

**CITY OF NORWALK  
BOARD OF ESTIMATE AND TAXATION  
REGULAR MEETING  
FEBRUARY 7, 2011**

**ATTENDANCE:** Fred Wilms, Chair; Mayor Richard Moccia, Jim Feigenbaum, Jim Clark,  
Michael Kolman, Michael Lyons

**STAFF:** Ellen Wink, City Clerk; Tom Hamilton, Bob Barron

**CALL TO ORDER**

Mr. Wilms called the meeting to order at 7:35 p.m. Ms. Wink called the roll. A quorum was present.

**APPROVAL OF THE MINUTES - January 3, 2011.**

**\*\* MAYOR MOCCIA MOVED TO APPROVE THE MINUTES OF JANUARY 3, 2011.  
\*\* THE MOTION TO APPROVE THE MINUTES OF JANUARY 3, 2011 AS  
SUBMITTED PASSED UNANIMOUSLY.**

**SPECIAL APPROPRIATIONS AGENDA (Section A)**

**List of Resolutions**

Advertised Items – 2

**1. RESOLVED, that a sum not to exceed \$20,000 be and the same is hereby transferred from Increased Estimated Revenue to the Parks and Recreation Department to cover tree removal Expenses (Account #01-6031-5298)**

Mr. Hamilton reviewed the details and stated that this amount of tree work was necessary due to the storm in March of 2010. These funds came from the FEMA grants.

**\*\* MR. WILMS MOVED THE FOLLOWING RESOLUTION:**

**RESOLVED, THAT A SUM NOT TO EXCEED \$20,000 BE AND THE SAME IS  
HEREBY TRANSFERRED FROM INCREASED ESTIMATED REVENUE TO THE  
PARKS AND RECREATION DEPARTMENT TO COVER TREE REMOVAL  
EXPENSES (ACCOUNT #01-6031-5298).**

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

**2 - RESOLVED, that a sum not to exceed \$6,895 be and the same is hereby transferred from Increased Estimated Revenue to the Fire Department to cover expenses associated with the Code Red System (Account # 01-3160-5258).**

Mr. Hamilton reviewed the details regarding the FEMA funding for the Code Red System. The Mayor stated that the system had already been used several times this year due to the severe winter storms.

**\*\* MAYOR MOCCIA MOVED THE FOLLOWING RESOLUTION:**

**RESOLVED, THAT A SUM NOT TO EXCEED \$6,895 BE AND THE SAME IS HEREBY TRANSFERRED FROM INCREASED ESTIMATED REVENUE TO THE FIRE DEPARTMENT TO COVER EXPENSES ASSOCIATED WITH THE CODE RED SYSTEM (ACCOUNT # 01-3160-5258).**

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

### **Report on Special Appropriations**

There were no special Appropriations to consider.

### **Justification/Backup Material**

#### **TRANSFER AGENDA**

The following transfers of funds were requested by Building Management:

**The sum of \$5,000 from Account 013055-5241 (Electric) to Account 01-3055-5298 (Other Contractual Services for snow removal, salting and sanding at Police Headquarters.**

**The sum of \$5,000 from Account 013055-5244 (Gas) to Account 01-3055-5298 (Other Contractual Services for snow removal, salting and sanding at Police Headquarters.**

**The sum of \$3,000 from Account 014073-5267 (Plumb./Heating & Elect.) to Account 01-3055-5298 (Other Contractual Services for snow removal, salting and sanding at Police Headquarters.**

**The sum of \$2,355 from Account 014071-5561 (Buildings) to Account 01-3055-5298 (Other Contractual Services for snow removal, salting and sanding at Police Headquarters.**

**\*\* MR. WILMS MOVED TO APPROVE THE FOLLOWING TRANSFERS OF FUNDS:**

**THE SUM OF \$5,000 FROM ACCOUNT 013055-5241 (ELECTRIC) TO ACCOUNT 01-3055-5298 (OTHER CONTRACTUAL SERVICES FOR SNOW REMOVAL, SALTING AND SANDING AT POLICE HEADQUARTERS.**

**THE SUM OF \$5,000 FROM ACCOUNT 013055-5244 (GAS) TO ACCOUNT 01-3055-5298 (OTHER CONTRACTUAL SERVICES FOR SNOW REMOVAL, SALTING AND SANDING AT POLICE HEADQUARTERS.**

**THE SUM OF \$3,000 FROM ACCOUNT 014073-5267 (PLUMB,/HEATING & ELECT.) TO ACCOUNT 01-3055-5298 (OTHER CONTRACTUAL SERVICES FOR SNOW REMOVAL, SALTING AND SANDING AT POLICE HEADQUARTERS.**

**THE SUM OF \$2,355 FROM ACCOUNT 014071-5561 (BUILDINGS) TO ACCOUNT 01-3055-5298 (OTHER CONTRACTUAL SERVICES FOR SNOW REMOVAL, SALTING AND SANDING AT POLICE HEADQUARTERS.**

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

### **OTHER BUSINESS (Section C)**

#### **Presentation of the Recommended FY 2011-12 Operating Budget**

Mr. Hamilton stated that the final budget copies had been completed less than an hour before the start of the information, but that the full budget information would be up on the website within the next 48 hours. His presentation would be posted immediately after the meeting, but uploading the complete budget book will require a number of hours.

Mr. Hamilton then briefly reviewed the budget process with those present, including having the Council set the cap followed by a detailed BET operating review to determine the allocations. A public hearing is usually held in the 3rd week of March, with a vote on April 1st. The budget will be reviewed and voted upon again by the Council during the first week in May.

Mr. Hamilton reviewed some of the economic indicators that have happened during the last 2 1/2 years. Economic recovery is weak and real estate values have fallen significantly in the last three years. New development has remained weak in Norwalk with no growth in the Grand List. The State of Connecticut is also facing a 3.5 billion deficit, which will most likely result in a decrease in the State Aid to the City. This will be an issue for the City.

Building fees, real estate conveyance fees and similar revenue have remained flat, which will have an impact. Interest income are still declining for short term bonds. Long term bond interest is much lower, which results in lower yields.

Mr. Hamilton said that pension contributions are increasing due to the stock market decrease. Other Post Employment Benefits (OPEB) are also major increases for the city, along with many other municipalities around the country. The City is not contributing the full actuary costs for these benefits at this time. Health care is running at about 10% increase per year, and there are increases for the retiree benefits.

Mr. Hamilton then reviewed the projected State Aid, but he indicated that the Governor had not released the State budget and would not do so until February 16th. The State Aid had steadily decreased over the last 20 years from 17% of the City's operating budget to 5% of the operating budget. He then reviewed the Key Revenue figures for FY 09-10 along with the expected amounts for both FY 10-11 and FY 11-12 with the Board.

No money was withdrawn from the fund balance for FY 10-11 and Mr. Hamilton said that he was not recommending the use of fund balance for FY 11-12 because it would raise concerns for the bond rating agencies and possibly change the City's bond rating. A lower bond rating would affect the City's ability to borrow and increase debt service payments.

Mr. Hamilton then reviewed the budget drivers, which includes the BOE budget, which accounts for 53% of the total budget. He then listed the other key factors that the BOE budget includes such as employee benefits, which brings the total to over 60% of the overall budget. He went on to explain the difference between the original budget and the adjusted budget. The adjusted budget includes some BOE funds that were not spent and rolled forward to this coming year's budget.

Mr. Hamilton said that the BOE requested \$7 million, or a 4.7% in their budget. His recommended increase was \$3.6 million dollars or 2.4% . The pension costs for both the BOE and City employees is the next largest cost factor, accounting for 1.7 million or 43%. Retiree medical expenses is the third largest contributions cost at 12%.

Mr. Wilms then briefly reviewed the liability that the City carries for retiree benefits and how this impacts the budget in terms of costs.

Mr. Hamilton reminded everyone that last year, none of the City employees received wage increases. He added that numerous city unions came back to the table and gave back their increases for wages and step increases from a settled contract. There are still a number of contracts that have not been settled, but it has been assumed that these will not have any wage increases. He added that for FY 11-12, there would be some contractual increases in City wages between 2% - 2.5% depending on the contract. Non-union contract staff took no increases for the last two years. Also, there was a 8% reduction in City positions. During the last 15 years, there has been a overall reductions of 106 positions for the non-sworn City staff.

Mr. Hamilton then said that the requested budget would require a 4.4% increase in tax levies. In order to reduce this, Mr. Hamilton said that great effort was made to treat the BOE fairly and to allow the BOE to live within the budget. Mr. Hamilton added that NFEP and a BOE IT were the only unions that took a 0% increase.

The Mayor said that including police and fire, the City has only 615 employees and that he cannot find another city that is operating on such a small work force in the State. Mr. Hamilton said that he agreed and that if there was going to be additional reductions on the City side, it will have to be a reduction in services. Mr. Wilms reminded everyone that according to the CT State Statutes, only the BOE has the right to determine the line items for education, but on the City side, the BET determines the various line items. Mr. Hamilton then reviewed the debt service for the BOE and the City. The City debt service will be increasing 2.1% while the BOE debt service will be increasing by 2.5%.

Mr. Hamilton then reviewed the budget reductions he was recommended, which included limiting the OPEB contributions to the same percentage as the ARC, freezing the Grant Agency budgets at the FY 2010-11 level, holding most departmental budgets essentially flat and reducing the unallocated contingency by \$500,000. Even so, the median single family 4th District taxes would have an increase of \$107.00 or 1.8% compared to the current fiscal year. He also commented that he was hoping that the next winter would be much milder than this year. He then announced the increase percentages and reviewed the pie charts in the information packets.

The tax revenues were the next item reviewed along with PILOT grants for the State property, including NCC and the Hospital. He cautioned that his reductions in the revenues here was based solely on estimates based on past trends. Mr. Hamilton then explained that there would be a transfer of a Police IT position to the City for Public Safety IT. Mr. Hamilton then reviewed the transfers of positions and added that a provision has been made for primary elections.

Mr. Hamilton then stated that page 13 of the presentation packet was a break down of the major budget components. He indicated that on page 14 a number of variables were listed that will be monitored.

Mr. Wilms asked if Norwalk had one of the best tax collections rates in the State. Mr. Hamilton said that for the 10 largest cities in the State, Norwalk had the best collection rate. There are some smaller towns that have better rates, but Norwalk leads in terms of city tax collection rates.

In conclusion, Mr. Hamilton said that the recommended budget does not have any additional cuts on the City staff. He added that the City must remain flexible as new information becomes available. Mr. Wilms thanked Mr. Hamilton for all his hard work. He added that he wished that there was a budget that would make everyone happy, but that it was impossible to avoid the hard choices of either raising taxes or cut spending. Mr. Wilms said that the City has tried to steer a steady course to maintain as many services as possible and avoid the wholesale lopping off of essential services as some other municipalities have faced. This is a marathon and will continue

for a number of weeks, including meetings with individual departments. He said that the BET will try to be fair to everyone, including the taxpayers. At the public hearing in March, the taxpayers and residents are welcomed to speak to the Board about their concerns.

Mr. Clark thanked everyone for taking such an interest in the budget department and that the public turnout indicates a high level of interest. The BET tries to craft the best budget for everyone.

The Mayor said that he could see the signs that say "Support Education", but he would like to remind everyone that the seniors in the city have not received any social security increases in last three years. Many of the seniors are now applying for tax relief. He cautioned everyone that if the Governor increases the State income tax, that will also have an effect on everyone. He stressed that there was no hidden funds involved. The Mayor said that while the recession may be over, the recovery has not yet started. It will be important to keep respect for one another and work together to get through these difficult times. He said that there may be more struggles when the Governor releases the State budget on February 16th.

Mr. Hamilton said that the overall presentation would be on the website tonight and then the full budget will be posted during the next 48 hours.

### **RECESS**

Mr. Wilms announced a recess at 8:41 p.m. He called the meeting back to order at 8:50 p.m.

#### **Oak Hills Park Authority Revised Proposal.**

Mr. Wilms reminded everyone that last month, Oak Hills Authority had requested City's assistance regarding their debt payments and the BET had requested more information.

Mr. Barron came forward and distributed an update to the members. He then reviewed the reductions that had been agreed upon by the Oak Hill Authority. He then reviewed the key points as outline in his February 4th memo to the Board.

#### **\*\* MAYOR MOCCIA MOVED TO ACCEPT THE REPORT AS PRESENTED TO THE BET.**

Mr. Kolman said that he was not comfortable with this proposal. The Mayor said that while he understood Mr. Kolman's concerns, he reminded everyone that the City does not have control of the Park and that because of other uncontrollable factors such as the weather and the economy.

Mr. Kolman said that the structure of the proposal was fair to the City over the term, but the initial three years would be a negative impact on the City budget. Mr. Kolman said that he would like to know how the City planned to narrow the revenues gap in the short term for the City.

Mr. Wilms said he felt it was a substantial improvement and that he felt that having the payments made over the years was better than no payments at all. The escrow account would be replenished. Mr. Lyons pointed out that there were serious attempts to control the costs.

**\*\* THE MOTION TO ACCEPT THE OAK HILLS AUTHORITY REPORT AS PRESENTED PASSED UNANIMOUSLY.**

**Additional Information (Section D)**

**Oak Hills Financial Status – December 2010**

**Summary of Special Appropriations – FY 2010-11**

**Summary of Contingency – FY 2010-11**

**Financial Reports**

**Year to date Capital Budget Report (FY-2010-11)**

**Year to date Operating Budget (FY 2010-11)**

**Board of Education Budget Report (FY 2010-11)**

**Tax Collection Report – December 2010**

**Tax Collector’s Narrative – November 2010**

**Key Revenue Report**

**Salary Accounts**

**Fire Overtime**

**Dispatch Overtime**

**Police Overtime**

**ADJOURNMENT**

**\*\* MR. CLARK MOVED TO ADJOURN.**

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

The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Sharon L. Soltes  
Telesco Secretarial Services