

A Special Meeting of the 26th Board of Representatives of the City of Stamford will be held Monday, May 17, 2004 at 8:00 p.m. in the Legislative Chambers of the Board of Representatives in the Government Center, 888 Washington Boulevard, Stamford, Connecticut.

Minutes

CALL TO ORDER: The meeting was called to order at 8:48 p.m. by President Martin. President Martin read the call of the meeting:

“I, David R. Martin, President of the 26th Board of Representatives of the City of Stamford, Connecticut, and pursuant to Section C2-10-4 of the Stamford Charter, hereby call a Special Meeting of said Board of Representatives at the following time and place:

Monday, May 17, 2004
8:00 p.m.
Legislative Chambers, 4th Floor
Government Center
888 Washington Boulevard
Stamford, CT 06904-2152

to consider and act upon the following:

1. Consideration of postponement of the 2003 revaluation as permitted by newly-enacted State law; consideration of repeal of recently-enacted Ordinance providing for the Phase-in of the 2003 revaluation, consideration of other items related to postponement of 2003 revaluation.”

INVOCATION: Led by Rep. Blackwell

“Let us bow our heads. Heavenly Father, thank You for another opportunity to assemble here this evening. Tonight, our Father, we have a strong task before us. Give us the courage and understanding so we make the right choice for our communities and our constituents and for each of our districts. Help us to be mindful as we make our decisions tonight. Because they voted us to be their decision-maker in their district. We pray that we will have an open mind tonight. Grant us the wisdom to be fair to all. This is my prayer. Amen.”

PLEDGE OF ALLEGIANCE TO THE FLAG: Led by President David R. Martin

ROLL CALL: Conducted by Clerk of the Board Annie M. Summerville. There were 38 members present and four members absent/excused (Reps. Coppola, DePina, Hunter and Nowakowski).

VOTING MACHINE: Clerk of the Board Summerville reported that the Voting Machine was in good working order.

2003 REVALUATION MATTER: Randall Skigen, Chair, Fiscal Committee

Chair Skigen reported that the Fiscal Committee met this evening at 6:30 p.m. Present were Committee Member Reps. Cannady, DeLuca, Fedeli, Giordano, Loglisci, Lyons, Mirkin and Skigen. Excused were Reps. DePina, Figueroa and Hunter. Also present were Reps. Boccuzzi, Blackwell, Kernan, Martin, McCullen, Molgano, Nakian, O'Neill, Clear and Summerville.

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| 1. F26.394 RESOLUTION; concerning a delay in the implementation of a revaluation of real property. 05/12/04 – Submitted by 26 th Board of Representatives | APPROVED
BY MACHINE
VOTE (33-3-0) |
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Chair Skigen reported that there were two items on the agenda. The first dealt with a resolution concerning a delay in the implementation of a revaluation of real property. Chair Skigen added that the Committee voted 4-3-1 for the resolution. Chair Skigen moved Item No. 394; said motion was seconded.

Chair Skigen stated the Committee heard from Messrs. Barnes and Forker regarding the delay and the impact it may have. The cost of the 2003 revaluation was approximately \$632,000. It is estimated that the cost of doing a revaluation in 2006 will be approximately \$2 million. That cost would, however, be incurred in 2007-08 regardless of our decision tonight, so we would be moving up that cost, not incurring a cost that we would be otherwise able to avoid. There will also be some additional costs for maintaining the software that supports the 1999 assessment as well as maintaining the software that we installed this year for the 2003 assessment. There is also an indication that there may be a need for additional employees in the tax assessor's and collector's office in order to deal with this issue. That being said, there are some upsides and some potential downsides.

Chair Skigen stated it is clear there will be an impact on homeowners in delaying rather than phasing in. The average home increased by approximately 8 to 9 percent. The delay in the revaluation would eliminate that increase. Everyone is aware of the fact that this is a chance. We don't know what the situation will be in three years. It is also clear that one of the upsides is that more seniors and more veterans will qualify under the recently-enacted ordinances because under the revaluation their home values would exceed the allowable maximum, and by delaying the revaluation they will have three years of tax relief that they might otherwise not have. All that being said, there was about a 45-50 minute discussion regarding this, it was approached by all angles, and the Committee voted 4-3-1 in favor of this resolution.

Rep. Mirkin stated that he shares the concern that his fellow colleagues have regarding the tax burden the residents of Stamford continue to experience given the spending increases by City government, and most recently the last revaluation. We are here tonight because the State legislature has enabled local government to postpone the recent revaluation without showing that the revaluation was in fact flawed. Those in favor of postponing it argue that this will give time for the State legislature to work on changing the ECS formula, which he agrees with, reviewing the total property tax relief, which he agrees with, and at the same time try to get more of the tax dollars returned to the City of Stamford, with which he also agrees. A delay or postponement of the revaluation will also allow time for a shift back from residential to commercial. That is where he disagrees. Based on recent history, there is little to think that the trend is going to change. Some would argue that it is not a cyclical but a long-term trend. He has yet to see any data that indicates otherwise. There was a hope that after 911 that businesses would leave New York City and come to Stamford, and we did have some short term gains that way. We know that businesses in recent years have left and there have been layoffs, and the trend could continue.

Rep. Mirkin stated that the fiscally prudent thing would be to phase in the revaluation and at the same time work with our state legislators to work on revision of the ECS formula and bring other forms of revenue back to the City. With a phase-in of the revaluation there is no guarantee that the tax increase due in Year 2 due to the revaluation would actually happen, and that may not happen because we can continue to hold City spending and at the same time get other revenue to mitigate the Year 2 and 3 revaluation impacts. Delaying the revaluation is a gamble; others may disagree but he was elected to make what he feels are prudent fiscal decisions – not to gamble with other people's money. He doesn't know what is going to happen, but historically in 1991 there was a 31% tax increase; Norwalk also tried it and it did not work. His sense is that a fiscally responsible decision is to vote no for the postponement.

Rep. Zelinsky thanked Speaker of the House Moira Lyons and our state delegation for pushing through this measure allowing us to postpone the revaluation for three years. His district has modest to very expensive homes, condos, cooperatives and apartments. He conducted a survey, and everyone supported the delay of the revaluation. First, many felt it was not done correctly. We have a unique opportunity this evening to help our Stamford taxpayers. Originally the revaluation was done every ten years, but for

some reason it was changed to every 4 years. We can give our taxpayers three years of breathing room. This delay has become an excellent option due to the significant rise in property values over the past several years.

Rep. Zelinsky stated that our Director of Administration estimates that taxes will rise 3.4 percent, assuming we go for the delay. If it is not delayed, it is expected they will increase 8 to 9 percent.

Rep. Zelinsky stated the bottom line is we have to listen to our residents and delay this revaluation. Rep. Zelinsky urged his colleagues to vote for this delay.

Rep. Browne stated that there is nothing wrong with the revaluation. The problem is whether we want to have this type of revaluation form the tax basis for the City of Stamford. Many years ago when we started developing the downtown, we wanted a shift in the tax burden away from residential to commercial. We have invested hundreds of millions of dollars on the backs of residential homeowners for the downtown area. These funds went to widen streets, build bridges and build the infrastructure of this City. The irony is that now the shift has come back to the residential owners, the same percentage that it was 30-40 years ago. That is because we haven't paid for any of this, we have just bonded it. And, he recently learned that our taxes to service this bonded debt is about \$32 million, and that may have been the entire city budget back when we first started building the downtown.

Rep. Browne went on to say that we as legislators in this room represent the homeowners in this town, and our obligation is to raise our families and educate our children. This town does not exist for the purpose of development. But, yet we have become beholden to this idea that we must develop, that we must spend more money in this large downtown. Rep. Browne stated this is a great place to live, but where is the check on the spending. The idea was that we were going to develop the downtown area, and we were going to tax commercial space and lower the burden on the residents. That has not happened. So, while the revaluation is not flawed, he will vote for the phase-in because it benefits the people who have built this town and who have put those hundreds of millions of dollars in it.

Rep. Lyons stated that collectively we have marched down this road as a political body in a pretty short order, and collectively the delegation in Hartford helped march us down this road and brought us where we are tonight. Clearly we can argue all night long whether the revaluation is valid, whether it is flawed, whether it is fair. The issue tonight is that the legislature has enabled us to provide immediate tax relief to the citizens for the next three years. If you take that into consideration versus phase-in the course is very clear for delaying the revaluation, because if you phase-in, your property tax increase phased in plus future annual increases could cause 21% future tax increases. Rep. Lyons urged his colleagues to support this item.

Rep. Esposito stated that he intends to support this with a great deal of trepidation. As the late Lathon Wider used to say: "I am a little bit concerned." Rep. Esposito stated he

is a lot concerned about what will happen in three years. He doesn't want us to leave thinking we have dodged a bullet. What we are doing tonight is buying three years to change the way we tax people. He is not going to be idealistic and say that we are going to cut this budget. He has been on this Board with a Republican mayor and on this Board with a Democratic mayor, and he has not seen us cut a whole lot in the budget. So, he is not going to say that we can cut the Board of Education or anywhere else to deal with the problems we will face in three years.

Rep. Esposito stated that if we assume that the disparity between commercial and residential property is going to disappear within three years, that is a false hope. As some have said, he doesn't see any day on the horizon that says that commercial property is going to suddenly increase in value and residential property is going to decrease. That trend is going to continue and may get greater. So we are in trouble in three years if we don't do something. What we need to do is to find alternative sources of revenue. Rep. Esposito refers people to the memorandum from Mr. Abbazia, the Chair of the Board of Finance, who suggests we seek local revenue diversification, like allowing local governments to retain a percentage of the state and/or income tax generated within the City or Town. He urges everyone here to pursue this. We have three years to do so. If we all don't work over the next three years, we are going to be in trouble in three years, and he hopes that doesn't happen.

Rep. Day stated that Rep. Esposito covered what he was going to say. He believes the agreement to phase-in rather than to delay is a capitulation in a sense with the status quo. We have an opportunity by postponing for three years to undertake some significant reforms, not only in the method of raising revenue but hopefully some methods of controlling spending at the same time. Rep. Day feels that the revaluation was not technically flawed, but the system itself that provides for this revaluation is in fact flawed because it calls for a snapshot in time that may or may not be accurate, and while there are some risks involved, it is unlikely in his opinion to be worse. It is likely in three years to be the same or a little more in balance. We have undergone, in terms of real estate cycles, an anomalous divergence between residential and commercial, where residential values have soared and commercial values have not. That is not a typical situation. The system calls for a snapshot, and that snapshot could be flawed. He believes it is important for our credibility to work with those legislators who have provided this relief.

Rep. Loglisci stated that we are looking to give the taxpayers of this city a 3-year respite, and during that period he hopes we look to lower our spending and put pressure on our state to find a better way to fund items. He added that the problem here is that the promise was a lie that was made to the people of this City many years ago. Urban renewal was a lie when it said that this huge development would ensure that the taxpayers in Stamford would never face the burdens that they now find themselves facing. While we need a community of businesses and corporations, the truth is what we really need is to make sure that the citizens of Stamford can stay here. Stamford's location will always bring businesses here, but we have to make sure that our road system, our corridor from Washington to Boston, is taken care of. Traffic is going to kill

us, not holding off on three years on this revaluation. We have to make sure that our citizens can stay here. He is concerned about why people are selling their homes and leaving Stamford and is concerned that they not leave because they are forced out. Rep. Loglisci said we have three years to give direction to the State and to let the State know that we are not going to accept from the State down to the City whether we can survive as a prosperous community. He will vote yes on this item.

The motion approved by a machine vote of 33-3-0 (See [RCS Vote Record No. 509](#)).

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| 2. F26.395 | PROPOSED ORDINANCE; rescinding Ordinance No. 1028.
05/12/04 – Submitted by 26 th Board of Representatives | APPROVED
BY MACHINE
VOTE (36-0-0) |
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Chair Skigen moved Item No. F26.395. Said motion was seconded. Chair Skigen stated there was a Scrivener's Error in the ordinance: the reference to a regular board meeting held on Monday, May 17, 2004 should be changed to a Special Board Meeting.

Chair Skigen moved to waive publication; said motion was seconded and approved by unanimous voice vote.

The ordinance was approved by a machine vote of 33-3-0 (See [RCS Vote Record No. 510](#)).

Chair Skigen thanked his committee for its hard work.

President Martin stated that the mill rate is being set this Thursday, and Mr. Abbazia has invited a delegation from the Board of Representatives to attend. Mr. Skigen, Mr. Loglisci and Mr. Martin will be attending.

ADJOURNMENT: Upon motion duly made and seconded and approved by unanimous voice vote, the meeting was adjourned at 9:33 p.m.