TOWN OF WEST GREENWICH
TOWN COUNCIL
SPECIAL MEETING
MAY 6, 2009

A special meeting of the West Greenwich Town Council was held on May 6, 2009. Present were Robert Butler, Thaylen Waltonen, Susan Woloohojian and Kelly Stewart. Mark Tourgee was absent. Also present were Town Admininistrator Kevin Breene, Town Solicitor Michel Ursillo and Tax Assessor Charlene Randall. Members of the Tax Stablization Committee, Sandra Bockes, William Clay and Margaret Gartelman were also present. Butler called the meeting to order at 7:33 p.m.

MEETING WITH TAX STABILIZATION COMMITTEE

Butler reviewed the Tax Stabilization Ordinance. He reported that the Committee had met and that there was no consensus. Following is the report of that committee:

December 29, 2008

Tax Stabilization Review Committee—Report of

The town council appointed a six-member citizen's committee to review the future impact of the tax stabilization program on town revenues and to make recommendations for the council's consideration that will lessen such impact on the town while preserving the stabilized tax benefit for senior residents. This is the report of the committee's findings and recommendations.

I. Tax Stabilization Program—Definition of Purpose

The tax stabilization program was adopted on June 14, 1972 to provide relief from rising taxes to the town's senior residents, so that they could remain financially able to remain in their homes while living on retirement incomes. The town also received a benefit since senior occupied residential properties would not be available to families with school-aged children to educate.

II. Summary of the Committee's Findings

The committee determined that any meaningful relief to town revenues will require changes to the tax stabilization program that affect both new applicants and currently enrolled beneficiaries.

The committee examined nine optional changes to the tax stabilization program to determine an option or options that will yield sufficient revenue relief to the town with minimum impact on participating seniors. Of these, eight options were found to yield insufficient revenue relief; reduced benefits to seniors; required significant increase in administration over-sight; could not be fairly implemented, due to the unequal effect of location on home-site values; and/or could not be melded with the existing tax stabilization program. The committee, unable to reach consensus on any option other than raising the age of eligibility, is recommending six of the options for the town council's consideration.

III. Tax Stabilization Program—Increasing Burden to Town

Currently there are 223 households, which are 13 percent of the 1951 town's households, on the tax stabilization program. There were thirty new applicants in 2008. The 2008 revenue loss was $291,439 up 68 percent since 2004. With the increases in life expectance and in applicants for stabilized tax, the loss of revenue can only worsen. (2000 census data shows that 39 percent of West Greenwich's population is now reaching age 44—64.)

The loss of revenue to maintain the tax stabilization program along with the unreliability of state aid to the town and school district, the cap on tax levy increases imposed by the 3050 law and the town's increasing share of the school district budget has forced the town council to use town reserve funds to maintain town services.

The 3050 law imposes a percentage cap on the amount of annual tax levy increase allowed to the town; it also applies the same percentage cap to the annual increase allowed for the school budget. Since the dollar amount allowed in the school budget increase is based on a budget significantly larger than the dollar amount allowed in the town's tax levy increase, the town's share of the school budget is consuming more and more of the town's tax levy leaving less each year to fund town services.

The council has been prudent with available resources as these external factors squeeze the town budget development. But now the council reluctantly must seek some relief from the town's standing commitment to the tax stabilization program, which is the revenue resource under its control.

IV. Trade-Off Analysis

The committee used three standards to evaluate and determine an optimum change to the tax stabilization program. The standards were:

- Will the optional change provide substantial near-term revenue relief to the town,
- Will the change preserve a meaningful benefit for senior residents, and
- Is the option equally applicable to both new applicants and prospectively to those currently receiving the benefit?

Nine optional changes were evaluated using these standards. However except for recommending incrementally raising the age of eligibility, the committee was unable to reach consensus on any change to the tax stabilization program or any new program to replace stabilized taxes for seniors.

1. Tax Deferment

The committee recommends this option for the council's consideration. Tax deferment is the optimum option. It ideally conforms to the standards above. Senior residents will not see any change in their annual stabilized tax. If applied prospectively, the town will regain all or part of lost revenue from the effective date that the option is adopted. If legally viable, the town council could decide to retroactively apply the tax deferment option to regain more revenue. An example of the revenue relief, using actual tax data, provided by tax deferment is shown in Table 1 of the appendix to this report.

The tax deferment option requires that, beginning with the date of option adoption, the accumulated amount of annual tax reduction afforded to each senior by the tax stabilization program be recorded and filed as a lien on the stabilized property. The lien, payable to the town, will come due when stabilization is terminated as provided in the stabilizing ordinance. The amount of the lien payable to the town could be in full or in part if the town council places a cap on the amount to be repaid.

Three members of the committee were opposed to the tax deferment option. They maintained that seniors may want to preserve the full value of their property for their heirs, medical expenses or other unforeseen expenses. Seniors should be offered an alternative tax reduction program that does not encumber their property with a tax lien. These members of the committee proposed that the town council consider replacing the tax stabilization program with a new program selected from options 2—5 below. These programs are used in other Rhode Island towns. Since none of these alternative programs will provide any revenue return to the town, the annual tax reduction provided to seniors would have to be relatively small compared to the long term benefit of tax stabilization.

2. Provide an Age-Based Exemption to Property Evaluations

This option will exempt from taxation a portion of the home site evaluation. Four tiers of age-based exemptions are suggested starting the tax year following the year of application and approval. An example of how the option will provide annual tax deductions is shown in Table 2 of the appendix.

The exemption must be adjusted after each revaluation to maintain a reasonably even tax liability for seniors. This option will not provide adequate revenue relief without significantly increasing senior residents' taxes.

3. Tie an Amount of Tax Deduction to Age

This option will incrementally increase the amount of tax deduction to seniors based on advancing age. The option provides a percentage of increasing deduction to the annual regular tax on home-sites of seniors starting the tax year following the year of their application and approval. An example of the option's effect on a senior's tax is shown in Table 3 of the appendix. The duration of each age increment, and the amount of each incremental percentage of tax deduction could be adjusted to not significantly impact town revenues.

This option will not provide adequate revenue relief without significantly increasing the taxes of participating seniors. Moreover, age based reduction of taxes is contained in the existing tax stabilization program starting with zero reduction in the application year and increasing every year thereafter as the regular tax rate increases and the property evaluation is increased at three year intervals.

An example of progressive tax reduction afforded by the tax stabilization program shows that a senior entering the program in 1997 with property evaluated at $199,400 would have annual tax frozen at $3653. The regular tax on an equally evaluated property would also have been $3653 in 1997 and progressively increased to $4249 in 2000, $5461 in 2003 and $5709 in 2008. During this eleven year period, the senior resident would have received $13,195 accumulated tax reduction that the town could recover under terms of the tax deferment option.

4. Tie Eligibility to Income

This option will provide an amount of tax reduction to seniors based on their income. The option provides a reduction of property evaluation for all seniors and increased reduction of evaluation based on a combination of income and age. North Kingstown has such a program as shown in Table 4 of the appendix. The option could provide revenue relief to the town through reduction of benefit to all participating seniors, especially the more affluent.

Implementing the option will require significant increases in administrative oversight to keep it fair and honest. Determining income for eligibility is very subjective. Income alone, as shown on an income tax return form, is not a true means test for the ability to pay either a full or reduced tax. A senior's income may range from a small social security stipend to a generous pension plus social security. Homes may be mortgaged or owned. There may be hidden investment income. None of these factors show on the tax forms.

5. Implement a Ten-Year Declining Tax Liability Deferment

This option requires that a senior enrolling in the tax stabilization program assume a tax deferment liability for the first ten years of accumulated tax reduction. The option also applies prospectively to seniors who have participated in the tax stabilization program for less than ten years; however the number of years of participation, prior to the effective date of the option, will be subtracted from the ten-year tax deferment liability. The liability will be reduced in annual ten percent increments conditional on whether or not the property is sold or otherwise transferred during the ten-year period. If the property is sold during the second year of stabilization, the liability would be 100 percent of the tax reduction gained in that year (There is no tax reduction in the first year of stabilization.), if the property is sold in the third year, liability would be 90 percent of the accumulated tax reduction, 80 percent the fourth year, 70 percent in the fifth year, and so on until the twelfth year and thereafter there would be zero percent liability.

This option does not meet the standard for providing substantial revenue relief.

6. Raise the Age for Eligibility

A senior must reach age 65 to be eligible for the tax stabilized tax program. This option will decrease the number of seniors participating in the program by incrementally advancing the age of eligibility as shown below:

Year of Birth	Age of Eligibility for Stabilized Taxes
1942 and before	65
1943—1954	66
1955 and beyond	67

Albeit this option will not yield substantial revenue relief nor will it meet any of the other standards, it is recommended for consideration by the town council.

7. Freeze Either the Tax Rate or the Evaluation Not Both

This option would not provide adequate revenue relief without significantly increasing taxes billed to seniors. The tax stabilization program freezes the senior's tax rate and home site evaluation at the time of application. Thereafter annual taxes are based on the rate and evaluation at the time of the freeze.

Separately freezing the tax rate or the evaluation to implement the tax stabilization program is complicated by state law that requires property reevaluation at three-year intervals. This may result in a lowering of the tax rate in the year that the reevaluation goes in effect. The tax rate is then increased in subsequent years to accommodate town budget increases. Implementing the option to freeze either the rate or evaluation but not both with the three year cycle in effect will require annual readjustment of all senior accounts to keep reasonable continuity to their tax liability. For these reasons and the limited revenue to be regained without raising senior taxes this option is not recommended.

8. Tax a Portion of Stabilized Property at Regular Rate

This option would set an amount of home-site evaluation available for tax stabilization equal to the average home-site evaluation in the town. The amount of evaluation above this average would be taxed at the regular rate.

This option can be applied to new applicants and prospectively to current beneficiaries. The option will immediately increase revenues in the near-term without raising taxes on seniors with homes of average or less value. The town would regain the deferred tax in the manner of the tax deferred option above.

This option is not recommend, since it cannot be fairly applied due to the unequal effect of location on home-site values.

9. Repeal the Stabilization Program or Leave It Unchanged

These options were not within the charge given to the committee by the town council. However one committee member maintained that the tax stabilization program actually saves revenues for the town. The member's arguing point being that seniors, who can pay the reduced tax afforded to them by the stabilization program, will remain in their homes; homes that would otherwise become available to young families with school-aged children. And further that the increased tax paid by the new homeowners with children would not off set the cost to educate their children.

Appendix to Tax Stabilization Review Committee Report

Table 1—Stabilized Tax Deferment

Year	Property Evaluation	Frozen Taxes	Taxes	Savings
2008	313,400	2,476	4,807	2,331
2007	342,200	2,476	4,392	1,916
2006	342,200	2,476	4,184	1,708
2005	342,200	2,476	4,060	1,584
2004	204,800	2,476	3,789	1,313
2003	204,800	2,476	3,717	1,241
2002	204,800	2,476	3,338	862
2001	116,200	2,476	2,476	0
2000	116,200	2,476	2,476	0
			TOTAL	**10,955**

If property was transferred in 2008, revenue paid back to the town could be based on a percent or set dollar amount.

Examples: If 100% of taxes deferred, $10,955 would be paid back to the town. If 50% of taxes deferred, $5478.

$10,000 cap – town would receive $10,000.
$20,000 cap – town would receive $10,955.

Table 2—Percentage of Evaluation Reduction Tied To Age

Year	Property Evaluation	% deduction from Evaluation	Taxes (rate minus homestead)	Savings
2008	313,400	40	2,885	1,922
2007	342,200	40	2,634	1,758
2006	342,200	30	2,930	1,254
2005	342,200	30	2,841	1,219
2004	204,800	20	3,031	758
2003	204,800	20	2,974	743
2002	204,800	10	3,004	334
2001	116,200	10	2,228	248
2000	116,200		2,476	0
			TOTAL	**8,236**
	65 - 66 = 10%	67 - 68 = 20%	69 - 70 = 30%	71+ = 40%

Table 3—Aged Based Flat Tax Assessment Deduction

Year	Property Evaluation	Taxes	Flat Tax Deduction	Taxes paid after deduction	Savings
2008	313,400	4,807	1,250	3,557	1,250
2007	342,200	4,392	1,250	3,142	1,250
2006	342,200	4,184	1,000	3,184	1,000
2005	342,200	4,060	1,000	3,060	1,000
2004	204,800	3,789	750	3,039	750
2003	204,800	3,717	750	2,967	750
2002	204,800	3,338	500	2,838	500
2001	116,200	2,476	500	1,976	500
0	116,200	2,476		2,476	0
				TOTAL	**7,000**

65 - 66 = $500

67 - 68 = $750

69 - 70 = $1000

71 - 72 = $1250

73 + = $1500

Table 4—Flat Evaluation Exemption/Income Based Evaluation Exemption—North Kingstown Program

You must have owned property for 15 years

Two choices:

<u>Flat Evaluation Exemption</u>: $28,100 = one per household, no income requirement

<u>Income Based Evaluation Exemption</u>:

65 - 74 years = $80,000 -- $133,000 exemption

75 and older = $88,000 -- $146,300 exemption

Based on sliding scale:

Last year NK gave 1,191 flat exemptions costing $460,215 and

137 income based exemptions costing $213,021. NK serviced over 1300 people for $673,236.

Letters from Stabilization Review Committee Members Addressed to the Town Council Are Included with the Report.

The lack of committee consensus prompted four members of the committee to write letters addressed to the town council that express their personal views and recommendations regarding property tax reduction programs for senior citizens. These unedited letters are herein included with the stabilization review committee's report to the council.

WHY THE STABILIZATION PROGRAM SAVES THE TOWN MONEY:

Using the same example that was used in Option #3 [Tie the Amount of Tax Deduction to Age], of the senior entering the stabilization program in 1997 with a property evaluated at $199,400.00, I propose to show how, although over those eleven (11) years the senior's tax reduction (accumulated) would be a total of $13,195.00, this is actually a savings and a real bargain for the town.

If instead of having stabilized seniors in that home for those years, with a cost to the town of $13,195.00, there was instead a younger family in the home that was paying the full tax on the home, but that also had one (1) student in the school system, the net cost to the town would have been $68, 281.00.

If there were two (2) students going to school from that home, the cost to the town would have been $149,757.00.

Three (3) students would have cost the town $231, 234.00 over those same eleven (11) years versus the $13,195.00 that the stabilized seniors were costing the town, so perhaps you can see why I feel the program is actually a savings.

The above figures are based on the costs per student to the town for each of the years in question:

YEAR	COST/STUDENT
1998/1999	c. $5,076.46
1999/2000	c. $5,343.64
2000/2001	$5,508.91
2001/2002	$5,678.50
2002/2003	$5,958.89
2003/2004	$6,896.85
2004/2005	$7,307.54
2005/2006	$8,662.39
2006/2007	$9,844.61
2007/2008	$10,567.70
2008/2009	c. $11,096.08
TOTAL	$81,476.17

The first two (2) figures had to be extrapolated from the others, and the last one (1) is the estimate and has not yet been fully determined, but the others are accurate and public knowledge, so the total cost to the town <u>per student</u> for those years is probably within $500.00 to $1,000.00. The costs associated with the school system have increased more than 100% in just those few years, which I could barely believe and, frankly, find shocking. Trying to rectify this situation on the backs of the seniors is patently unfair.

However, I do feel that perhaps a fair compromise could be reached by using a combination of Option #6 [Raise the Age for Eligibility] and Option #5 [Implement a Ten Year Declining Tax Liability Deferment](possibly with an even longer declining period than the ten [10] years originally suggested, which I used because it made the figuring easier.) I don't say this because these were my suggestions, but because I think the others would place too great a burden on the seniors, which I will explain later.

Raising the age from 65 to 66 (and then 67) would gain the town an immediate benefit in full taxes being paid on a property for another year, which would also results in taxes that were stabilized at a somewhat higher stabilized rate should not create too great a hardship for most people, and would be a gain for the town.

Those people who have been stabilized the longest are starting to pass away. As they do, their properties will then be taxed at the current higher rate, but may also put students into the school system, which the higher taxes will not come anywhere near to covering, as I have shown above.

The reason I feel it would be unfair to place a permanent and growing lien on a stabilized senior's property, but think the declining one would be fair to both the senior <u>and</u> the town, is that it would encourage the senior to stay in the home as long as possible and it would allow that senior to pass the home on to a son or daughter, or a grandchild, or niece or nephew, if the person had no children (in which case they would <u>never</u> have impacted the school system) without also leaving a huge tax burden on the property.

Many seniors, because of having lost a spouse (and his or her income, even if only Social Security) and maybe never having had all that much money anyway and/or having been burdened by high medical expenses, may only really have their home to be able to pass on and nothing left to pay a high tax lien. Whoever they wanted to get their home at their passing may also not be in a position to be able to pay such an expense, and it would be a shame for them to lose the home their mother or father wanted them to have. It also could be the only way this son or daughter would ever be able to <u>own</u> a home of their own. Once they were in the home they would have to pay the higher taxes that would then pertain just like anyone else.

As I believe I have been able to show, the problem is with the exorbitant and rapidly escalating school expenses, not with the stabilized seniors that are actually helping to keep those from being even higher.

Sandra S. Bockes
November 14, 2008

TO: Honorable Town Council Members
FROM: Charlene Randall, Tax Assessor
DATE: December 2008
SUBJECT: Tax Stabilization

For the past several years I have voiced my concern regarding the stabilization program. I believe it is an important program to have available to the seniors of West Greenwich, however, the challenge lies in the Town's ability to fund it.

As you know, the cost to stabilize has increased from $173,099 in 2004 to $291,439 in 2008 which represents a 68% increase in 4 years. There were 22 new applicants for the 2008 tax roll for a total of 219 stabilized homes and currently 31 new applicants for the 2009 roll. That would mean 252 of the 1950 homes or 12.88% will be frozen next year. If we are to see another 68% increase in the next 4 years, cost to stabilize will be $489,618. However, it appears that the increase may be even higher than the previous 4 years.

The 2000 census showed the largest percent of the population was between the ages of 35 to 44. The second largest percent was between the ages of 45 to 54. I have run a query from the motor vehicle roll based on birth dates. These numbers do not reflect if a taxpayer has owned property for the required time or if the property is already frozen under a spouse. Excluding those two points, the data showed the following number of eligible applicants for the next four years:

2009	54
2010	56
2011	57
2012	74

Those statistics indicate the amount of homes eligible for the program would double to over 25% within the next four years. Couple that with the census data showing the two largest percents of our population will just begin turning 65 in 2010 and the town could rapidly see upwards of 40% of property stabilized within ten to fifteen years.

On the 2008 tax roll there were 6 properties frozen in the 1970's; 24 properties frozen in the 1980's; 63 properties frozen in the 1990's and 126 properties frozen since 2000. With people living longer, it is obviously realistic to say that many of the properties frozen today will still be frozen 20 years from now.

Tax revenue from residential properties in 2008 was $8,635,463. Revenue used to subsidize the stabilization program was 3.4%. Because of 3050, the revenue generated through taxes over the next several years will continue to decrease and eventually stabilize in 2013. As more and more homes become frozen, the percent of revenue needed to fund the program will increase while tax revenue generated will decrease.

I have thoroughly researched the options before you. When looking at these options I considered the following:

Can the option be administered without requiring additional staff?
Will the seniors' benefits change in any way?
Will the town be able to recoup some of the revenue expended?
Can the option be applied retrospectively?

I will first list the options that I do not favor and why.

1. Age Based Percent Exemption:

The percent of the exemption increases as the person ages. Example – 10% deducted for ages
65 – 66, 20% deducted for ages 67 – 68, and so on.

2. Age Based Flat Fee Deduction:

A flat fee deduction increases with age. Example - $500 deducted from bill for ages 65 – 66, $1000 deducted for ages 67 – 68, and so on.

3. Income Based:

The amount of deduction is tied to the household income.

4. Ten Year Declining Deferment:

This option is fashioned after the farm, forest and open space penalty structure. However, the longer the property is in the program, the less that is paid back and nothing is paid back after ten years.

All these options could be administered without additional staff. However, option 3 contains very personal and sensitive information. I can not assure the council that I would be processing the information myself although I don't foresee needing additional staff. Benefits as currently administered would change for seniors in options 1, 2 and 3. Some would no longer qualify and certainly the amount of exemption realized each year would not be as great as it is now. The town would not recoup any revenue unless they implemented deferment as well as the exemption. The town would see a savings each year because the senior would be receiving less than under the current plan. The only savings the town would see with option 4 is if the property was sold during the first 10 years of being stabilized. All four options could be applied retrospectively.

5. Deferment: This is the option that I recommend.

Deferment postpones the payment of taxes. The money saved by the taxpayer is viewed as a loan, not a gift. The deferment program would track the difference between the amount of taxes actually paid by the owner of a stabilized property and the amount that would have been paid if the property was not stabilized. The amount of taxes deferred would be calculated on a yearly basis and when the property transferred ownership, the taxes would then be paid back to the town. I would suggest that deferment be interest free. I would also suggest that either a cap or a percent be included in the formula. If a taxpayer has saved $30,000 over the course of stabilization, at the time the property transfers a percent of the savings is paid back to the town – example – 75% or $22,500. Or the town could set a capped dollar amount – example, reimbursement not to exceed $20,000.

Deferment can be administered without additional staffing. The benefits being realized by seniors on a yearly basis will not change. The town would be able to recoup a large portion of the money loaned out to the seniors to be used again towards offsetting the cost of other property in the program. The program would begin generating funding in order to maintain its existence. Deferment can be applied retrospectively and I would suggest that it be applied starting in the year 2000. Not for just properties frozen since 2000, but to include all properties frozen as of 2000.

Deferment could be applied along with the other options listed previously. An additional option that was discussed was raising the qualifying age. Because people are living longer, this option does have merit. However, there is no fair way to apply it retrospectively. It basically postpones the inevitable without creating a revenue stream for the program.

Our committee meetings were attended basically by taxpayers already benefiting from this program. The silent majority, who presently fund this program, probably do not have tax stabilization as it applies to them on their front burner and therefore would not attend the meetings. They are probably currently more concerned with mortgage payments, increasing taxes and college education expenses for their children. That being said, I believe any decision regarding this program must take everyone into consideration – those that benefit from the program and those who currently fund it and hope it will be available for them in the future.

I believe this ordinance came into existence mainly as an assurance that the seniors living in town would not be forced to sell their homes due to rising taxes. Deferment would accomplish that goal as well as providing for the future continuation of this program.

December 5, 2008

West Greenwich Town Council

I believe that our community has been very fortunate to have supported a tax freeze for as long as we have and I understand the need for change. Many municipalities offer a flat decrease on property evaluation, others only a reduction to those at or below poverty level, and others no relief at all. We need a “happy medium”. As presented you will see the tax deferment option, which will provide 100% return. But I believe this is a drastic change coming during an economic recession to our most vulnerable citizens. They have limited assets and lack the ability to raise funds. They may need proceeds from the sale of their homes for assisted living facilities, medical care and many other unforeseen expenses. We need to offer our seniors a choice that fits their individual needs. Those willing to have a lien attached to their property to allow for the tax freeze which gives the greatest discount could choose such an option. But decisions need to made regarding caps on dollar amount or term limits set within the program.(See Sandy Bockes example which suggests the longer the property stays in the program, essentially having no children to educate the less the lien would be.) If this does not fit your plan than an alternative should be offered. Such as a flat dollar amount reduction in property value, Allowing for market fluctuations, but still providing some relief to both sides. Add to that an income scale for those most in need, could help off set such an increase.

Looking back on my childhood, I can not image not having my grandmother right down the street from my parents. My family has come full circle in West Greenwich, Gram did her turn getting us after school, now her sons watch over her daily, which affords her the ability to stay in her home where she is most comfortable. Keeping families together is a large part of what makes our community special. We benefit immensely when our seniors stay here in some large (family size) homes by not straining the school system which impacts our budget most.

I hope these working papers and personal letters serve some assistance in your decision making process.

If you have any questions, feel free to contact me,

Kelly A. Stewart

December 16, 2008

To: The Honorable West Greenwich Town Council
From: William H. Clay
Subject: Tax Stabilization Review Committee—Proceedings of

The stabilization tax review committee held three public meetings. Several, ten to fifteen senior public members attended each meeting. Senior tax reduction programs used in other Rhode Island towns were discussed in an attempt to find and recommend changes to the West Greenwich stabilization program that would lessen the burden on town revenues while maintaining the tax reduction benefit for seniors. Committee members proposed optional changes to the tax stabilization program along with options that would replace stabilization with varied income, age or combination of income and age based programs. (These member proposals are written into the committee's report.)

The committee could not reach consensus on any of these proposed options or even that any change to the stabilization program was needed. Discarding supporting data, provided by the tax assessor, some members felt that the stabilization program did not actually impose a burden on the town. In the opinion of this writer, the lack of committee member understanding of the increasing impact of the stabilization program on town revenues was due, in part, to the omission of any revenue concern expressed in the council's memorandum of direction to the committee,*which was dated September 16, 2008 and only given to the committee at its first meeting, also September 16, 2008.

The tax assessor and this writer support tax deferment as the option that will provide revenue to sustain the stabilization program without decreasing the annual tax reduction benefit to seniors. The main objection to tax deferment expressed by the other committee members was that seniors want to pass their property to heirs free of encumbrances. This was also the sentiment of attending public members who spoke out at the meetings. One senior said that she was grateful to have inherited her father's property free and clear, since she could not have paid off any lien.

It was manifestly clear that the seniors attending the meetings do not want any change to the current stabilization program. This suggests that the council has a hard sell ahead for any change to obtain revenue relief from the stabilization program. Seniors must be convinced that their tax reduction benefit must yield back revenue to sustain the program for themselves as well as those who follow.

* The Town Council's memorandum addressed to the Stabilization Review Committee, dated September 16, 2008 provided only the following direction:

"The Council has asked that the committee review our current policy, in this case stabilization, as it compares to other communities and the future impact on the Town. The Council will review your recommendations upon completion of your review."

Discussion was held on the report.

Solicitor Ursillo advised that changes could be imposed on taxpayers who were already on the program.

The meeting adjourned at 8:33 p.m.

Janet E. Olsson, CMC
Town Clerk