

BOARD OF ESTIMATE & TAXATION MEETING ACTIONS

APRIL 3, 2006

ATTENDANCE: Mayor Richard Moccia (7:45 p.m.), Frederich Wilms, Randall Avery, James Clark, Ron Coley, Michael Lyons, Stuart Wells.

STAFF: Mary Roman, City Clerk

OTHERS: Tom Hamilton, Director of Finance, Donna Castracane, Assistant Director of Management and Budgets, Hal Alvord, Director of Public Works

CALL TO ORDER

Mr. Wilms called the meeting to order at 7:30 p.m. Ms. Roman called the roll. Mr. Wilms stated that the Mayor was delayed at another meeting.

1. Approve Tentative Operating Budget for FY 2006-07 to be forwarded to the Common Council

Mr. Hamilton presented and reviewed the updated figures for the budget. He informed the Board that some of the open figures had been adjusted with updated financial amounts. The present budget is under the cap set by the Council, so that the Board only needed to deal with the items that remained open.

Mr. Hamilton explained that the biggest change was in the natural gas account. He stated that the items which were highlighted in blue were the new, adjusted amounts. Mr. Hamilton informed the Board that the revised budget was now \$250,159,033. This is lower than the projected expenditure figure used at the public hearing which was \$250,504,640.

In regards to the open items on the list, Mr. Hamilton stated that there were still some contract extensions that were in negotiation, so he recommended they would not vote on the items under Purchasing at this time. This was agreeable to all.

In regards to the category of Grants, Mr. Wilms addressed the request for the NEON Summer Camp.

**** MR. WILMS MOVED TO KEEP THE PROPOSED AMOUNT FOR THE NEON SUMMER CAMP AT ZERO.**

Following a brief discussion, the chair called the question.

**** THE MOTION PASSED UNANIMOUSLY.**

The next items concerned the Human Services Council and the Community Prevention Task Force. Mr. Wilms stated that he had a conflict of interest because he serves on the Board of Directors, and therefore was going to recuse himself from the discussion and the vote on this matter. He requested that Mr. Avery chair the session for him. Mr. Avery agreed and Mr. Wilms recused himself from the Board at 7:40 p.m.

**** MR. AVERY MOVED TO INCREASE AMOUNT FOR THE COMMUNITY PREVENTION TASK FORCE BY \$8,000.**

Following a brief discussion, the Chair called the question.

**** THE MOTION FAILED UNANIMOUSLY.**

**** MR. AVERY MOVED TO APPROVE A \$12,000 GRANT TO THE CHILDREN'S CONNECTION.**

Mayor Moccia arrived at 7:45 p.m. during the brief discussion and overview. Mayor Moccia stated his support for the \$12,000 grant. At the conclusion of the discussion, the Mayor called the question.

**** THE MOTION PASSED WITH FOUR IN FAVOR (CLARK, COLEY, STUART, LYONS, MOCCIA AND WELLS), ONE AGAINST (AVERY).**

Mr. Wilms rejoined the meeting at 7:50 p.m.

The next item to be discussed was revenue changes. Mr. Hamilton gave an overview on the back tax collections. Mr. Hamilton stated that there was some concern about adding the full amount to the projected revenue. The tax office is projecting a total receivables between 3.8 and 4.8 million dollars. Mr. Hamilton reminded everyone that some of this money will be uncollectable, such as in the case of an establishment going out of business. After a certain period of time, the uncollectable amounts are written off the books.

Mr. Hamilton continued to review the various changes made to the report for the Board. Mr. Hamilton briefly mentioned the telephone access tax, which is a personal property tax levied on users via a mil rate set by the State and the Finance office has no control over the amount. He pointed out that the updated figure for 05-06 was being used for the projected 06-07 budget.

Mr. Hamilton concluded his report by stating that the net revenue reduction in the budget was \$87,350.

**** MR. WILMS MOVED TO APPROVE ALL THE REVENUE CHANGES NOTED IN THE REPORT.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** MR. WILMS MOVED TO FORWARD THE PROPOSED BUDGET AS AMENDED BY THE PREVIOUS VOTES WITH A FINAL FIGURE OF \$250,162,933 TO THE COMMON COUNCIL.**

There was some concern regarding the number of requests for library staff additions at the public hearing. Mr. Hamilton explained that the BET has fully funded the proposed part time positions at the Library. It was also mentioned that a majority of positions at the main library are covered with part time staff. With the re-opening of the South Norwalk branch, some of the burden will be off the Main branch. Mr. Hamilton also commented that the previous administration had taken the position that when the South Norwalk branch closed, the staff would move over to the main branch until South Norwalk reopened with the same number of staff members.

Mayor Moccia said that he appreciates all the efforts that the volunteers contribute but also expressed his concerns along with Mr. Hamilton's. Only one of the three full time positions requested was slated for South Norwalk, the other two would be at the Main Library. Once the branch is reopened, the usage of the Main Library may decrease. Mayor Moccia said that once more data was available, then the issue of staffing could be considered again.

Mr. Avery had several questions for Mr. Hamilton regarding various items on the budget. He was concerned about where the car tax was accounted for. Mr. Hamilton replied that it was not a separate line item but built into the tax levy as there was no change to it. Mr. Avery asked why that was not being changed. Mr. Hamilton has stated that it has been the City's practice to follow the current state law. Mr. Avery clarified that he was asking about whether the car tax was increasing and Mr. Hamilton replied that while the assessments were increasing, the mil rate was dropping. Mr. Avery stated that he would prefer to have the car tax as a separate line item.

His next question related to the conveyance tax. Mr. Hamilton explained that in the handout for the public hearing, Table 2 showed a line item for the conveyance tax. The projected amount is \$4,500,000. Last year the City collected just over 6 million, but the projection was just over 2.6 million. Mr. Hamilton stated that a few factors need to be taken into account, such as the fact that real estate housing market is slowing which will have an impact on the figures for next year. There is also an impact on large commercial sales. These are impossible to predict. Mr. Wilms wanted to know what the real estate conveyance tax rate was. Mr. Hamilton explained that it had been at 1.1% for a long time. Mr. Avery commented that currently the tax rate was four times that only in Norwalk. Surrounding towns and communities do not charge this much and Mr. Avery wondered why Norwalk citizens were being taxed differently than every other community in Fairfield County.

Mr. Avery then had some questions about the Board of Education budget regarding the difference in the variance rates. He stated that if the BOE was not including the money that has not been spent in this fiscal year with the proposed variance for spending, it would be more than 6%. Mr. Hamilton agreed.

Mr. Avery then stated that since 2004 he had spoken regarding the proposal to fund their requests at 50% of the increase over the local rate of inflation at a time when there is actually fewer students. This spending increase that is about to be authorized is about the same as the spending increase authorized by the BET in 2002, when a variance increase of 5% was approved and another 1 1/2% of the BOE's budget items into capital items, specifically books. So, if this recommendation is approved, the BET will be matching one of the historically high increases over the last ten or so years. He felt that the Common Council should be aware that the taxpayers of Norwalk is paying the money that the BET refers to as "non-tax revenue" on the budget sheet. Mr. Avery stated that he did not feel that these items should be referred to as "non-tax revenue". They are, in fact, other fees and other taxes, therefore they should be referred to as "other fees and other tax revenue". These should be broken out into categories for the taxpayers, who pay for them, so that they realized they are not getting a gift. Mr. Avery found it interesting that the BET does not comment on the budgets. He also reminded everyone that he voted against one budget and abstained from voting from last year's budget because there was a projection of slowing home sales but the City was continuing to impose a double conveyance tax. If the BET returned to what everyone else is paying, which is a quarter of 1% of the conveyance tax, it would probably be a much more accurate projection of 3 million dollars as revenue from that tax. He said that he wanted the BET to be aware of these numbers. The BET has historically gone along with the Common Council's actions in regards to these taxes. He reminded everyone that they are not elected officials, but appointed ones. His opinion is that the taxpayers should not be happy that there will be a 35% increase in taxes in the conveyance tax. He stated that Mr. Hamilton had said that Mr. Avery was the only person that has ever raised the double conveyance tax issue to him. He wondered if these statements were recorded in the newspaper, and if anyone would take the time to contact Mr. Hamilton about this.

Mayor Moccia stated that he appreciated Mr. Avery's concern about the taxpayers, but wondered if there was a misunderstanding regarding the issue. The mayor stated that the BET does not vote on the conveyance taxes and had no control over that conveyance tax, whether it be 1%, 2% or higher. That tax rate is set by the Council. He stated that the BET is not a policy making board and do not vote on the tax rolls, or any other issue. Mayor Moccia stated that he had not been in favor of the increased conveyance tax, but that the previous administration had set the percentage and some of the projected spending is based on that revenue. If the Council decides to reduce the percentage back to what the other towns are paying, then that will be factored into the budget. The Mayor concluded his comments by saying that he wished that the previous Council had not changed it.

When Mr. Wilms asked if there were any further comments, it was suggested that a transcript of the public comments from the public hearing be included with the budget when it is forwarded to the Common Council.

**** THE MOTION PASSED WITH FIVE IN FAVOR (CLARK, COLEY, LYONS, WELLS, MOCCIA AND WILMS) AND ONE AGAINST (AVERY).**

2. Approval of Minutes

March 6, 2006 - Regular Meeting

**** MR. WILMS MOVED TO APPROVE THE MINUTES OF THE MARCH 6, 2006 REGULAR MEETING AS SUBMITTED.**

**** THE MOTION PASSED UNANIMOUSLY.**

March 23, 2006 - Special Meeting

The following corrections were noted:

Page 1, paragraph 9, line 1: please change “the difference between the Planning Commission (\$175,000) and the Mayor’s” to “the difference between the Finance Director’s recommendation (\$175,000) and the Mayor’s”

Page 2, paragraph 8, line 1: please change “Me. Sheehan” to “Mr. Sheehan”.

**** MR. WILMS MOVED TO APPROVE THE MINUTES OF THE MARCH 23, 2006 SPECIAL MEETING AS AMENDED.**

**** THE MOTION PASSED UNANIMOUSLY**

3. Special Appropriations Agenda (Section A)

There was no business to conduct under Section A.

4. Transfer Agenda (Section B)

Public Works:

Mr. Hamilton gave a brief overview of the transfer request.

**** MR. WILMS MOVED TO APPROVE THE TRANSFER OF \$25,000 FROM ACCOUNT # 01-4033-5269 (OTHER REPAIR - MTCE.) TO ACCOUNT #01-4021-5381 (ASPHALT & ASPHALT FILLER) TO PAY FOR CURBING REPAIRS, POTHOLE FILLING AND OTHER SMALL MISCELLANEOUS PAVING PROJECTS.**

**** THE MOTION PASSED UNANIMOUSLY.**

Recreation and Parks:

Mr. Hamilton gave a brief explanation of the transfer request.

**** MR. WILMS MOVED TO APPROVE THE TRANSFER OF \$5,000 FROM ACCOUNT # 01-6021-5130 (TEMPORARY WAGES) TO ACCOUNT #01-6021-5237 (ADVERTISING) AND THE TRANSFER OF \$3,000 FROM ACCOUNT # 01-6036-**

5242 (WATER) TO ACCOUNT #01-6021-5237 (ADVERTISING) TO PAY FOR ADDITIONAL ADVERTISING COSTS DUE TO AN EXPANDED BROCHURE, ADDITIONAL MARKETING TAPE AND COMMERCIAL AND AN INCREASE IN ADVERTISING RATES.

5. Other Business

1. Approve FY 2006-07 WPCA Budget

Mr. Alvord reviewed the proposed WPCA Operating Budget to the Board. Mr. Wilms commented that as a member of the WPCA, he had toured the sewage treatment facility and realized that the equipment in use there is quite old. Mr. Alvord stated that some of the equipment dates back to 1929. Mr. Wilms also commented that the 63 million dollars that was invested five years ago was mostly for the purchase of the land and the construction of the building, which is on marshland.

Mayor Moccia commented that he and Mr. Alvord had spoken about the fact that Norwalk was not high on the list for State funding and that unfunded State mandates continue to be a problem, since they require funding with local money.

**** MR. WILMS MOVED TO APPROVE THE FY 2006-07 WPCA BUDGET AS PRESENTED.**

**** THE MOTION PASSED UNANIMOUSLY.**

2. Approve FY 2006-07 Parking Authority Budget

Mr. Alvord reviewed the proposed Parking Authority Budget for the Board. Mr. Avery wished to know if the City was better off with or without a Parking Authority. Mr. Alvord reminded everyone that the City had the primary responsibility for maintenance in the lots and that there was some income generated from the fees. He stated that he believes next year the Authority should break even. One major cost was the signage, since the fees and policies changed frequently in the past.

Mayor Moccia commented that the Parking Authority had been established by the previous administration and that Mr. Alvord had been given the responsibility of overseeing the administration of it. He felt that Mr. Alvord had done a good job handling the situation.

**** MR. WILMS MOVED TO APPROVE THE FY 2006-07 PARKING AUTHORITY BUDGET AS PRESENTED.**

**** THE MOTION PASSED UNANIMOUSLY.**

3. Special Capital Appropriation - \$8,749,068 for State Financed portion of Board of Education Projects

Mr. Hamilton presented and reviewed the report for the Board.

**** MR. WILMS MOVED TO APPROVE THE RESOLUTION APPROPRIATING \$8,749,068 FOR STATE FINANCED PORTION OF BOARD OF EDUCATION PROJECTS.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Avery informed the Board that he had been appointed by the Governor to the a Commission that the Governor put together regarding unfunded mandates. Mr. Avery stated that there was a group of twenty five or so, some of which are State Representatives or State Seniors, while the remainder are involved in some form of government. Mr. Avery stated that the major unfunded mandates already have been studied and the final reports on mandatory binding wage arbitration for municipal employees; pollution and environmental mandates including the WPCA; prevailing wage laws are not encouraging. He stated that he had copies of the final reports and would lend them to anyone interested. The Commission that he is part of will be identifying new items such as antiquated State laws which occasions costs. Several items regarding the Town Clerk's office which are now done by technology are being considered.

6. Additional Information (Section D)

The following information was distributed to the Board members:

Oak Hills Park Financial Status – February, 2006
Summary of Special Appropriation – FY 2005-06
Status of Contingency – FY 2005-06
Capital Budget Report
Financial Reports
Year-to-date Capital Budget Report (FY 2005-06)
Year-to-date Operating Budget Report (FY 2005-06)
Board of Education Budget Report (FY 2005-06)
Salary Accounts
Fire Overtime
Dispatch Overtime
Police Overtime
ADJOURNMENT

**** MR. COLEY MOVED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:10 p.m.

Respectfully submitted,
Sharon L. Soltes
Telesco Secretarial Services