

BOARD OF ESTIMATE & TAXATION MEETING ACTIONS

DECEMBER 1, 2003

NORWALK, CONNECTICUT

REGULAR MEETING

CALL TO ORDER AND ATTENDANCE

PRESENT: Adam Farstrup, Chairman
Ron Coley
Gregory Burnett
David Davidson
Mayor, Alex Knopp
Randall Avery (7:40 pm)

ABSENT: Tim Buzzee

Also present were Pam Stark, City Clerk; Tom Hamilton, Director of Finance; Ann Twomey, Director of Management and Budgets and Mike Letessa, Emergency Management & Communication. Mr. Farstrup called the meeting to order at 7:30 pm.

Mr. Farstrup welcomed Mr. Burnett to the Board. Mayor Knopp also welcomed Mr. Burnett noting that he had sworn him in earlier in the day.

Mayor Knopp swore in Mr. Farstrup and Mr. Coley.

APPROVAL OF THE MINUTES

**** MR. DAVIDSON MOVED APPROVAL OF THE MINUTES AS AMENDED.**

The following corrections were made to the minutes of November 10, 2003.

Page two, first paragraph under Oak Hills, in the first line should readreserve balance on the contingencies differ to the figures on the balance sheet, as was discussed during the September meeting. In the second paragraph, correct the figure in the second line to read negative \$113,903.

Page four, under Review of Statute, the first line should read: Mr. Farstrup indicated that the letter from the Assistant Corporation Counsel indicated that there is no penalty to the Board of Education if they ignore the requirements of the statute. In the second paragraph, in the third line before the period add and participate in negotiations as required by the statute.

Page five, in the tenth paragraph, correct figure to read \$300,000

Mr. Avery joined the meeting at 7:40 pm.

Page six, fourth paragraph, in the last sentence delete the words as a non-partisan and replace with on a non- partisan basis and "what's best for the city" approach.

Mayor Knopp swore in Mr. Avery.

**** MOTION PASSED FOUR VOTES IN FAVOR, ONE ABSTENTION (MR. BURNETT).**

SPECIAL APPROPRIATIONS AGENDA (SECTION A)

1. RESOLVED THAT A SUM NOT TO EXCEED \$92,669 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE COMBINED DISPATCH AND EMERGENCY PREPAREDNESS PLANNING DEPARTMENT TO PAY FOR AN EXPECTED SHORTFALL IN THE OVERTIME WAGE ACCOUNT. (ACCOUNT NO. 01-3620-5120 AND 01-3630-5120).

Mr. Farstrup referred to the memo in the packet dated 11/25/03.

Ms. Twomey commented that last year they had moved over the communications division and that included the budget and that and it is now running high because of the three employees on worker's comp.

Mr. Latessa stated that their plans going forward are to combine the dispatch centers and the current situation was not anticipated. He said at this point he did not see any resolution to two of three situations so they will have to continue to fill the slots.

Mr. Davidson asked if the three individuals are under the police contract.

Mr. Latessa replied that all three of them are under the 2405 contract.

Mr. Davidson said he had not seen the 2405 and asked if any of the provisions had changed.

Mayor Knopp said generally not, but because of the combined civilian dispatch system this was subject to mandatory bargaining, one of the agreements the city made was to increase the number of dispatchers and this means that Norwalk is in a safer situation now. The Mayor also indicated that workers comp is state law and is not modifiable by the bargaining contract.

Mr. Davidson said if attempts to change the language covering the injury leave of some of the contracts had been made as this would have made management of those situations more achievable had they been implemented.

Mayor Knopp added that some of the uniformed unions are still under negotiations.

Mr. Davidson re-affirmed with respect to the budgetary process that they did not make any attempt to reduce the combined dispatch and accepted both the fire and the police as submitted without modifications.

Mr. Avery asked if there were any methods of staffing in 2405 that would allow them to have a regular employee doing this, not on overtime. He said knowing that certain people are going to be out, by doing statistical analysis and you know how many hours will be lost due to work related injuries and therefore you have someone on duty available to do that job who does not have to work overtime.

Mr. Hamilton said he thought the problem was because the dispatch requires specialized training so they can't just take another employee. He said in terms of the overall staffing, this is something they are looking at. He added that he thought it unusual to have as many as two positions out and for such an extended period of time.

Mayor Knopp said generally the city has enough staff to cover normal operations but it was a condition of the contract that the work cannot be contracted out or be done by part-time individuals.

Mr. Avery said he was trying to get a handle on whether this size of expense could be reducing by hiring a couple of additional people in these departments. He said part of the reforms and new ideas is to look at situations like this and to not them just continue if they can find a way to lessen the damage. Mr. Avery said talking into the next budget and they see scenarios developing like this then it might save them some dollars if they staffed up.

Mayor Knopp explained the current process in place whereby what doctor has the right to determine if the employee has reached maximum medical improvement or under different contracts if the city had the right to have an independent consultant.

**** MAYOR KNOPP MOVED APPROVAL OF THE ITEM.**

**** MOTION PASSED UNANIMOUSLY.**

2. RESOLVED, THAT A SUM NOT TO EXCEED \$5,600 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE COMBINED DISPATCH AND EMERGENCY PREPAREDNESS PLANNING DEPARTMENT TO PAY FOR A MAINTENANCE CONTRACT FOR A TELEPHONE AND RADIO COMMUNICATIONS RECORDER. (ACCOUNT NO. 01-3610-5263).

AND

3. RESOLVED, THAT A SUM NOT TO EXCEED \$28,000 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE COMBINED DISPATCH AND EMERGENCY PREPAREDNESS PLANNING DEPARTMENT TO PAY FOR VARIOUS EQUIPMENT NEEDED TO FORM A COMBINED DISPATCH UNIT. (ACCOUNT NO. 01-260-5267; 01-3630-5741; 01-3630-5743 AND 01-3610-5220).

**** MAYOR KNOPP MOVED APPROVAL OF ITEMS 2 AND 3.**

Ms. Twomey said Item two for \$5,600 is intended to pay for a maintenance service agreement for the telephone communications recorder. She the police department had not realized that the warranty for this was for only one year and that they had to include it in their budget. Ms. Twomey added that this piece of equipment is necessary for the operation.

Mr. Farstrup related to the third item noting that all of them are related to dispatch.

Mr. Latessa said they took the two entities that currently exist and combined them for a period at the current police facility. This way they could maximize the amount of money that they could get from the state (reimbursement) and to start to facilitate the cross training for the two organizations to overcome certain situations.

Mr. Farstrup asked if the planning process would include other budget requests.

Mr. Latessa noted that he had been working with the finance staff and they hoped to put together a picture of what the fiscal year will look like going forward.

There was an explanation of items, specifically the remote control feature for the doors in the fire station.

Mayor Knopp added that the city is now safer due to the creation of the positions in the combined dispatch. He said that Mr. Letessa has brought a tremendous amount of expertise from his previous jobs

Mayor Knopp noted that the state provides an incentive for the creation of combined dispatch centers and they are trying to qualify for that grant by providing that service at the existing police station. He said they are making sure that all the new equipment is transferable so they can start the combined operation now.

**** MOTIONS PASSED UNANIMOUSLY.**

4. RESOLVED, THAT A SUM NOT TO EXCEED \$12,988 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE LEGAL DEPARTMENT TO PAY FOR THE FACILITATOR AND ENERGY EXPERT FOR PHASE II OF

**THE UNITED ILLUMINATED/NORTHEAST UTILITIES
TRANSMISSION LINE PROJECT. (ACCOUNT NO. 01-0300-5258).**

Mayor Knopp explained the past history behind this including details on the three phases. He noted that the City of Norwalk is still in dispute with North East Utilities over phase I, at the same time noting that the Siting Council has accepted recommendations for phase II and they have agreed to put the 345 KV line underground from the New Canaan sub-station all the way to the Westport border.

Mayor Knopp also explained that Norwalk and all the other towns involved have hired a facilitator to organize the participation in the Siting Council's hearing. Secondly, to hire an energy consultant who will read all the documentation and will help during the testimony phase.

After many meetings on this, the Mayor said they will hire the facilitator and the energy consultant based on a cost basis that involved partial number of miles of the line within each municipality.

Mr. Davidson asked if the figure included was the final amount. Mayor Knopp replied that these are the final number and they are based on an hourly billing process. There will be no increase unless authorized by the municipality. It is a fixed cost contract.

Mr. Avery commented that if twenty-two towns can agree on this, it is very favorable for Norwalk. He suggested this is a modest figure and congratulated those involved.

**** MAYOR KNOPP MOVED APPROVAL OF THE ITEM**

**** MOTION PASSED UNANIMOUSLY**

TRANSFER AGENDA

There was no discussion this evening.

OTHER BUSINESS

Amend the following Resolution: (Previously approved 9/2000)

RESOLVED, that a sum not to exceed \$154,000 be and the same is hereby transferred from Contingency to the Law Department to pay for expenses associated with defending tax appeals:

The new Resolution to read:

RESOLVED, that a sum not to exceed \$154,000 be and the same is hereby transferred from Contingency to the Law Department to pay for expenses associated with defending tax appeals and other legal professional services.

Mr. Hamilton explained that this is request to amend a resolution from September 2000.

At that time the Common Council approved an additional appropriation to the law department for legal expenses for the purpose of tax appeals. He said they are anticipating other expenses and are requesting authorization to amend the language to provide the appropriation so it can be used for tax appeals and other legal professional services.

Mr. Davidson asked since the appropriation three years was specifically intended to provide the legal department for tax appeal funding why don't they put through a request for additional funds for that specific purpose rather than take a three-year-old provision and modify it.

Mr. Hamilton replied that they were trying to avoid unnecessary drawdowns on the contingency fund and to get through the fiscal year with what has already been appropriated.

Mr. Davidson asked how many tax appeals were being made at the time when the money was provided.

Mr. Avery said it was a very small number, saying it was in the mid hundreds. He agreed this was an appropriate way to provide the money and had no objections.

**** MR. FARSTRUP MOVED TO AMEND THE MOTION AS PRESENTED.**

**** MOTION PASSED FOUR VOTES IN FAVOR, ONE
OPPOSED (MR. DAVIDSON).**

ADDITIONAL INFORMATION

Board of Education

Mr. Farstrup said regarding contract negotiations for the Board of Education, he wished to get a sense of who wished to be the representative from this Board to sit in on negotiations.

Mayor Knopp suggested that Mr. Hamilton speak with Dr. Corda to find out the timing of the negotiations.

Mr. Davidson warned from previous experience, that arbitration requirement comes very early on Board of Education contracts and suggested that they look at the dates when the contracts expire.

Mr. Farstrup said during their last meeting there was some discussion with regard to the Board of Education's reconciliation with the capital budget and they are still working with Gilbane.

Mayor Knopp commented that there would be a meeting of the NFCC on Wednesday where there would be a status of the evaluation.

Mr. Davidson asked if a copy of the report would be available for the January meeting.

Mayor Knopp noted his uncertainty but said he thought it would be a three-month process.

Oak Hill Park Authority

Mr. Farstrup said with regard to Oak Hills Park, there were some questions during last month's meeting, he asked if they had received the answers. Ms. Twomey replied that they were still waiting and would have the answers during the January meeting.

Year to Date – Capital Budget Report (FY 2004)

Mr. Davidson said he reviewed the report and asked for some clarification with regard to how items remain on there for an extended period of time. He referred to pages 5 through 9, for example roads and bridges \$3,218,000 with zero expended. He said there are some substantial amounts that are unexpended over the last three years and asked how this could be occurring.

Mr. Hamilton said they sent out capital budget requests to all of the departments and they require them to update them on all outstanding capital projects they then compile that information. Mr. Hamilton said they are also looking at ways to formally close out projects when they are complete. He said larger projects can take several years to come to fruition with design services, plans, bidding as well as construction. For a project to be on the books for three to four years, he would not consider to be beyond the realm of normal business.

Mr. Davidson said looking through the capital budget he noted a street sweeper from 2002 that hasn't been purchased yet and it was listed as a required item. He said it should be brought back and not be made available to switch to other projects. Mr. Davidson said it was not just one item, it was pages and pages of items. He requested a comprehensive review of this document so it becomes more meaningful.

Mr. Hamilton said there is validity to a number of Mr. Davidson's point and the finance department would be taking a close look at the outstanding projects; he said if it is appropriate to close out projects they would make that recommendation to the Mayor.

Mayor Knopp said they have hired a firm to do an audit of the capital budget process because they feel it is too loose and there are not sufficient controls for the finance department in terms of determining the pace of spending and when and how projects are closed out. Secondly, Mayor Knopp commented that some of the figures in the capital budget are very out of date; he gave examples. He said another change is that he has asked the Finance Director to make is that he start to work with the departments this year to have a real, multi-year process. He said you have to know what is coming down the pipe.

Mr. Hamilton added that the capital report document was run with an incorrect parameter; they would run a correct report and send them out of Board members.

Mr. Davidson said the City Council has approved certain Board of Education items for which there are no appropriations and they are supposed to be seeing a special appropriation in that regard. He said with respect to the transfer of funds he hoped this is kept in context and he considered this to be an inappropriate process.

Mayor Knopp commented that the work Mr. Davidson referred to was outside the scope of work involved at Brookside School, for example asbestos and inappropriate soils.

Operating Budget

Ms. Twomey apologized but the retro- pay was run at the same time this report was run and they were not able to separate it. She went on to report that the Fire Department overtime has gone down significantly in November.

Mr. Davidson said regarding the police report, this indicates that they are just about on budget on salary with no real flexibility, year to date. Regarding overtime, Mr. Davidson said if you exclude training, which is usually done toward the end of the fiscal year, they have already expended 55% of the budget (as of October 25, 2003). He noted that they still have a serious overtime problem in the police department.

Mayor Knopp added that they had reconvened their police and fire overtime committee to take a closer look at this.

Mr. Davidson referred to page 10 on assessor's office, there is an other category, account 5790 which had a \$38,000 budget and there is \$78,000 expended already; he asked if anybody is following up on this. Ms. Twomey said that was one of the revaluations and the money has not yet been transferred.

Board of Education Textbooks Transfer from Reserve

Mr. Hamilton said this is related to a discussion they had in September on the borrowed, in the operating budget at the end of the year and said the document is to show the transfer and expended to reduce the loan of \$1.5 million.

Performance Measurement Letter

Mayor Knopp said this is something he has been interested in for a while and essentially what he thought was happening during the budget process, was that all of their attention was focused on examining the increases that each department had requested instead of too little attention went towards looking at the under-lying base services.

Mayor Knopp explained Mr. Hamilton's previous position whereby he had used a performance measurement budget process and when he joined as finance director, he had asked him to make this one of his top priorities. He said they decided to focus on two departments in the coming fiscal year, the DPW and the Health Department. He indicated that this is an effort to give this Board and ordinary citizens the ability to better gauge the performance of departments. He noted that this is not an attempt to penalize or punish city employees; it is a tool to improve productivity. He thanked Ms. Twomey and her staff for their help on this.

Mr. Hamilton added a little background information this also thanking Ms. Twomey and the staff.

Mayor Knopp asked how they would show the old budget compared with the performance budget format.

Mr. Hamilton said this is something they are still working on.

Mr. Avery said he was pleased to see something new. He continued to say that this group can discuss the translation as long as the staff are aware of that. He said they would need to use their skills to ask the questions. To simplify the documents could be achieved but among the things they might be doing with regard to the outputs of the department in terms of documents, he noted that he did not feel the need to have a "like last years" as he could see the distinctions and they are capable of discussing them

Mr. Hamilton said one the changes is to move away from a very detailed line item and this could be an avenue that they look at implementing where appropriate.

Mr. Avery added that this might make the numbers look less intimidating and help new members to have more input.

Special Revenue Funds

Mr. Davidson asked for some explanation of the various segments of the report; why they are set up the way they are. Mr. Hamilton explained the format of the report.

Mr. Davidson asked if there were any major issues they should be concerned with regard to the substantial fund balances in several specific revenue fund accounts. Mr. Hamilton said he would check.

Mr. Avery said in anticipation of the upcoming revaluation, he said it was his own observation that the property tax has lost its ability to perform as a fair tax for paying for municipal services. Presently the disparity (of property tax) is greater, some families pay more than others; this disparity is about to grow again. Mr. Avery said this is a large enough issue whereby they would benefit from working with other towns and cities. He said there is usually a dichotomy between towns and cities; a city will want to make a change that the town doesn't want to make. In this situation, it isn't so obvious; there are the shore towns where there are a mass of properties and a disparity to the point where people just adapt and go on. He said that he wondered if the City is participating in some kind of discussion that could actually help ameliorate the efforts of revaluation with respect to the disparity of contributions.

Mayor Knopp noted that he agreed with Mr. Avery's comments adding that he considered the property tax to be the most unfair tax. He said there is some good news in that municipalities are becoming instructive in their effort to seek reform of property tax from the Legislature. It also over-comes the dichotomy between cities and towns by linking property tax reform to the need for environmental preservation of open space and the production of suburban sprawl. The bad news, however, Mayor Knopp continued to say was that it doesn't seem to have affected the Legislature this far and who continues to balance the state budget on the back of municipalities. He concluded by saying that the budget challenge now is going to require a lot of difficult choices.

Mr. Avery said what he thought to be true is that there is going to be a bi-partisan demand for an immediate, significant overhaul of the tax funding system because the impact that the continuing revaluation will have. This is not just in Norwalk, but many other places too and needs to be much more than a Norwalk movement. Mr. Avery stated that no political group can sit back much longer and allow the current system to stand when these kinds of disparities are likely to occur. This year, more than ever, more and more people will look to the political leaders of the towns to really take this on because people will be amazed at the new numbers. Those numbers are not incorrect, they are a produce of a system that has created a level of taxation that is hard to justify.

Mayor Knopp referred to a meeting with CCM for new measures regarding property tax when he had suggested that municipalities be allowed to share in the sales tax revenue generated within the border of that municipality. He remarked that he has never been a fan of tax classification and the state needs to look at some system, for example where a commercial enterprise is taxed at a different mill rate than a residential. He said this is done in many other states.

Mr. Avery said he hoped as this is discussed they will channel their energy toward a solution. He said when people see the effect of the revaluation he hoped they would not challenge the revaluation that they demand that the state Legislature change property tax.

Mayor Knopp thanked Mr. Avery for his comments.

Mr. Davidson requested that at the next meeting they get a current update on the current fiscal year. He also requested that at the next meeting an executive session be schedule to discuss the contingency accounts and reserve for the encumbrances.

ADJOURNMENT

**** MR. DAVIDSON MOVED TO ADJOURN.**

**** MOTION PASSED UNANIMOUSLY.**

Meeting was adjourned at 9:20 pm.

Respectfully submitted,

Kate Kye

Telesco Secretarial Services.

