

**CITY OF NORWALK /NORWALK BOE  
JOINT FINANCE COMMITTEE  
MEETING  
NOVEMBER 9, 2022**

**ATTENDANCE:** Mayor Harry Rilling; Common Council: Greg Burnett, Chair; David Heuvelman, John Kydes, Jen McMurrer, Bryan Meeks, Nora Niedzielski-Eichner, Diana Revolus, Barbara Smyth, Heidi Altman. BOE: Colin Hosten, Chair; Kara Nelson Baekey, Diana Carpio, Erica DePalma

**STAFF:** Dr. Alexandra Estrella, Superintendent of School; Henry Dachowitz, Finance Director; Lunda Asmani, NPS Chief Financial Officer

**ATTENDANCE:**

**1. MEETING OPEN**

A. Call to order

Mr. Burnett called meeting to order at 6:00 p.m.

B. Roll call

Mr. Burnett called the roll for the Common Council Finance Committee, Mr. Hosten did the same for the BOE Finance Committee.

Mayor Rilling said that this was a challenge, that it was important to educate children, but they needed to be fair about taxes. He said that they had their work cut out for them, and said they were up to the task.

Dr. Estrella said they were entering a phase where ESSER funds would be depleted, but interventions were still required given pandemic learning loss.

C. Public participation

There was no action on this item.

**2. REVIEW AND DISCUSSION**

Mr. Burnett said this was important to work together to understand. He reviewed the process noting that the two committees would come together again

Mr. Hosten said that Norwalk public schools was committed to ensuring that every student

was ready for the future, especially given the learning loss of the pandemic. He said they were investing in the basics. He recommended that everyone look at the 2022-23 budget book, which laid out the numbers for the year and the strategies behind them.

#### A. Discussion on Guidelines for Preparation of FY24 Operating Budget

Mr. Dachowitz reviewed the guidelines for preparation of FY 2024 budget. He said they were in a challenging economic outlook and reviewed inflation numbers and interest rates over the past months, the housing and stock markets. He said that the interest rates strengthened the US dollar in foreign currency. He also reviewed national firms announcing layoffs, then Connecticut layoffs.

He said because of that, they wanted tight controls on spending increases, staying between 2.5%-3.5%. He said there were some fixed cost items where higher increases were expected. He said that they would use ARPA grant funds if available and drawdown on the 'rainy day funds' to offset the increases.

He said they were worried about the impacts of the negative economy on Norwalk taxpayers. He said that they couldn't not expect federal and state support.

He said they proposed to continue to provide essential municipal services at the lowest possible costs and minimize tax increasing to Norwalk taxpayers. He said they would also work to manage costs like debt service and employee benefits, identify opportunities to reduce spending and offset with ARPA grant funds if available and drawdown on the 'rainy day funds'.

Mr. Meeks asked about the structure of the debt portfolios and if they were locked in at lower rates. Mr. Dachowitz said they'd refunded everything they could as interest rates went down, that they tried to be conservative in borrowing.

Ms. Niedzielski-Eichner asked if the capital bonding would be at a higher interest rate this year, and if so, how much? Mr. Dachowitz said that in the summer of 2020 they'd borrowed at 1.75%, and in the summer of 2021, they'd borrowed at 2%, and this past summer they'd financed at 3.6%-- all AAA double bonded. He said in the past three months rates had gone up to 4.6%. He said that there was a disconnect between the annual capital budget and the amount the city bonded. He said that when he'd arrived in Norwalk, they'd had approximately \$175 million in unbonded approved projects because the IRS had strict rules around tax free borrowing. He said the borrowing required a focus on cash flow, so he and the comptroller asked for quarterly forecasts from department heads and chiefs on spending on capital projects and their reimbursements. He said with that information they tried to keep enough cash on hand to pay for the projects without violating IRS rules. He said they'd just started the capital budget season and his department would continue their quarterly surveys—on both new and old projects to determine the size of the bond offering.

He said that there were a little more than \$200 million in approved but unbonded projects.

Mrs. Asmani said that they hadn't included any new initiatives in this year's budget. He said they had five major priority areas to consider: ESSER Funds phaseout, South Norwalk School operating budget, employee health insurance costs, BOE LAP/Worker's Compensation, and implementing efficiency study recommendations.

He reviewed the three phases of ESSER Fund expiration dates. He said they were on track to spend almost all the ESSER Funds by June 30 of next year. He said they used the funds to support meeting the NPS FY22 Operating Budget, for one time funding needs like technology, PPT and safe learning spaces for children and for enhanced services for addressing learning loss and emotional learning. He said they wanted to continue some of these programs because the need remained.

He said that this year they'd funded South Norwalk School with rollover funds from last year and would fund it with School Based Budgets next year, and that they'd funded the health insurance with the savings from employee vacant positions. He said they were going through an RFP process to look for insurance savings for the district. He said they needed to fully fund it in FY24.

He said that they'd been drawing down on the reserves on the LAP/Worker's Comp fund which were now depleted. He said the BOE and the city shared a policy with a \$1million deductible and that they wanted to have a conversation about the efficiency study recommendations.

He said that on the efficiency study, the district operations department was working with Rec and Parks to eliminate redundancies, and they were looking to implement others.

Mr. Hosten noted that this year they were recommitting to delivering the basics to students, and building upon priorities established under Dr. Estrella, that they weren't looking to launch anything news.

#### B. Discussion on NPS FY24 Operating Budget Priorities

Mr. Hosten said that the enrollment numbers as of November 1—11, 661 students. Mr. Asmani said that the projection for the next fiscal year was an increase of about 100 students. He noted that because of the COVID years, the trends had changed.

Mr. Heuvelman asked if they could get data on trends in the rollover funds over the last 10 years. He said that they'd talked about they use of the ESSER funds for one-time needs, and he said he wanted to see the actual dollar amount of the ESSER Funds. Mr. Asmani said they would share it as part of the process.

Ms. Niedzielski-Eichner said she wanted to have clarity going forward of what was maintenance and what challenges they faced. She said that she wanted to invest in schools

but didn't want tax increases to drive those students out of Norwalk. She said she wanted to hear more about the SoNo school and its costs.

Ms. McMurrer thanked everyone for starting the conversation early, said she was looking to hear enrollment estimates and costs. She said she also wanted to know what the coaches and counselors would cost now that they were rolling into the operating budget, noting that she knew they were very beneficial to the students. She asked if there had been discussion of Special Education because she felt there was a deficit there. Dr. Estrella said that they would discuss that and would address it in depth at the next BOE Business meeting and invited all to attend.

### C. Next Steps

Mr. Burnett said the Budget Operating Calendar had been updated and posted and invited all to review.

He said the next joint meeting was scheduled for January 12.

### **3. ADJOURNMENT**

**\*\* MS. REVOLUS MOTIONED TO ADJOURN.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:00pm.

Respectfully submitted,  
L. Grassilli  
Telesco Secretarial Services