

**MINUTES OF THE CHESHIRE TOWN COUNCIL SPECIAL MEETING HELD ON THURSDAY, JANUARY 24, 2019 AT 6:00 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Robert J. Oris, Jr. Chairman; Paul A. Bowman, Vice Chairman; Patti Flynn-Harris; Sylvia Nichols, Thomas Ruocco, Timothy Slocum; Peter Talbot; David Veleber.

Absent : Jeff Falk

Staff: Sean Kimball, Town Manager; Al Smith, Town Attorney; Arnett Talbot, Assistant Town Manager; James Jaskot, Finance Director; William Donlin, Tax Collector

Chairman Oris called the meeting to order at 6:01 P.M.

**1. ROLL CALL**

The clerk called the roll and a quorum was determined to be present.

**2. PLEDGE OF ALLEGIANCE**

The group Pledged Allegiance to the Flag.

**3. Discussion and possible action re: tax deferment program for Federal employees affected by the federal shutdown.**

Chairman Oris explained that the State of Connecticut has advanced a bill to give some relief to federal laid-off employees. He said it is important for the Council to discuss this issue and make a decision to approve or defer municipal action.

Town Manager Kimball reported that this came about last week from CCM informing the town that legislative action was being considered for this enabling legislation, specifically for federal employees who are not being paid for furloughed employees. For the Town of Cheshire the property tax and sewer use fee deadline is February 1<sup>st</sup>. The proposed resolution is before the Council, and it was tailored just for Cheshire residents...not just Cheshire taxpayers. It is a municipal option, participation is at the discretion of the Town Council, and it can be designed for the town.

Tax Collector Donlin stated that the only change was the sewer use water assessment and some other charges omitted from the original bill. Everything requested was in the legislative bill.

MOTION by Mr. Bowman; seconded by Ms. Flynn-Harris.

BE IT RESOLVED, that the Town Council approve Resolution #012419-1

RESOLUTION #012419-1

BE IT RESOLVED, that the Town Council, pursuant to Connecticut Bill No. 5765 as enacted and attached, defers the due date of residential taxes on real property, motor vehicles and sewer rates, charges or assessments due to the Town after December 22, 2018 from affected employees, identified as a federal employee who is a resident of Cheshire and is required to work as a federal employee without pay or furloughed as a federal employee without pay due to the FY 19 partial federal government shutdown that began on December 22, 2018. This deferment ceases sixty (60) days after the individual is no longer an affected employee; thereafter, any portion of the deferred amount not paid shall be assessed all interest and penalties provided by law retroactively to the original due date of said deferred amount. Affected employees must show proof of eligibility by providing a federal employee identification card or recent paystub, the federal tax identification number of their employer, and proof of Cheshire residency to qualify, and every thirty days thereafter to maintain eligibility.

Discussion

Mr. Veleber asked about the scope of the enabling act and how many people would be affected in Cheshire.

Mr. Kimball advised the town has received one (1) sewer use bill request to the Tax Office. Some requests have come into the Human Services Department, and Cheshire people are calling the town to offer help to residents in the situation. There are 1,500 affected people in Connecticut, and the average number in Cheshire would be 12 people.

According to Ms. Flynn-Harris the Cheshire Community Food Pantry has been approached by one family (federal employee) for assistance. She spoke to Ms. Piccerillo and, at this time, no one has approached the Human Services Department, She said it is also possible people do not know about the offering of department services. With the SNAP program phased out, people can run out of food, and the food pantry is concerned more people will need help.

It was stated by Mr. Slocum that this type of action, for any class of Cheshire resident, has never been taken on such a matter, even during a deep recession. Mr. Slocum feels he is being asked to make a political decision for representatives he has never voted for in the State, and he will not vote in favor of the resolution as a matter of principle. He stated this is gravely unfair to 99% of Cheshire taxpayers. He added that most people with mortgages have an escrow with the bank for tax payments, and some banks are offering free interest loans to affected people. Mr. Slocum does not think this is a Cheshire problem.

Mr. Ruocco asked about waiving the fees for the taxes.

It was clarified by Mr. Kimball that the proposal does not waive taxes due, but waives the penalty of 1.5% per month, 18% annually, for taxes due January 1<sup>st</sup>. The penalty

assessment would be 3% on February 1<sup>st</sup> (for late January and February tax payments), and this is what is being waived.

Chairman Oris understands that people have sixty (60) days from the end of the furlough to make tax payments, without penalty.

With mortgage payments paid by these people, Mr. Ruocco said their escrow would also be paid. He commented on many people with hardships for many reasons beyond their control, who never had the advantage of this type of program. He is struggling to make an exception for such a narrow group of residents. If it were made available to everybody during the time the program is in place, there would be others coming forward with hardships. Mr. Ruocco believes this is an unequal treatment of the law.

A question was asked by Mr. Bowman regarding the average taxes for the average homeowner/resident in Cheshire, and average penalty fees.

Mr. Donlin replied that the property taxes run from \$3,000 to \$12,000 and the average is about \$7,000. The average penalty could be about \$100 per month; 3% the first month (for 2 months January and February); and 4.5% the second month.

Mr. Bowman sees a difference in that the federal employee is still working, versus someone whose company moved out of town or out of state and are not reporting to work on a daily basis. He asked about this proposal being only for people who have reported to work without payment.

For clarification, Mr. Oris said there could be people working without pay, or furloughed without pay, and in neither case can they collect unemployment.

Ms. Talbot advised that the State has legislation for unemployment pending federal government approval.

Stating he would support this proposal, Mr. Talbot said he can make a distinction between other groups and this group. It will be a limited number of people in town; one inquiry has been received; and it is for people presently working but not getting paid through no fault of their own. There are benefits to residents and he would support the proposal.

The situation of a person whose unemployment benefits run out, without any relief, was raised by Mr. Ruocco. He believes there is politics behind this shutdown and does not want to play into it.

Mr. Nichols talked about making an exception for this group, and going forward, other groups make the same request and need concessions. She is sympathetic to the workers, but concerned about starting a precedent for another future similar situation. She raised questions about a resident's business not doing well due to government

issues, and wanting some relief from the town. Ms. Nichols believes people have hardships and she is torn about this matter.

Mr. Talbot noted that there are differences, and he cited a company moving out of the area, with employees receiving severance, unemployment and other benefits, giving them time to move forward. The people affected by the shutdown have jobs, some are furloughed, working without payment, and receiving nothing in the short term. The proposal is not "fixing" but assisting them through this period.

This is a government play and Mr. Bowman said it will continue with whatever crisis comes before us...with more coming in the future. He asked Attorney Smith about supporting the resolution, if it is precedent setting, a burden on future Councils, or just on a one-on-one basis.

Attorney Smith does not think there would be much precedent setting value. It is a deferral, not a forgiveness, of penalty on taxes. No one could say that such a Council action obligates future Councils...there is no entitlement to this action. Were the Council to make decisions going forward on race, gender or any of the protective classes, there might be a claim. By doing what is proposed, there would be no claim.

Unless there is enabling legislation, Mr. Kimball said future Councils cannot, by statute, set up this deferral.

This is a local option and Mr. Donlin said it is up to the Council whether Cheshire would participate. He advised that the Tax Department does take credit cards for tax payments.

Ms. Talbot stated that, by law, the town must charge penalties and interest on overdue taxes.

This is a one-time thing based on these circumstances and Mr. Talbot said the regular low kicks in after the shutdown ceases.

There was a brief discussion on the timing of the opportunity to act on the resolution...before tax payments are due on February 1<sup>st</sup>.

Attorney Smith stated this is the only opportunity for Council to act on this matter, but looking backwards it could waive interest already paid...this could be treating some people different than others. There is no contemplation of reimbursement of payments already made.

Stating he is torn and struggling on a decision about this matter, Mr. Oris sees benefits in helping people. It is not the Council's job to get into this political fight. There would be something done for a select group of people, not being done for others in a hardship position.

Mr. Veleber talked about seeing both sides. He cited one benefit to this group versus other groups, in that they will be paid in the near future with a premium payment to offset the situation. He said there is a difference between someone with unemployment benefits. The town will also lose money in the short term.

Ms. Flynn-Harris stated this group was furloughed through no fault of their own, has no means of getting money other than relying on their reserves. More and more people live paycheck to paycheck.

In response, Mr. Oris said most people have lived that scenario at some time. There are options for this group, i.e. 0% loans. Mr. Oris has concerns whether the town should even be weighing in on this issue.

The Council discussed tabling the matter for further consideration.

Mr. Bowman and Ms. Flynn-Harris withdrew the motion on the floor.

#### **4. Corrections of typographic errors in Resolutions #011519-2 and #011519-9.**

MOTION by Mr. Talbot; seconded by Mr. Veleber

BE IT RESOLVED, that the Town Council approve Resolution #012419-2

#### RESOLUTION #012419-2

BE IT RESOLVED, that the Town Council approves the corrections of the typographic errors in Resolutions #011519-2 and #011519-9.

#### Discussion

Resolution #011519-2 – “use of Town-owned School facilities...”

Resolution #011519-9 – “B. Tax Deferral 2019-2020; Single Qualifying Income \$36,000; Married Qualifying Income \$43,900”

Ms. Talbot explained that these errors came through the Town Manager’s office, and Council is required to correct them for the record.

VOTE           The motion passed unanimously by those present.

#### **5. ADJOURNMENT**

MOTION by Mr. Veleber; seconded by Mr. Slocum.

MOVED to adjourn the special meeting at 6:35 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk