

**CITY OF NORWALK  
FINANCE/CLAIMS COMMITTEE MEETING  
JANUARY 13, 2022  
VIA TELECONFERENCE**

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ATTENDANCE: Mr. Gregory Burnett, Chair; Ms. Nora Niedzielski Eichner;  
Mr. David Heuvelman; Mr. Thomas Keegan; Mr. John Kydes;  
Ms. Jenn McMurrer; Ms. Diana Revolus; Ms. Nicol Ayers (8:21  
p.m.)

STAFF: Mr. Henry Dachowitz, Chief Financial Officer;  
Mr. Thomas Ellis, Budget Director;  
Ms. Chitsamay Lam, Comptroller

OTHERS: Mr. Michael DePalma, Vice Chair, Oak Hills Park Authority

**1. CALL TO ORDER**

Mr. Burnett called the meeting to order at 7:01 p.m.

**2. ROLL CALL**

Mr. Burnett called the Roll as indicated above. A Quorum was present.

**3. PUBLIC PARTICIPATION**

There were no members of the public present this evening who wished to comment.

**4. APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETINGS:**

December 9, 2021 – Regular Meeting

Correct the spelling of the following names throughout:

Ms. Biagiarelli  
Mr. Heuvelman

**\*\* MS. REVOLUS MOVED TO APPROVE THE MINUTES AS AMENDED  
\*\* MOTION PASSED WITH ONE (1) ABSTENTION (MS. MCMURRER)**

Ms. Biagiarelli reviewed the following items.

**5. CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT;  
REVIEW AND APPROVE CLAIMS AS REQUIRED FOR  
CLAIMS REPORT DATED: JANUARY 13, 2022**

The Claims Committee report was for informational purposes only. They were mostly motor vehicle refunds.

**6. NARRATIVE ON TAX COLLECTIONS DATED JANUARY 13, 2022 –  
RECEIVE REPORT AND DISCUSS.**

**7. MONTHLY TAX COLLECTOR'S REPORTS DATED DECEMBER 2021–  
RECEIVE REPORT AND DISCUSS.**

Ms. Biagiarelli highlighted the following report:

As of the end of December 2021, representing the first six months of the fiscal year, we collected more than \$222 million against our \$353.2 million adjusted levy, or 62.91%. We collected 60.69% of our sewer use levy, nearly \$10 million, and 83.32% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA.

Compared with the prior fiscal year, we ended the month of December 2021 ahead with regard to taxes (3.09%), sewer use (2.72%), and the IPP fee (4.95%).

With regard to prior years' collections, through the end of December 2021, we show a net collection of in excess of \$3.2 million since July 1, 2021. This amount is \$637,366 more than what we collected during the first half of the prior fiscal year, attributable to the tax sale held on October 18, 2021. We collected in excess of \$8.5 million on behalf of the city since November 2019 on properties originally slated for the tax sale. Our budgeted collection goals for both the fiscal year ending 2021, and the current fiscal year ending 2022, are predicated on the infusion of revenue generated by the tax sale. Maintaining high current and back tax collection rates promotes budgetary stability, and allows the Board of Estimate and Taxation to set lower mill rates for all taxpayers. A higher current collection rate enables less of an allowance for "uncollectible" taxes, and correspondingly lower mill rates.

The link to the sale website is here: [City of Norwalk Tax Sale 2021 \(arcgis.com\)](http://City of Norwalk Tax Sale 2021 (arcgis.com)) We are currently in the second installment tax collection period. Tax statements for the second installment were mailed on December 20. The second installment came due January 1, 2022, and is payable by February 1, 2022 without interest. It is our practice to mail bills as early as possible in order to allow taxpayers to more effectively budget and plan their payments.

Our in person office hours remain Monday through Friday, from 8:30 am to 4 pm. No appointment is needed, and we do not close for lunch. We also continue to offer other payments options, including on line payment, pay by phone, paying by mail, and paying in person at one of ten participating Norwalk bank branches.

With regard to delinquent enforcement, we recently issued several dozen alias tax warrants for selected accounts owing past due business personal property taxes. These are served by a state marshal. We plan to issue more warrants after the conclusion of the current collection cycle.

With regard to COVID 19: it is our understanding that City Hall is remaining open to the public in spite of the recent surge in COVID 19 transmission. We are maintaining our regular office hours in accordance with the Administration's directives to maintain services. We have contingency plans in place to resume staggered shifts and some remote work if this becomes necessary.

We continue to adhere to all directives and protocols as communicated by the Administration and the Department of Health. Cash management and internal control measures make it nearly impossible to do much of our work remotely, and in the interest of maintaining customer satisfaction and our collection rates, we will continue to do our best to accommodate those who expect in person service. Nonetheless, we will continue to monitor changes in COVID 19 protocols, and adapt accordingly.

Mr. Burnett thanked Ms. Biagiarelli and her team for all they do. Ms. Revolus asked where people could find the list of banks where they can pay their taxes. Ms. Biagiarelli said the list is on the City's website.

#### **8. RECEIVE OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR NOVEMBER 2021.**

Mr. DePalma reported that this is their down time at Oak Hill, but their net income is ahead of budget. The cart paths have been completed.

The season pass rates were updated. They limited the season passes to 50 this year to try and prevent issues with t-times. As of Monday, they sold 39 season passes.

#### **9. CHIEF FINANCIAL OFFICER CAPITAL PROJECTS DISCUSSION.**

Mr. Dachowitz reviewed the current capital budget. He explained there have been dialogues related to concerns about future spending. He said he is trying not to create a situation where the City is spending more than they can borrow. Mr. Dachowitz said he wants to maintain the City's AAA bond rating; however, they will need to make difficult decisions about various projects.

Mr. Dachowitz explained that when he arrived, he discovered a lot of approved capital budgets that were not funded. He is not allowed to borrow more than they need for a project or borrow for a longer period of time. He said that every quarter he and Ms. Lam go to every department head who has capital budgets and ask how much their expected cash flow is, how much reimbursement is expected and how much net is needed for expenditures.

Mr. Dachowitz welcomed Mr. Ellis who reviewed his background.

Mr. Dachowitz reviewed the summary schedule and noted all of the data is from September 30, 2021. He said there are numerous projects, especially with the Board of Education and Public Works. He said Norwalk High School was netted out as a \$50 million obligation. The gross expenditures will be \$189 million.

Mr. Dachowitz said they will need \$220 million to finance everything that has been approved by the City and Board of Education. In order to keep the City's AAA bond rating, they may need to cut some projects or stretch out the timing on some of the projects.

During the budget season last year, Mr. Dachowitz said he had discussions with department heads asking if anyone could stretch their projects. He said he is going to assume he has to borrow \$220 million over the next seven years.

Mr. Kydes noted that the Recreation and Parks department received a \$5 million grant for Cranbury Park. Mr. Dachowitz said he believes that grant is for a new project, so that will not change the amount needed. He said he wanted to use the ARPA funding for some projects, but that money was needed for flood mitigation.

Mr. Dachowitz said if they increase the amount needed to \$400 million, they may lose their AAA rating. They are currently \$180 million away from that. The debt service in Connecticut is 10% and Norwalk is at 9 1/2 %. He said that if they do not make any changes the City will lose its AAA rating in the next two years, which is a negative signal to the rating agencies. Norwalk will get penalized for that. The interest rates and expenses will go up faster than the grand list.

Mr. Dachowitz said that the City is in good shape because it has a good rainy day fund and lived within its means, but with the increased debt service and higher interest rates, taxes will have to go up at a faster rate.

Ms. Niedzielski Eichner asked Mr. Dachowitz if he could do a balloon bond now. Mr. Dachowitz explained that operationally, they will get into a capacity issue. The IRS has spend down rules and they could declare the bonds taxable because they would not be

complying with the rules. He said he is happy to borrow what is prudent and is not confident if they borrow more, they will be able to comply with the spend down rules.

Ms. Niedzielski Eichner suggested to Mr. Dachowitz that he think about it going forward. She said she will continue to push back on the AA rating. She said they should have a frank discussion about that. She added that the City underfunded capital projects for decades and things have to get done. She said that if they have a AAA bond rating that does not provide services, then it comes at a greater cost.

Mr. Dachowitz said they need to evaluate tax increases and what will be accepted by the community. He said that going to a AA rating increases interest rates. He added that Norwalk has the capacity to borrow; however, the issue is how to pay for it.

Mr. Dachowitz said they used to borrow over a 15 year period for schools and suggested borrowing 30 year bonds for school projects. He said the debt service is going up fast.

Ms. McMurrer asked how much was in the rainy day fund. Mr. Dachowitz said it was healthy, but does not recommend touching it because it is viewed very favorably by the bonding agencies. He said he does not recommend using it. It is there for any risk. He said they should reduce spending. Mr. Dachowitz said he will get the numbers.

In response to Mr. Keegan's question, Mr. Dachowitz said the Board of Education and Public Works Department have 80 – 90% of the projects. Public Works tried to push back and a small attempt was made by the Board of Education.

Mr. Dachowitz said if the City loses its AAA bond rating, they will be able to borrow the money, but it will cost more to borrow and property taxes will increase to pay for the debt service.

Mr. Keegan said he feels they should give a hard look at how many capital projects they have on the table and look at need verses want.

Mr. Heuvelman asked about the status of the efficiency study. Mr. Dachowitz said he spoke to the head of the project team and the target to review the draft recommendations is in mid-February. They will issue a final report in March.

Mr. Dachowitz shared his screen and said that under the Board of Education, there was \$187 million in school expenditures. He said two of the accounts were closed out to use for the South Norwalk school.

Mr. Kydes said that the Common Council spends a lot of time working on the plans, but found that a few of the requests are complete. He asked Mr. Dachowitz how much of a

part of the conversation does he have with the departments. Mr. Dachowitz said he and Mr. Ellis have been meeting with the department that have capital requests and they listed their requests in priority order. Mr. Dachowitz said he worries about public safety and compliance issues and wants to give the department heads funding to do their jobs. He added that there are a lot of reviews. Mr. Kydes said there should be a long term plan, with input from the Finance Department. He expressed his appreciation to Mr. Dachowitz for his honesty and candor.

Ms. McMurrer asked about going line by line to get the capital budget down. Mr. Dachowitz said they need to evaluate each of the projects. He added that he tries to get the department to prioritize the projects.

Ms. Revolus said she appreciated the information; however, the people who get hit first are the ones in a community. If the taxes go up, that is a community that will be impacted by the increase in taxes. These are people who live here and pay taxes. She asked the Committee members to think about what they wanted to finance because people will not be able to afford to live here.

Ms. Ayers joined the meeting at 8:21 p.m.

Mr. Keegan said he believed that Norwalk appropriated \$500,000 for the use of the South Norwalk Community Center building and the State gave a grant of \$1.2 million. He asked if that grant money went directly to the YMCA. Ms. Lam said she will reach out to the department head to see if that is something the City will receive. Mr. Burnett said the \$500,000 came from restricted funds that were allocated from the SoNo mall. Those funds are to be used for fit up for the YMCA.

Mr. Burnett said there was a lot of information provided and this will not be the only discussion about the capital budget.

Mr. Dachowitz said the next step is for the elected officials and the Mayor to have a discussion. He said he can only borrow in the summer and it would be helpful if he knew the \$220 million was a little lower or that the projects would be moved out. Mr. Dachowitz said he would prefer to borrow a little less because they are running out of capacity.

Mr. Dachowitz said they are trying to make the budget last and stretch. He suggested setting up meetings to look at projects on a line by line basis.

Mr. Burnett said they need to access the next steps. They are in a new capital budget cycle where requests are coming in. Some difficult and thoughtful decisions have to be made to improve the situation.

Mr. Burnett announced that a special meeting will be held next Thursday at 7:00 p.m., pending the advancement of a special appropriation to Planning and Zoning to address funding for a new South Norwalk school.

10. **ADJOURNMENT.**

**\*\* MS. REVOLUS MOVED TO ADJOURN  
\*\* MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 8:32 p.m.

Respectfully submitted,

Rosemarie Lombardi  
Telesco Secretarial Services