

**CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULAR MEETING
FEBRUARY 10, 2022**

ATTENDANCE: Greg Burnett, Chair; Nora Niedzielski-Eichner, David Heuvelman, Tom Keegan, John Kydes, Diana Revolus, Jenn McMurrer

STAFF: Lisa Biagiarelli, Tax Collector, Chitsamay Lam, Comptroller, Henry Dachowitz, Chief Finance Officer

OTHERS: Carl Dickens, Oak Hills Park Authority, Mayor Harry W. Rilling, Tom Livingston; Barbara Smyth, Heidi Altman, Nicole Ayers, Common Council Members, Joyce Liu, Director Information Technology, Atty. Darin Callahan, Corporation Counsel

Mr. Burnett called the meeting to order at 7:00 pm.

PUBLIC PARTICIPATION

There was no public participation.

APPROVAL OF THE MINUTES OF JANUARY 13, 2022

**** MS. MCMURRER MOVED THE MINUTES**

**** MOTION PASSED UNANIMOUSLY**

**APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF JANUARY
20, 2022**

**** MR. HEUVELMAN MOVED THE MINUTES**

**** THE MOTION PASSED WITH SIX (6) IN FAVOR AND ONE (1) ABSTENTION (MS. MCMURRER)**

CLAIMS COMMITTEE REPORT

Ms. Biagiarelli said there were two claims that needed special requests due to dollar amounts. One was a simple overpayment and the other was an overpayment of the Pepperidge Farm Account. The amount of the refund was in excess of \$36,000.

**** MS. MCMURRER MADE A MOTION TO APPROVE THE CLAIMS COMMITTEE REPORT**

**** MOTION WAS APPROVED UNANIMOUSLY**

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Ms. Biagarelli said collection went well and are preparing delinquent notices called demand for payment. She said those will go out in late February. Ms. Biagarelli said they are working with the Marshalls and the Health Department to assist with collections and have already collected about \$25,000.

Mr. Burnett asked about the tax collection rate.

Ms. Biagarelli said they are on track will know more in February. Ms. Biagarelli said if we can keep collections high it allows the Board of Estimate to set a lower mill rate. She said in the end that means tax relief for every taxpayer in Norwalk.

OAK HILL FINANCIAL STATEMENT

Mr. Dickens said the weather is getting better and they are seeing more and more golfers. He said we cleared the certificate of occupancy for the restaurant Mr. Dickens said the soft opening is March 1 and hopefully the date will hold.

He said because it was such a good year Oak Hills will be doing continuous cart paths. There is one section on the 7th hole where paving needs to be completed. Mr. Pickens said operating budget is over budget at \$114,000 and there is \$529,000 in bank. He concluded covid not good on the whole, but good for golf everywhere across the country.

On the expense side, expenses \$82,000 lower due to cart lease. The club has paid back our annual 1% of gross revenue to the city which is \$22,000. Mr. Pickens said Oak Hills is extending its line of credit for \$250,000, but will not need to use it this year. He added 48 season passes were sold and it is limited to 50 and concluded people like the seasonal pass and hopefully with the additional rounds in 2021 golfers will come to the restaurant and spend more money and it becomes a revenue maker.

Mr. Burnett asked about the line of credit. Mr. Dickens said it is typically \$225,000. If Oak Hills had to borrow it would have to be paid back by November 1, but that is not an issue.

Ms. Niedzielski-Eichner asked about repayment and how long it will take.

Mr. Dickens said no time limit was ever established.

AUTHORIZE THE MAYOR, HARRY W. RILLING TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO UPGRADE WORLDOX SOFTWARE TO SAAS CLOUD-BASED SOLUTION, RECURRING COSTS \$8,571, ONE-TIME MIGRATION FEE \$1,920.

**** MS. REVOLUS MOVED THE ITEM**

Ms. Liu said the the upgrade will allow the law staff to access documents from home, office or the courtroom. It will cost \$8571 for the license one time cost for data migration coming from the IT operating account.

Mr. Callahan said the cloud based software presents a unique opportunity. He added it was a program that Mr. Dachowitz rolled out to make data more secure. Mr. Callahan said through negotiations they were able to tack on a data security rider.

Mr. Keegan asked if this replaces something that exists. Ms. Liu confirmed and said the additional cost is \$1819 for additional storage, \$1265 for the upgrade and one time onboarding fee of \$400.

Mr. Heuvelman asked if there will be increases over time. Ms. Liu said there will be additional charges if more is stored on the cloud and the current charge is \$157.50 per month for 150 gigabytes.

Mr. Heuvelman said he wanted to find out how much the contract would increase down the line. Ms. Liu said she did not expect it to be a big increase.

**** THE MOTION PASSED UNANIMOUSLY**

CHIEF FINANCIAL OFFICER PRESENTS OVERALL OPERATING BUDGET
2022-2023

Mayor Rilling have an obligation to keep our taxes as low as possible but we have an obligation to our students. He said he wanted to commend Mr. Dachowitz and Tom Ellis and ongoing work with the Board of Education. Mayor Rilling said we gave to be prepared to make tough decisions. He added we have students with online learning did not progress as much as we hoped they would.

Tom Livingston joined the meeting at 7:46

Mr. Dachowitz made a presentation to the counsel.

He explained the laws of economics as they apply to budgeting.

Then he proceed to breakdown the numbers. Finance is recommending a \$196.2 million budget for Board of Education. The Board of Education recommendation is \$216. He explained Board of Education expenditures are about 60% of the budget. He pointed out there are additional expenditures that are not included in the budget. Mr. Dachowitz also referred to Covid and ARPA (American Rescue Plan Act) reimbursements to offset this year's increase the past two years and final amount will arrive in May.

He pointed out \$12-15 million has been targeted to Flood Migration Projects. Some money will go to community services and economic and community development and high speed optical cabling of the city.

Mr. Dachowitz stated Connecticut state law prohibits the city government from reducing an education budget from the prior year.

Mr. Dachowitz said the good news is the city and Norwalk Public School entered an efficiency study with Evergreen Technologies which began in the fall. The study covered both the schools and the city. The final report will be delivered to the city in late March.

The Board of Education's proposed increase to \$216.3 or 7.8 million which is an increase of 3.75%. On the city side, the proposed increase \$19.2 which is an increase of \$7 million or 3.69%.

Mr. Dachowitz said he looks at which items have increased the most significantly and the biggest increase has come from the Finance Department. The assessor has to spend money to retain experts for the upcoming reevaluation in 2023. Finance is also migrating to a new information system.

Mr. Dachowitz mentioned increases to health, life and pension insurance. He added the IT department does a lot with limited resources and is hiring an additional employee for \$60,000.

Mr. Dachowitz moved on to the Rainy Day fund. The fund was over \$72 million for the current year and will shrink to \$68,395,871 in the next fiscal year.

He explained how the tax levy affects the Mill Rate by district. He concluded the budget is balanced, fair, shows fiscal restraint and is affordable for single family owners.

Ms. McMurrer asked about in kind services performed for the Board of Education. Mr. Dachowitz said we process payroll and pay bills, the legal department assists with litigation and IT assists the Board of Education. He said there is an argument that we should bill the Board of Education, but he did not feel that was necessary.

Ms. Ayers asked about the Rainy Day Fund. Mr. Dachowitz said the Rainy Day Fund will partially offset some of the increases.

Ms. Ayers asked how much the city increase was last year. Mr. Dachowitz did not know the amount off hand but it was offset by ARPA money last year and the Board of Education was flat funded. He pointed out Rainy Day fund is for catastrophe not to offset tax increases and added the drawdown is a joint recommendation from himself and the Mayor.

Ms. McMurrer said what is the plan is if the study says anything is under funded.

Ms. Niedzielski-Eichner said the fair thing to look at is how much the monthly mortgage increase will be. She said her figures are that it will be a \$13 increase for a \$275,000 home and will only be \$1 per month to reach the Board of Education request. She said do we have data on what is affordable and when we drive people out of the city.

Mr. Dachowitz said the Board of Education does not tell us where the money is going. He wants to know the return on investment. He said based on what he reads in Nancy On Norwalk more than half the students do not do science, math, read at grade level. He said they are spending \$300 million and originally asked for a 9% increase. If we do not get the return he says No.

Ms. Niedzielski-Eichner disagreed and said that is not your job. That is a policy decision. She states our students are underperforming because we are not investing enough. She said our request from you is for the data. Ms. Niedzielski-Eicher said she would prefer to wait for the study to be completed before any decisions be made.

Mr. Dachowitz said he has been there 3 years and does not know where the money is going and that is why Evergreen was hired. He said he is not advocating any policies.

Ms. McMurrer said the funds were used to pay contractual obligations. She said the schools are playing catch up due to Covid.

Mayor Rilling said we have given higher funding to Board of Education. He explained when those funds run out the city has to take up the added expense. Mayor Rilling said we need to use those funds for one time expenses and it's not an easy calculation. He pointed out we have senior citizens who have paid off their mortgage and their taxes are higher than their income. Mayor Rilling said we don't want to force people out of the City of Norwalk because they can't afford to pay their taxes. He said if we can increase funding for the Board of Education maybe we can and if we can we probably will.

Ms. Altman wanted to know if in 2019 did Norwalk become a Sanctuary City. Mayor Rilling clarified by stating Norwalk is a Title 4 city and we do not work or contact ICE based on status. We do work with them if they have a civil warrant and go with them to make sure the person and they are safe.

Ms. Altman added we do have a lot of students who did not read at level and need more funding and services.

Mr. Keegan asked about health care costs and said our consultant tends to start on the high end and goes the other way. Mr. Dachowitz said the consultant works for both the City and the Board of Education.

Mr. Burnett asked about last year's budget.

Mr. Dachowitz said we looked at the increase and offset it with the ARPA money and felt it was a good use.

Ms. Ayers asked about funding for Recreation and Parks. She said they asked for additional employees to maintain playing fields and parks. Ms. Ayers asked if Mr. Dachowitz could reconsider the funding for maintenance and clean parks.

Mayor Rilling said the city is looking at several ways to handle that. The first idea is to hire people to work part time for April to November and work directly on the fields. He said another possibility is to increase the budget to allow some workers to work overtime. Mayor Rilling said we are aware of the problem and are working on it

Mr. Kydes asked about information or data on what school programs or initiatives are still being financed and what is not.

Mr. Dachowitz said that is not part of his purview. He said the review might have some information to that and Mr. Kydes should make an inquiry directly to the Board of Education.

Mr. Burnett said there will be further opportunities to discuss the budget.

Mr. Heuvelman said Mr. Dachowitz stated the Council flatlined the Board of Education and he said that is not correct. Mr. Heuvelman said the Council made a recommendation on the cap. He said the Council decided how much money the city spends in the next fiscal year.

Mr. Dachowitz apologized for misspeaking. He said once the cap goes to the Board of Estimate every department can state their case to the Board of Estimate and they allocate the money to the different departments. Mr. Dachowitz said if the BET's recommendation is above the cap they have to determine where the cuts will be and at the end of the day sets the Mill Rate and the taxes.

Mr. Heuvelman added to what Mr. Kydes was saying about different programs that have changed how that money is absorbed and moved and he hopes it is revealed in some way. He said those are questions he has asked and were never answered and hopes they are revealed in the efficiency study.

**** MS. REVOLUS MADE A MOTION TO ADJOURN
** MOTION APPROVED UNANIMOUSLY**

The meeting adjourned at 9:12 pm.

G. Venuto
Telesco Secretarial Services