000. It's not just in respect to their credit program. Trumbull just passed it on Monday night. We should definitely consider it an option before we pass the tax freeze ordinance. Just doing some research this weekend has enlightened me into a lot of different options we have to open this up to more seniors. I think we all can agree that opening this up to more seniors is going to be beneficial to them and it will accomplish what the intent of this ordinance was.

Alderman Anglace asked, did your research include reading the minutes of the Tax Relief Committee that we had in place here, and did you get the idea of what they suggested and why?

Alderman Panek replied, yes, I have copies of all of the minutes here. The minutes that are posted on our website are not verbatim, unfortunately, so they're very limited. They did speak about, they were investigating a freeze, a deferral and a credit, but that is the extent of the minutes you can read off of our website. Other than coming down here and pulling all the minutes, which I didn't have time to do this week.

Alderman York noted that the minutes from the spring of 2006 are not on the website, and the 2005 minutes are vague.

Alderman Anglace explained that only in the last year or so have all of the committees begun posting their minutes on the City website, but all minutes are available with the City Clerk.

Alderman York showed the Finance Committee members a 100+ page report with graphs and charts that was put out by the Tax Committee of Madison. The beginning of the report cites the enabling legislation, and then the report details every available option. Alderman York felt it was a very comprehensive investigation.

She read sections of Madison's report to the Finance Committee members, noting that Madison opted not to use the 12-170 enabling legislation because they felt the section was too restrictive. It was the consensus that the towns that offer more options use 12-129n because it allows more flexibility. She asked that although the Finance Committee is considering the motion to adopt an ordinance for just a tax freeze, why not take a good look at it and try to expand it.

Alderman Anglace suggested, why don't we pass it and form a committee and let them look into the details. You are talking about tax credit programs, and not tax freeze. If you want to take another look at it, we'll form another committee and let them work on it. We are in the process – the hotel tax is something that I've been looking at. In fact one of the newspapers asked me what I'd do to pay for it, and I said I'm not prepared to say at this point. Nobody can say with any certainty until you find out a lot more information about their occupancy rates, how much money it would generate. That is a very good source because it is not being paid by Shelton citizens. It's coming from outside. We didn't have hotels in this town until very recently. Now that they're here and another one's coming, they might as well contribute. We can get started, form the committee, and get moving from there. This is an opportunity we shouldn't miss.

Alderman Panek stated, I agree with that, but I still think we should change the statute section in there that allows us flexibility as a Board of Aldermen to increase the limits. If you look on Trumbull's plan, they have people making \$40,000 to \$50,000 that qualify for the plan. Right now we're going to be locked in at the State,

Alderman Anglace interjected, no, we're not locked in on anything. If there are other opportunities that allow us to do this then we can see what they are and we can always amend the ordinance. We visited, when we had the Elderly Tax Relief Committee, we not only read, they not only brought in information but we visited some of these other towns. Some of them are cuckoo. Fairfield gives so much money away they've transferred something like \$6 million over from the senior group to the younger group. Our people at the time, they got scared, they said, this can't be. You can't transfer this kind of money. You don't know what you're getting into until you get into it, until people sign up and you see who is eligible. I wouldn't have a problem adopting this and going forward and creating a committee and looking

at it more comprehensively in other areas as well. That wouldn't bother me.

Alderman Kudej stated, we do have a state tax credit and a local tax credit that are in effect right now, and this is something in addition to those credits.

Alderman Panek stated, if you look at what other towns offer, I'm not saying we're going to, first of all you can look at Trumbull's number, that's proof right there. The number of people involved in the freeze is 25 people out of 1,000. Let's not pretend this proposed tax freeze is going to include 500 seniors in Shelton. The reason I think, if we're going to work on this once and send it to full Board, let's leave it open so that the Board of Aldermen, without having to revise an ordinance, can meet once a year and look at it and determine if they want to change the income requirements. I think that's why Trumbull does it. Their council meets and they can increase the income limits without having to have a senior tax relief committee for 60 days every time they want to change their senior tax relief program. I think that's the way we should do it here. Are you opposed to changing it to that Statute which would allow the Board of Aldermen to,

Alderman Anglace interjected, I'm for adopting the Senior Tax Freeze Ordinance as presented with these changes. We can always put together an Elderly Tax Relief Committee again, let them go to work on it, and see where it takes us.

Alderman Panek stated, so you are opposed to allowing the Board of Aldermen the authority to increase the income limit?

Alderman Anglace stated, I'm not opposed to allowing the Board of Aldermen, I can't tell the Board of Aldermen what to do, I'm in favor of presenting this ordinance as proposed with the subject adjustments e, f, g and h and that's what I'm interested in having the Board of Aldermen act on. If the Board of Aldermen wants to play Santa Claus, they can do it later on. Let's get this program started. We know it works, we know it's in, we have to see how many people apply for it. We have about 500 people on the tax credit programs as it is now. Most of them could be eligible for this tax freeze program.

Alderman Panek stated, I'm in favor of the Senior Tax Freeze Ordinance with some recommended changes, but I see no reason why we need to rush this ordinance through in the month of October when the application process doesn't start until February. There is no reason why we can't investigate this another month and look at some other options.

Alderman Anglace stated, I'll tell you why, if you don't adopt this now, you'll find you'll appoint an Elderly Tax Relief Committee, it will take them two years before they get around to making their recommendations and this program will be lost.

Alderman Panek stated, you'd only have to reappoint the committee once for Senior Tax Relief, and then the legislative body has the ability to make changes to the program. We've already had a Senior Tax Relief Committee so we can make changes to the program.

I'm just saying that as a member of the Board of Aldermen Finance Committee, this is the one chance I have to add my opinion and recommended changes. If you want to vote against those changes or you don't agree with those changes, that is your right. I feel that those changes are going to increase the number of seniors that qualify and give more flexibility to the seniors. I don't know why anybody would be opposed to that.

Alderman Anglace stated, I think that those changes are just not something that I can vote for right now. I think that I'm not sure what your 12-129n stands for and I think it encompasses the tax credit programs only, because the enabling legislation that I read does not allow you to deviate from the State income guidelines. I can't see how this is at all pertinent.

Alderman Panek stated, I'd say then we should at least hold off until Corporation Counsel Welch can make a determination on that.

Alderman Anglace stated, Counsel wrote this ordinance.

Alderman Panek stated, other towns are doing it, so if other towns are doing it illegally, then they're doing it illegally. I certainly agree that we should have Counsel's approval.

Alderman Anglace stated, you make comparison to other towns, but there is no other town that you can compare that has the low tax rate that we have. Why don't you compare things like that? These guys are the giveaway artists. Look, our Tax Relief Committee after 18 months said, they do not recommend any shift of the tax burden from the seniors to the juniors. That is the way they put it. The seniors who were at that meeting, many of them said the same thing – well, I want the tax relief but I don't want to shift the burden onto my kids. The kids came in and one of them said, hey, look, I've got two children going to college. I can't take more of a tax burden. Their recommendation was the double the current tax credit and let it go at that. Now 18 months of work from those people – we just disregard it? I say we go with the tax freeze. You want to appoint a new Elderly Tax Relief Committee? Gladly. Let them go to work. We can always come back and adjust it.

Alderman Kudej suggested holding off a vote on this item until Corporation Counsel Welch arrives.

Alderman Anglace stated, why hold off until he arrives? Corporation Counsel Welch wrote the thing.

Alderman Kudej stated, I'm in favor of a tax freeze, but I'm against shifting anything toward the younger people because they've got it worse than some of us seniors. I'm a senior already. I'd love to have my taxes frozen and be able to go on.

Alderman Panek stated, I have more items to discuss.

That is what I'm interested. Let's get the program started. See how many apply for it.

Alderman Anglace stated, if towns like Trumbull and Madison and all these towns, if they think the State income guidelines are too low, why don't they go back to the State and tell them to raise them? The State has figured these as the poverty level. This applies to many State programs, not just this one.

Alderman York reiterated that the Statute Section 12-129n enables the towns to change it to a level that they (the town) can afford to offer. It gives the towns the flexibility.

Alderman Anglace stated, I don't think we are empowered to change that income designation at all.

Alderman Panek stated, I don't think we should vote as a Finance Committee if we are unsure of whether this legislation is allowed to be used. I think we need Corporation Counsel Welch's opinion before we vote on this. I am presenting a statute that says one thing and the ordinance says another thing. I'd like an opinion from Corporation Counsel Welch.

Alderman Anglace stated, the ordinance says what the Statute allows. He quotes from the Statute. If you look at the enabling legislation, it specifically refers to the State guidelines on income.

Alderman York noted that it is only a matter of changing the Statute number in the ordinance. She stressed that the Statutes currently cited in the ordinance may be changed to the one Alderman Panek is suggesting.

Alderman Anglace stated, if they reference in the Statute the qualifying income program then, in no place in the Statute does it say that if you leave that out then you can raise it to anything you want. They specifically say you've got to use the income guidelines that they set.

Alderman Panek stated, in that Statute. That is why we want, let me read you 12-129n: "and meet the requirements which may be established by such municipality with respect to maximum income allowable." 129n allows the municipality to determine the maximum income. This is the Statute that Trumbull uses. It doesn't mean we have to increase it by any certain dollar amount. We can all come to an agreement on it.

Alderman Anglace stated, I'll be glad to hold this in abeyance until Corporation Counsel Welch gets here.

Alderman Kudej stated, 129n refers to it as a tax relief program, it doesn't refer to it as a tax freeze.

Alderman Panek stated, if Corporation Counsel Welch rules differently, then all these other towns have illegal tax relief programs. We'll find out from him.

I have other discussion on the ordinance. Underneath the listed a, b, c, d items. The next three paragraphs that start with "whereas" and "now therefore," is that part of the ordinance?

Alderman Anglace replied, no. That is not part of the ordinance. The ordinance starts here "Be it ordained by the Board of Aldermen ..." and it lists a, b, c, d, e, f, g and h.

Alderman Kudej stated, we will hold this in abeyance until counsel gets here.

[Corporation Counsel Welch arrived, discussion continued]

Alderman Anglace stated, I proposed to add sections e, f, g, and h to the ordinance as presented at public hearing. During the discussion, Alderman Panek said to use Statute 12-129n. If you do not adopt this subject to Statute 12-170 and 12-170w, then State law allows you under 12-129n to use any income number the municipality wants. You set your own limits.

Corporation Counsel Welch stated, I would have to look at the statutes.

Alderman Panek gave Corporation Counsel Welch a copy from Trumbull, stating, several people went to the Trumbull meeting Monday night as they were in the process of changing their Senior Tax Relief Program. I spoke with the Trumbull Town Attorney, the Tax Assessor and the Program Administrator. This is an outline of the program they're using. They said that citing Statute 12-129n give the municipality the authority to change the income limits for a senior tax credit, senior tax deferral and a senior tax freeze. I just wanted clarification on whether or not if we change that in the proposed ordinance that would allow us to change the income limits and not be locked into the State guidelines for income limits.

Alderman Anglace stated, my position is that we should adopt the ordinance as we've set it up and we can always form an Elderly Tax

Relief Committee if we want and let them go to work on it. If this town feels as if they want to do more, let the committee come back, let them research it.

Corporation Counsel Welch stated, I can research both points.

Alderman Anglace stated, I think we should pass it as proposed tonight and then by next Thursday when the Board meets we can have the research completed and come back with some information for us. Personally, I'm not about to vote on what Trumbull or Milford does, or anybody else. My view of the Statutes based on the information you provided, it says we can do what we are proposing. So let's do it.

Alderman Panek stated, I'm not disputing whether we can do what we're proposing. I think we can do what we're proposing. But I think changing it and citing that Statute as the Legislature allows us to change the income limits is going to allow more seniors to be involved in the program. I am in favor of that. I think that as a member of the Board of Aldermen and member of the Finance Committee, I would hope the other members of the Finance Committee would allow Corporation Counsel Welch the time to review this prior to just – I don't understand, and I didn't understand last week what the rush of pushing this through so quickly was. The application timeline doesn't start until February. We have plenty of time to pass this. We are all in favor of the Senior Tax Freeze – I think everybody on the Board of Aldermen is. There is no reason to rush this tonight to get it to the full Board next week. We can look at the Statute, get the clarification, before we pass this tonight. Certainly if one of my co-members on this Finance Committee asked for the courtesy to have Corporation Counsel Welch review something of this importance I would give them that, and I would hope the same from the other members up here.

Alderman Anglace stated, I just don't agree with the statement that we have plenty of time. Because when you form a tax review committee believe me, it took 18 months the last time.

Alderman Panek stated, but we don't need to form another committee.

Alderman Anglace stated, then that's all the more reason we don't have plenty of time. If we don't have to form a committee, we can always amend it.

Corporation Counsel Welch stated, the Statute that is part of this that we've been discussing has those, the State poverty limits.

Alderman York explained to Corporation Counsel Welch that Alderman Panek is making this proposal in order to be able to raise the income limits to \$50,000, because the people that spoke at public hearing thought the tax freeze was a wonderful idea, but felt it was too restrictive. This change would enable the Board of Aldermen to broaden it to higher incomes.

She stated, if we use 12-129n then we as a municipality can decide what we can afford, what that income level is we can afford to expand to not only the freeze, but every other avenue of our senior tax relief. The credit program, we can look at a deferral program again, we can open up the whole thing again legislatively without having to reappoint the actual Tax Relief Committee. There is so much information out there now that we could do that.

Alderman York again pointed out Madison's research packet, explaining that all the information is there, we can benefit from their experience.

Alderman Kudej stated, on the other hand, if you look around the communities around us, they're paying a lot higher taxes today than we are. What I'm afraid of is, we're so intent on giving so much to the seniors, and I'm not opposed to that because I fall into that senior category. I don't want to look at my son and say, hey pal, you've got to make up the difference. I think we crawl before we run. Let's adopt something, but let's not go overboard. Gloria (Kovac – the Assessor) feels very comfortable with what's been proposed right now.

Alderman Anglace asked Corporation Counsel Welch to look into it and let the full Board know on Thursday of his findings. He then MOVED the question.

Alderman Panek MOVED to AMEND the motion to remove Connecticut General Statutes Section 12-170 and 12-170w and replace it with Connecticut General Statutes Section 12-129n in order to allow the City of Shelton to establish the maximum income limit and allow more senior citizens to participate in the Tax Freeze Program.

There was no SECOND to the amendment. Amendment failed for lack of a second.

Alderman Anglace stated, I am not seconding the motion because I don't believe it has merit.

Alderman Panek stated, I asked to hold off on moving the motion and moving the ordinance until we got a clarification from Corporation Counsel Welch but it is apparent that the other members of the Finance Committee are not going to allow me that courtesy. That is why I made the amendment.

Alderman Anglace MOVED the question.

A voice vote was taken and the MOTION PASSED 2 Yes, 1 No (Panek).

5. Purchase and Installation of Automatic Irrigation System for Riverview Park

Alderman Anglace MOVED to recommend to the full Board to add the purchase and installation of an automatic irrigation system for Riverview Park at Riverview Avenue and Wheeler Street to the Capital Improvement Plan with funding in the amount of \$25,000 to come from LOCIP; SECONDED by Alderman Panek.

Alderman Panek stated, the low bid was \$24,600 and the motion reads \$25,000. Should we change that amount to the amount of the low bid, or do they need extra money?

Alderman Anglace stated, you probably can change the amount from \$25,000. They haven't explained why they want more, so \$24,600 - change the number.

Alderman Anglace asked Mr. Crawford, who is a member of the Board of Apportionment and Taxation Finance Committee, if he knew of anything different. Mr. Crawford replied no.

Alderman Panek MOVED to AMEND THE MOTION to read \$24,600; SECONDED by Alderman Anglace. A voice vote was taken and the AMENDMENT PASSED 3-0.

A voice vote was taken and the MOTION PASSED AS AMENDED 3-0.

6. *Non-Collusive Bidding Certificate*

Alderman Panek explained that he placed this item on the agenda and had forwarded it to Corporation Counsel Welch for discussion and possible action tonight.

[Corporation Counsel Welch arrived, discussion continued]

Alderman Anglace stated, we are all in agreement on principal.

Corporation Counsel Welch stated, I think everybody has to understand what goes out to bidders and what some bidders see. Every process is different. If this is something you're going to adopt you want everybody to have it. Sometimes you don't have a bid package - a formal bid package. When we hire a professional service to go out and prepare a bid package you have a nice, formal bid package, like when we were doing the High School, or the roof at the Community Center. You have a bid package that you can put it in - the non-collusive certificate.

You also have less formal documents - one page documents, so you can put them in that package. So if you're putting out a non-collusive bid package, understand you have different forms of packages.

Then, as part of a contract, you can make the form as an attachment to the contract as well, but understand sometimes we don't have a contract, we have purchase orders which act as our contract, so it should be attached to that.

If you're going to take this step, you want to make sure it blankets what you're trying to do so you don't leave anything out of the loop.

The second thing is, it is illegal to collude. So to have a certificate, you also don't want to go down a slippery slope - we have a non-collusive certificate. The argument is that it's illegal to collude in a bidding process. It's also illegal to discriminate for any reason. You can have the certificate, whether you adopt it by resolution directing the Finance Director to include this in all contracts, all bids, whatever your

preference is, but also understand it is illegal to do it, and it's illegal to discriminate on contracts. You're covered whether you do it or not, and if you do it, my reaction to it is, just make sure you cover all bases.

Alderman Anglace stated, the intent of the non-collusion affidavit is to protect the integrity of Shelton's purchasing process. That is the intent. We all agree on that. How to do it is where we have difficulty agreeing. Alderman Panek has a suggestion for an administrative policy to establish this. It makes seven points. Then there is a non-collusive statement, requiring a notary, that must be sent in with the bid. If you don't send it in with the bid, you are disqualified as a bidder.

Corporation Counsel Welch stated, I would make the non-collusion certificate as part of the contract, but understand that you don't have formal contracts on a lot of things. You have purchase orders.

Alderman Anglace asked, why can't this go on the basis of making it part of the purchase order? You are the successful bidder, it's right in the purchase order, the same as it's in the contract. You come in, you've got the job, sign here. Now we've got the successful bidder who has got to certify to non-collusion. The rest don't have to certify – we don't have to keep that paper – we don't have to manage that paper.

Alderman Panek stated, it would be grounds for disqualification – but it doesn't mean you would automatically be disqualified. I don't think the way it reads that it means you're automatically disqualified. You could be for not turning it in, but if it's an honest mistake, somebody forgot to put it in there with their bid, the original intent was to have this included in all bids. I don't think it would be a lot to manage – a one-page affidavit. The reason I typed up this policy is because that seemed to be the direction the Finance Committee was headed in. They want to send it to the full Board for passage as a policy. I think it should be included in all bids. I wanted Corporation Counsel Welch to review it to see that it was a legal document in terms of all of the language. I looked at a dozen other communities that have non-collusion affidavits in all of their bids and I tried to pull out what I thought were the important points of it. I just wanted Corporation Counsel Welch to review it.

I don't see the reason why we wouldn't want to get it up front with the bid – make all bidders aware of this policy before they turn in a bid. There are specific things on there that may prevent them from bidding. They might not be able to bid.

Alderman Anglace stated, I left out one thing. Lou Marusic suggested that a non-collusive agreement be part of every bid advertisement, so that everybody is aware that it is going to be required.

Alderman Kudej stated, so you send out the notice, but the only one that has to sign the non-collusive agreement it is the successful bidder.

Corporation Counsel Welch stated, as long as you notify the people that they will be required to sign it if they are the successful bidder, you can require it. Again, you're not going to let them, even if they don't sign it afterward, because it's illegal. Collusion is illegal. The only reason I think they wouldn't sign it is if they colluded. But it is illegal to do that. But to put both of your points together, what Lou is saying is that you'd have a notice that the successful bidder would be required to sign a non-collusive affidavit.

Alderman Anglace stated, I think we'd like to see something in the form of a policy that, number one, restates the intent and purpose of this, secondly that details what the procedure is going to be for the various bids that we seek. If we're going out for Requests for Proposals for a major project, that's going to be in the final agreement, the contract.

Corporation Counsel Welch stated, the reason you've got to be consistent across the board is, the big bid packages already have a form contract in there, so that non-collusive certificate will be a part of it. The other is, as you talked about, purchase orders. But the purchase order doesn't go out to the bidder to begin with. They ask for quotes or get bids in and they send out a purchase order to purchase. They send out a request for quotation, I want 1,000 widgets, please give me a price. Then they send a purchase order to the successful or lowest quotation. You want to make sure that there is a certificate on it, or notice that there's going to be a certificate signed.

Alderman Panek asked, the low bidder is going to have to come back to City Hall to sign the affidavit after they find out that they're the low bidder? The dollar amount – I wasn't sure but I put it in there at \$1,000. My experience is that there is always a non-collusion affidavit in there that you have to get notarized when you're doing municipal bidding. Other municipalities do that as well.

Alderman Anglace stated, I think that the reason you said \$1,000 and the reason that I agreed with you is Section 714 of the Charter which deals with the bidding says that you go to bid for all purchases over \$4,999. Sealed bids. But from \$1,000 to \$4,999 you obtain three written proposals and you purchase from the lowest proposal received. So there's a lot less formality.

Corporation Counsel Welch stated, you can call for your three proposals – I'm not trying to make a compromise here – but if you included everything over \$4,999 as part of the bid package and get it signed with all the bids, and then the ones that you have to get three quotes on are just signed as part of the contract or the purchase order because you're not actually sending it out. You're not sending a document out so there is nothing to do. You are calling up and asking, how much for you to do this?

Alderman Anglace stated, I'll buy into whatever you come up with. We need a compromise. We're in agreement on the intent of what we want to do and maybe, if I'm being too firm on the procedure,

Corporation Counsel Welch stated, it's clear to me reading the minutes and all the discussion I've been party to or heard from, is that everyone agrees to have a non-collusive certificate, it's a matter of, and I spoke to the Finance Office today and they're ready to do it as well. My suggestion would be, when you're asking for three quotes, is that it's made part of a purchase order or they're required to sign as part of the purchase order or the contract. I would suggest that anything that's going out to bid because there's a document that has to be sent out and a document returned is that they have a non-collusive certificate, and anything that goes out to bid over the \$5,000 threshold. That is my recommendation.

Alderman Panek asked, does the Board of Aldermen have to pass a policy?

Alderman Anglace stated, we need to pass a policy that amends the purchasing regulations.

Corporation Counsel Welch stated, it's really an administrative directive. You could just ask that they do it, or you could just have a resolution of the Board that in all bids,

Alderman Anglace interjected, and if we don't get into too much detail on it and just cite the policy versus the details, we might be able to move forward with it.

Corporation Counsel Welch stated, you could do it as,

Be it resolved by the Board of Aldermen that all bid packages and contracts in excess of \$5,000, all bids returned have to have the non-collusive attached, all contracts have to have the non-collusive included. For anything you need three quotes for, the winning quote of the three has to have as part of the purchase order the non-collusive.

Alderman Anglace stated, let's do it formally. Let's agree to accept the motion that Corporation Counsel Welch just made, subject to putting that motion in writing, sending it to Theresa and everybody else so we can all see it before next Thursday, and we'll move forward on it.

Alderman Anglace MOVED to recommend to the full Board to amend the purchasing regulations of the City of Shelton that all bids (\$5,000 and over) will require the non-collusive bidding certificate be included. And purchases from \$1,000 up to \$4,999 where three written quotes are required – the winner (lowest quote) must sign the non-collusion bidding certificate; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

7. *Revision to Ordinance #782 – Procedure to Sell City Property*

Alderman Anglace noted that this item has been sent back from the full Board as there was question as to what the word "significant" means as pertains to this ordinance. The State Legislature has just adopted a definition for the word and they've adopted a number of \$10,000. Corporation Counsel Welch will explain it.

[Corporation Counsel Welch arrived and discussion continued]

Corporation Counsel Welch stated, I read Alderman Panek's comments and in reviewing the Statute which became effective four days ago, they actually gave a threshold, and I think it's a reasonable threshold to use, is the \$10,000. You have to hold a public hearing on any sale of real property in excess of \$10,000. I think the word "significant" – I will add a paragraph to that ordinance that says, "Significant will be defined as any sale of property in excess of \$10,000."

This new law effective four days ago says you have to have a public hearing on any property you sell over \$1,000. I think Shelton was ahead of the curve by adopting this because the State actually filed suit on it, but they put the threshold so if it's a sliver, a tax lien for \$1,000, we're not worried about it. It makes reasonable sense. The State put it in there, so you have to have it over \$10,000, so you might as well put it in the ordinance.

Alderman Anglace asked Corporation Counsel Welch to amend the ordinance to include that language.

Alderman Anglace MOVED to recommend to the full Board approval of the Procedure to Sell City Property Ordinance as amended and presented at public hearing and included herein by reference; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

**PROCEDURE TO SELL CITY PROPERTY  
REVISION TO ORDINANCE - #782**

Definition:

From time to time the City may be asked or may decide to sell real property owned by the City and hereby determines that a procedure shall be provided regarding the sale of said real property. Said procedure pertains only to property which the Board of Alderman consider significant.

PROCEDURE:

When a request is received asking to sell City owned real property or the Board of Aldermen decides to sell City owned real property which the Board of

Aldermen considers "significant". "Significant" will be defined as any sale of property in excess of \$10,000.

The Conservation Commission and Parks & Recreation Commissions are asked for their opinion. The Board of Aldermen specifically wants information regarding the property's open space, conservation or recreational value to the City.

If the answer were "yes" and the Board of Aldermen agrees, the Board of Aldermen will consider this information.

The Board of Aldermen will then seek an 8-24 referral from Planning & Zoning.

If the 8-24 is favorable to sell, the Board of Aldermen may proceed with this process.

If the 8-24 is unfavorable, the Board of Aldermen must override the unfavorable by a 2/3 vote in order to proceed.

If the Board of Aldermen wishes to continue the sale process, they shall have the property appraised.. Any appraisal received shall not be disclosed until after the sale has been completed.

The Board of Aldermen shall hold a public hearing in accordance with P.A. 07 - 218, when applicable.

If the Board of Alderman wish to proceed with the sale process, the Board of Aldermen can then proceed to advertise that it is accepting bids with a cutoff date to receive sealed bids. Each bid must be accompanied with a check equal to one (1%) percent of the amount bid.

The Purchasing Agent would publicly open the bids and refer them to the Finance Committee of the Board of A & T who would determine the highest, responsible bidder. The Board of Aldermen reserves the right to reject any and all bids.

The Board of Aldermen approves the price and authorizes the sale.

**Specifically excluded from this process is the sale of real property located within a Redevelopment Plan or a Municipal Development Plan as designated by the Board of Aldermen. The Board of Aldermen shall determine the process of the sale of real property located within a Redevelopment Plan or a Municipal Redevelopment Plan on a case by case basis taking into consideration any Grant and statutory requirements.**

8. City Hall Two-Way Radio Antenna System Replacement

Alderman Anglace MOVED to recommend to the full Board to add the City Hall Two-Way Radio Antenna System to the Capital Improvement Plan with funding in the amount of \$1,934 to come from LOCIP; SECONDED by Alderman Panek.

Alderman Anglace stated, the balance in LOCIP is \$145,693. We've taken some money out of there since this number was identified, but we've got enough money in there to cover it.

Alderman Panek stated, there is a memo from Bob Kulacz to our clerk in the backup. The last paragraph reads, "at this time we need an approval for an expenditure not to exceed \$1,600," but our motion says \$1,934. This backup is dated October 4<sup>th</sup>, which is today.

Alderman Anglace stated in the August 3<sup>rd</sup> memo, they say the cost estimate is \$1,934, and includes labor, and materials including a new transmission line. The estimate is from Comtronics in Stratford.

Alderman Kudej stated, the one from Utility Communications in Hamden is under \$1,600.

Alderman Panek stated, that's why I'm confused as to how much they need. This is dated today. We should change the amount to \$1,600.

Alderman Kudej asked, maybe there is a reason why the low bidder wasn't qualified – we should find out what they need.

Alderman Panek stated, it looks like they only have two quotes, we just need a clarification on the amount.

Alderman Panek MOVED to AMEND THE MOTION to forward it to the full Board **pending clarification on the amount**; SECONDED by Alderman Anglace. A voice vote was taken and the AMENDMENT PASSED 3-0.

A voice vote was taken and the MOTION PASSED AS AMENDED 3-0.

9. Overhead Garage Doors with Controls For Echo Hose Fire House

Alderman Anglace MOVED to recommend to the full Board to add the purchase and installation of a replacement overhead garage door with controls for the Echo Hose Fire House to the Capital Improvement Plan with funding in the amount of \$1,198 to come from LOCIP; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

Corporation Counsel Welch arrived at this point, approximately 6:30 p.m., and discussion and action on the previous items were concluded.

Adjournment

At approximately 6:56 p.m., Alderman Anglace MOVED to adjourn; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

Respectfully submitted,

Patricia M. Bruder  
Clerk, Board of Aldermen