COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

October 19, 2021 at 5:15 PM

Chairman T. Sapienza called the meeting to order.

The Clerk called the roll.

Present:	Aldermen T. Sapienza, Shaw, Stewart, Long
Absent:	Alderman Gamache
Messrs.:	R. Gagne

1. Communication from Robert Gagne, Assessor, requesting changes to the exemption benefit amounts for the elderly and disabled.

Robert Gagne, Assessor, stated in your package you should have my recommendation on changes for the exemption amounts for the elderly, disabled and the blind. When we do a reevaluation and the values go up significantly and we don't make changes to these exemption amounts, it dilutes the value of the exemption for these individuals. I have done an analysis based on a couple of factors applying my estimate of the new tax rate to come up with a number and also taking a look at the average increase in value on properties. My recommendations are on page 2. For the 65-74 category I am recommending $156,000, for the 75-79 I am recommending $210,000, for the 80+ I am recommending $280,000 and for both the disabled and blind I am recommending $156,000 to match the first step of the elderly.

Alderman Stewart stated I'd like to clarify that these amounts are the asset numbers.

Mr. Gagne replied no. If someone qualifies this is the benefit amount. For example, if they are 65 and getting the elderly exemption we would take $156,000 of value off before we calculated their taxes. If their house is assessed at $200,000 they would then pay tax on a value of $44,000.

Alderman Stewart asked has any thought has been given to the asset or income limitations.

Mr. Gagne replied yes. The BMA increased those amounts in the spring. They have already increased for this year. This part of it was not done yet because we did not know the changes of values and could not provide you a reasonable estimate. Back in the spring when I suggested changes to those, I did indicate in my letter that I would be coming back with this in the fall.

Alderman Long stated we spoke earlier about the income eligibility. When we changed it in the spring did it increase participation?

Mr. Gagne replied it did two things. We had some applications that would be denied under old limits that we held aside pending approval of the changes. We held those off and didn't deny them until we got new amounts; probably a handful. The normal deadline to apply is April 15th but the Board didn't take action until about that time. We extended the deadline to file about 45 days for anyone who didn't file because they didn't believe they would qualify. We didn't open it up for everyone. If you would have qualified under the old numbers, we didn't accept any applications from those individuals as they missed the deadline. For anyone who ended up between $37,000-$41,000 as a single or between $50,000-$55,000 for a married couple, we accepted those and there were maybe half a dozen who qualified under the new limits.

Alderman Long stated so we just did this in the spring so we really don't know if we will lose a bunch. I am just thinking that many of these people are working part-time to buy their medication or whatever they need. I don't see the applications like you do. If you are making $25,000 from retirement and SSI, I'm thinking that is what they are making if they are in their 70-80's. Is the $41,000…instead of working three days at minimum pay do I have to cut that down to make the $41,000.

Mr. Gagne responded well someone may have to decide whether working the extra hours is worth losing the exemption over. That is a personal decision. We need to set the limits at a number that will not allow someone to get the benefit if they are over the median single or household income levels. The discount should be for people who are not necessarily poor but who are of limited means on a fixed income.

Alderman Long stated so at $156,000 with the 17.6% anticipated rate, $27,500 is what they are saving. If I am losing $3,000 or $3,500 with my hours, it would be best to keep my hours and not take the exemption.

Mr. Gagne stated it is a personal decision. All we can do is look at the numbers at the end of the year.

Alderman Long asked are we limited by the state statute.

Mr. Gagne replied the only limit is it has to be at least a certain amount and I believe that figure is like $15,000. It is a very small amount. There is no upper limit. One town I can think of sets the upper limit at whatever the individuals make and it may be $200,000. They just have a policy that anyone over 80 isn't going to pay any taxes. This city can't afford that.

Alderman Long asked so there are towns that do that and say if you are over 80 you won't pay taxes.

Mr. Gagne answered they do it as a policy thinking it will keep kids out of the school system. In my opinion that isn't the correct way to approach that.

Alderman Long asked what numbers are we actually talking about - 200, 300, 400.

Mr. Gagne replied we had close to 900 elderly exemptions last year. The numbers are down this year. I think they are down for a combination of factors. We did a full review and found a lot of individuals who were no longer in their homes. They were either in a nursing home or passed away. If the number of elderly passing away because of COVID is up, then chances are the number of those receiving an exemption are down. We have also found that maybe some people are taking advantage of this hot market and cashing out while the cashing out is good. I don't have an exact number yet but can give a comparison after we do the MS1 in a few weeks. It will show this year versus last.

Alderman Long stated 900 exemptions out of 36,000.

Mr. Gagne stated in tax parcels we have about 32,000. Some of those are exempt.

*On motion of **Alderman Long**, duly seconded **Alderman Shaw**, it was voted to approve.*

Mr. Gagne stated if I could, I need this reported out tonight. I need this approved by the full board so that I can complete the MS1. If it is held off to the next meeting in November, then the MS1 will not be done.

TABLED ITEMS

2. Discussion regarding congregate housing in the city.
(Note: This item was referred by the Board of Mayor and Aldermen and discussed at the 2/18/2020 Administration meeting but due to time constraints, it was requested that it be put back on the committee agenda for further discussion.)

This item remained on the table.

Chairman Sapienza stated I have had some discussions with the DPW on item number three. They would like to see that off the table and received and filed. It is outdated and they want to do some work on that.

*On motion of **Alderman Long**, duly seconded by **Alderman Shaw**, it was voted to remove item three from the table.*

3. Discussion regarding stormwater utility funding.
(Note: Referred by the Board of Mayor and Aldermen on 2/4/20).

*On motion of **Alderman Long**, duly seconded by **Alderman Shaw**, it was voted to receive and file item 3.*

There being no further business, on motion by ***Alderman Long****, duly seconded by* ***Alderman Stewart****, it was voted to adjourn.*

A True Record. Attest.

Matthew Normand

Clerk of Committee