



Fiscal Committee - Board of Representatives

John Mallozzi, Chair Jay Fountain, Vice Chair

Committee Report

Date: Monday, January 30, 2012
Time: 7:00 p.m.
Place: Democratic Caucus Room, 4th Floor, Government Center, 888
Washington Boulevard, Stamford, CT 06905-2098

The Fiscal Committee met at the above time and place. Present were: all members of the Fiscal Committee (Chair Mallozzi, Vice Chair Fountain and Reps. Day, DeLuca, Fedeli, Figueroa, Loglisci, Mitchell, Rauh, Sklover and Summerville); Reps. Layton, McNeil, Coppola, Franzetti and Velishka; Anne Fountain, Director of Health; Ernie Orgera, Director of Operations; Peter Privitera, Acting Director of Administration; Robert Murray, Health Department; Karen Cammarota, Grants; Smith House Board of Directors Gerald Bosak, Henry Yoon, David Berman, Sharon Bradley and Lewis Pace; Ken Povodator, Esq., Law Department; and Peter Brown, Fire Department.

Item No.	Description	Committee Action
1. F28.238	PROPOSED ORDINANCE; <u>for public hearing & final adoption</u> ; amending Article V Additional Veterans Property Tax Exemptions, Section 220-13, Exemption Provided to increase grand list exemptions to \$7 million from \$5 million.	COMMITTEE APPROVED 6-0-0

Chair Mallozzi opened the public hearing; there being no one from the public present to speak, the public hearing was closed.

Upon motion duly made and seconded, the item was approved for final adoption by a vote of 6-0-0 (Reps. Mallozzi, Day, DeLuca, Fountain, Loglisci and Summerville in favor).

2. F28.252	REVIEW; reorganization of Smith House administration (i.e., city taking over management of the facility, establishing new management positions, etc.).	REPORT MADE
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Mr. Berman and Ms. Bradley stated:

- Smith House has an excellent reputation, but it is fiscally challenged.
- The Board is looking to make changes and provide greater operational control to try and solve the cash flow problems.
- The Board will need the City's support to fund its marketing plan, and to improve and enhance some of the services being provided.
- The Board has not provided adequate oversight for many years; and the City has ignored Smith House for many years.
- The Board has looked at the other municipally-owned nursing home, Nathaniel Witherell, which is profitable, and believes that Stamford should be able to achieve the same results over a 4-5 year period.
- The management company is not able to turn the facility around and is not able to get the right people on board.
- The Board has already revamped the admissions process with the help of an attorney.
- The Board is working with the City's HR Department to hire an Executive Director. The Executive Director will then participate in hiring a financial person and an admissions director.
- The Board has not taken a formal vote on this process.
- The Smith House Board is an advisory board and does not perform hiring, firing, etc. (unlike Nathaniel Witherell's board, which is a fiduciary board).
- The facility needs to increase its private pay census.

Pete Privitera explained that Smith House is actually a City Department, and is an Enterprise Account (meaning that it produces revenue). City administration has control over the direction of Smith House. City taxpayers subsidize Smith House at about \$1 million per year.

Chair Mallozzi stated that the City previously managed Smith House and never did a particularly good job.

Rep. Day added that as a former board member:

- It is a better facility than Nathaniel Witherell, and if it can make money, there is no reason Smith House cannot make money.
- The City has to make a commitment, including funding the marketing plan and improving the appearance of the facility.
- The key to running the operation is the census.
- He is concerned that Premier brings a gamut of expertise that will be difficult to find in one or two people (e.g., licensing, inspections, processing of Medicare and Medicaid)..

Pete Privitera stated that he has met with the Board, and the administration is committed to supporting the Board's efforts at Smith House.

Rep. Sklover stated that he does not think the City should be running this facility but rather should focus on other municipal responsibilities. Mr. Velishka asked why we owned a nursing home in the first place. Reps. Day and DeLuca responded that:

- The City historically owned it, the land having been donated to the City for the sole purpose of operating a nursing home.
- The City is unable to sell the facility in today's market.
- The State will not allow the City to shut down the facility, and if it did allow it, it would take years to accomplish.
- There is really no other option other than to try and improve the facility's finances.

Rep. Summerville stated that historically, the Board of Reps has always been supportive of maintaining Smith House.

3. F28.249 \$3,500.00	ADDITIONAL APPROPRIATION (Grants Budget); Children's Dental Health; funds to purchase supplies and two computers for oral health and dental sealant program.	COMMITTEE APPROVED 7-0-0
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Ms. Cammarota stated this is for the dental sealant program for second-graders. Ms. Fountain stated that these laptops would be exclusively used by the dental program. Upon motion duly made and seconded, the item was approved by a vote of 7-0-0 (Reps. Mallozzi, Day, DeLuca, Fountain, Loglisci, Mitchell and Summerville in favor).

4. F28.250 \$500,000.00	ADDITIONAL APPROPRIATION (Grants Budget); Brownfield 69 Walter Wheeler Drive; Contracted Services; funds from CT Dept. of Economic and Community Development for remediation of contaminated land..	COMMITTEE APPROVED 7-0-0
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Ms. Cammarota stated the City applied for this grant on behalf of BLT. It will be used for property owned by BLT, however only municipalities can apply. It is to remediate contaminated soils. Harbor Point will spend its own funds, under an approved state remediation plan. Then Harbor Point will submit its invoice to the City, the State will reimburse the City, and the City will reimburse BLT.

Rep. Loglisci stated that BLT could not access these funds without going through the City. Rep. Day asked whether the City could incur any liability; Ms. Cammarota responded that it is on a reimbursement basis and the State has to approve the work. Upon motion duly made and seconded, the item was approved by a vote of 7-0-0.

5. [F28.251](#) ADDITIONAL APPROPRIATION (Grants Budget); **COMMITTEE**
\$500,000.00 Brownfield 406 424 Wash. Blvd.; Contracted **APPROVED**
Services; funds from CT Dept. of Economic and **8-0-0**
Community Development for remediation of
contaminated land..

Ms. Cammarota stated that this is similar situation to Walter Wheeler Drive, described above. Upon motion duly made and seconded, the item was approved by a vote of 8-0-0 (Reps. Mallozzi, Day, DeLuca, Fountain, Loglisci, Mitchell, Sklover and Summerville in favor).

6. [F28.254](#) ADDITIONAL APPROPRIATION (Grants Budget); **COMMITTEE**
\$24,327.00 Lead Poisoning Prevention; funds to provide blood **APPROVED**
lead screenings at daycares and multi-unit housing **8-0-0**
complex sites, two intervention fairs and case
management.

Ms. Cammarota stated that these are state funds. Upon motion duly made and seconded, the item was approved by a vote of 8-0-0.

7. [F28.258](#) ADDITIONAL APPROPRIATION (Grants Budget); **FAILED IN**
\$237,824.00 AIDS Ed. Risk Reduction; funds represent second **COMMITTEE**
half of annual grant. **0-8-0**

Ms. Cammarota stated that they are withdrawing this item. Mr. Privitera asked that the item be rejected so that he could resubmit the entire item. Upon motion duly made and seconded, the item was rejected by a vote of 0-8-0.

8. [F28.257](#) ADDITIONAL APPROPRIATION (Grants Budget); **COMMITTEE**
\$1,105,288.00 VITA Health District; in partnership with Charter **APPROVED**
Oak Communities, Stamford Hospital and **10-1-0**
community groups, to establish VITA, a new health
and wellness district on the West Side.

Ms. Cammarota stated that this is a HUD grant for the VITA District of Charter Oak and Stamford Hospital. It will pay for a study to include traffic improvements, to help locate small businesses on the West Side, shared parking strategies, road reconstruction and alignment and also some affordable housing.

Rep. Summerville requested a copy of the application be sent to the Board Office. Vice Chair Fountain confirmed that there were some in-kind costs involved with the contract.

Rep. Loglisci asked exactly what the City will get or accomplish from these funds. Ms. Cammarota stated that this is a health and wellness district, and has 3

components. They will retain some consultants to look at the district. They have a concept study, and this will focus on more particulars.

Upon motion duly made and seconded, the item was approved by a vote of 9-0-0 (Reps. Mallozzi, Fountain, Day, DeLuca, Mitchell, Summerville, Figueroa, Sklover and Fedeli in favor; Rep. Loglisci opposed).

9. F28.253 \$33,563.00	ADDITIONAL APPROPRIATION (Operating Budget); Laboratory; Contracted Services; to establish a fund to pay for outside laboratory to perform water testing of well water samples (a corresponding revenue account will be established to offset this expenditure).	COMMITTEE APPROVED 11-0-0
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Ms. Fountain stated that fees charged to homeowners will replenish these funds.

Upon motion duly made and seconded, the Item was approved by a unanimous voice vote.

10. F28.255 \$50,000.00	ADDITIONAL APPROPRIATION (Operating Budget); Legal Affairs; Law Professional Consultant; funds to cover legal fees related to several federal lawsuits, professional consultants/expert witnesses, Smith House collection activities, and other similar activities.	HELD IN COMMITTEE
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This item was not taken up as the Board of Finance held it.

11. F28.256 \$350,000.00	ADDITIONAL APPROPRIATION (Capital Budget); Stamford Fire & Rescue; Fire Training Center; to construct a storage building that will allow year-round use of the training facility..	COMMITTEE APPROVED 10-1-0
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Peter Brown explained that this will allow the Fire Department to hold year-round training. In addition, they will be able to store equipment in the facility.

Upon motion duly made and seconded, the Item was approved by a vote of 10-1-0 (Rep. Sklover opposed).

12. F28.259	REVIEW; methodologies that are used to assess residential and commercial properties in upcoming property revaluation, including state law, charter/code requirements	REPORT MADE
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Mr. Povodator explained:

- Under State law, the City is required to do a real property assessment every five years, with a physical and more detailed inspection done every ten years (the detailed assessment is being done this year).
- The City has contracted with Vision Appraisal to perform this assessment, and they have already started work.
- The historically-preferred methodology in assessing the value is comparable sale, the idea being that Fair Market Value is defined as what a willing buyer will pay a willing seller.
- Without comparable sales, other methods are used, such as income capitalization, cost of construction, actual rental income (for commercial properties)
- Things like distressed properties, vacant buildings, depressed markets, all effect the assessment.
- When doing income capitalization, the courts say to consider actual rental income as well as market income. The capitalization rate is merely the inverse of a yield.
- In response to questions of whether there will be a shift in tax burden from commercial to residential or vice versa, Mr. Povodator stated that he cannot predict the outcome. Someone will look at sales data and then adjust it for the October 1 assessment date. There are too many unknowns at this point to make this determination.
- In response to questions regarding postponing the revaluation, Mr. Povodator stated:
 - Last year 5 municipalities requested a postponement, and the Legislature did not act.
 - This year, there are only 3 municipalities (of which Stamford is one) requesting the postponement. He does not know if this will affect the Legislature's action.
- In conclusion, Mr. Povodator stated that:
 - There is no true answer or right number. Value is an opinion.
 - There are various measures and ways of trying to calculate value.
 - New construction must be taken into consideration when calculating the grand list (and in determining whether there is a shift in burden from commercial to residential).

The meeting was adjourned at 8:45 p.m.

Submitted by,

John Mallozzi, Chair

This meeting is on [video](#)