

**CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
REGULAR MEETING
MAY 2, 2011**

ATTENDANCE: Fred Wilms, Chair; Mayor Richard Moccia, James Clark; Leo Mellow, Michael Lyons; Michael Kolman

STAFF: Tom Hamilton, Finance Director; Bob Barron, Finance Department; Karen Beggan, Assistance City Clerk;

OTHERS: Dennis McCarthy, Fire Chief, Hal Alvord, DPW Director; Kathryn Hebert, DPW Admin. Services Mgr.

CALL TO ORDER

Mr. Wilms called the meeting to order at 7:30 p.m. Ms. Beggan called the roll. A quorum was present.

APPROVAL OF FY 2011-12 OOPERATING BUDGET AND TAX RATE

Mr. Hamilton explained that there were last minute changes. The State budget is in the last stages and expected to be voted on by May 3rd. Numbers were given to Finance at 5:15 0p.m. One issue was the possibility of State Sales Tax being given to the municipalities Where the money was generated. Danbury would be the highest recipient and Norwalk would be second. However, Mr. Hamilton had some reservation about the allocations and did not recommend including this amount into the projections. The full legislation will be voted on tomorrow. CCM has put out a list of how much each municipal should receive.

Also, the State will restore the PILOT program for the manufacturing equipment. This would bring an estimated \$218,000 to Norwalk. Mr. Hamilton then cautioned everyone about this because the State is assuming that there will be labor savings in the area of one billion. State aid had previously been excluded, but is being included this time. If the union concessions are not achieved the State would have a one billion dollar deficit. He reviewed what this would mean to Norwalk and there is a possibility of a cut in municipal aid.

Mr. Hamilton then reviewed the reductions in various departments due to attrition as indicated on the May 2, 2011 BET summary.

Mr. Hamilton then gave a brief history regarding the CT Coalition for Justice in Education Funding (pg 2) and that the Governor has indicated his direction regarding lawsuit involving the ECS funding formula. A task force will start as soon as the legislative session ends in June. Mr. Hamilton said that it would be in the City's best interest to have a seat at that table. The Mayor

said that he had reactivated the membership because the information the City had requested had been provided. Due to staffing changes at CCJEF, the Mayor now feels that the organization will be worth the dues.

Mr. Hamilton then reviewed the figures for Employee Benefits. He said that the Health Care consultant had contacted him with additional information. When the Health Insurance consultant had been asked to update the information in April, the consultant indicated that their projection was higher than what the City expected. The Health Care Act now requires the City to cover the adult dependents up to 26 years if in college and up to 19 if no longer a student. Because of some positive results in the current fiscal year, there may be funds in the insurance account. Mr. Hamilton said that he feels that the consultant has over-estimated in this case. He added that next year, the City would be funding the OPEB trust fund again. Funds have also come in from the Federal Health Care bill have come in through the Early Retirement Program of \$230,000. With these factors, along with the fact that there can be a mid-year change to the Health Care allocations for the active employee insurance. Currently there is between 15 and 17 million dollars in the fund. This information came in late last week. Mr. Hamilton said that at this time, he did not recommend changing this number.

On the revenue side, there was a significant increase in Building Permits and that there was also a decrease because of loss of rental income from Keystone House.

Mr. Hamilton then reviewed a change regarding the residents who have signed up for tax relief. Because of the increase in applicants, the cost of the program has increased from \$859,000 to \$1,246,000. There are approximately 290 residents who have applied for the program.

Mr. Hamilton then reviewed the Memorandum for the Recommended Final FY 2011-12 Operating Budget.

Mayor Moccia said that Danbury and Norwalk send up the most sales tax funds and Windham will be getting almost the same allocation as Norwalk. Norwalk is the fifth largest city and once again is getting the short end of the stick. If it had been done proportionally, Norwalk would not have had a tax increase this year.

Mr. Kolman then asked if the one million had been added into the mill rate. Mr. Hamilton said that this was so. Mr. Kolman then asked what would happen if the million did not materialize from the State. Mr. Hamilton then said that the City could actually raise taxes mid-year, but depending on the magnitude of the short fall, there were a number of steps that could be taken first, like reducing services, freezing positions, and freezing spending. The City does have a fund balance and has made it through the last two years with the fund balance intact.

Mr. Wilms pointed out that if something catastrophic happened like this, the rating agencies would take the fact that the State allocations had not materialized because the State was not able to realize the savings from labor. Mr. Kolman expressed concern that the State legislators might

change the formula. Mayor Moccia said that Hartford had an allocation of 5 million and he doubted that the State would fail to manage this. Mr. Kolman then asked when the budget had to be approved. Mr. Hamilton said that it had to be done on the first Monday in May by Charter. Mr. Hamilton said that it was unfortunate that the timing cycle was as it was. Mr. Barron pointed out that there was some room because the Health Insurance costs would be clearer in the fourth quarter of the FY 2011-12 and there were items. Mr. Kolman then asked if the City wanted to spend 1 million dollars on reducing property taxes or allocate it to various departments. The Mayor pointed out that this information had only arrived at 5:15 p.m. Mr. Kolman said that there should be a discussion about this and allocating the money to other departments. Mr. Clarke said that it was unfortunate that this happened, but there were other times when the Board had needed information that was not available.

Mr. Mellow asked Mr. Hamilton if he was comfortable with this information. Mr. Hamilton said that he was not party to the discussion and only could get information from the websites like CCM and what is in the papers. The Mayor pointed out that the State Legislature had indicated that this is their recommended budget. If the State reneges, then every single municipality in the State would not receive funding. Mr. Kolman asked about allocating this to the BOE. The Mayor added that the bill was titled State Wide Property Tax Relief and that this was how Norwalk would be receiving \$640,000. It was also very late in the budget process. Mr. Clark spoke briefly about the perceived inequities in the property evaluations. Mr. Hamilton said that the State was expected to set the budget this week. Mr. Kolman asked about putting the funds in the Contingency Fund.

The recommended Fourth Taxing district mill rate is 20.795 mills, an increase of 1.06% from the current year mill rate. The median single family taxpayer in the 4th District with a new assessed value of \$287,350 will pay \$62.00 more in taxes from a FY 2010-11 tax bill of \$5,975 in taxes in FY 2011-12.

**** MAYOR MOCCIA MOVED TO APPROVE THE OPERATING BUDGET AS PRESENTED AT \$288,207,876.**

Mr. Wilms and Mr. Mellow recused themselves at this time.

**** MR. LYONS MOVED TO VOTE ON GRANTS ON PAGE 304.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Wilms and Mr. Mellow returned to the meeting at this time.

Mr. Wilms said that the City was still in the worst recession in over 80 years and that the City had been fairly stable. He would like to see no lay offs, but that this might not be possible. The City is maintaining its fiscal integrity and triple A rating, along with maintaining services. Based on that, Mr. Wilms felt that this was the best possible outcome. Mayor Moccia said that he

agreed with Mr. Wilms. He said that he understood Mr. Kolman's concerns, but that the BOE had received an increase. He said that he would stand by his motion.

**** THE MOTION TO APPROVE THE OPERATING BUDGET AS PRESENTED AT \$288,207,876 PASSED UNANIMOUSLY**

Mr. Wilms then thanked everyone for their hard work on the budget.

MINUTES

**** MAYOR MOCCIA MOVED THE MINUTES OF APRIL 4, 2011.**

The following corrections were noted:

Page 1, under **ATTENDANCE**: please change "Leo Mello" to "Leo Mellow"

Page 1, under **STAFF**: please change "Robert Baron" to "Robert Barron"

**** THE MOTION TO APPROVE THE MINUTES OF APRIL 4, 2011 AS CORRECT PASSED UNANIMOUSLY.**

SPECIAL APPROPRIATIONS AGENDA (Section A)

List of Resolutions Advertised Items

There were no items to discuss at this time.

TRANSFER AGENDA (Section B)

Fire Department:

Request:

The sum of \$21,000 transferred from Account # 01-3120-5110 (Regular Wages) to Account # 01-3152-5258 (Other Professional Services).

Chief McCarthy came forward and said that it is helpful to have Asset Works to track vehicle parks. Mr. Alvord said that DPW has Asset Works and the Fire Department does not. This will

allow the FD to track without manually entering every part and also to keep track of repairs more easily.

**** MAYOR MOCCIA MOVED TO APPROVE THE SUM OF \$21,000 TRANSFERRED FROM ACCOUNT # 01-3120-5110 (REGULAR WAGES) TO ACCOUNT # 01-3152-5258 (OTHER PROFESSIONAL SERVICES) TO COVER THE HIRING OF ASSET WORKS TO COMPLET THE INVENTORY OF THE MAINTENANCE DVISION PARTS INVENTORY FOR THE FIRE DEPARTMENT.**

**** THE MOTION PASSED UNANIMOUSLY.**

Request:

The sum of \$16,000 transferred from Account # 01-3120-5110 (Regular Wages) to Account # 01-3061-5276 (Uniforms/Cleaning).

Chief McCarthy said that the department is at the end of the cycle for some of the turnout gear and clothing for newly hired firefighters and newly promoted officers.

**** MAYOR MOCCIA MOVED TO APPROVE THE SUM OF \$21,000 TRANSFERRED FROM ACCOUNT # 01-3120-5110 (REGULAR WAGES) TO ACCOUNT# 01-3061-5276 (UNIFORMS/CLEANING) FOR THE NEW ISSUE OF THE TURNOUT GEAR AND CLOTHING FOR NEWLY HIRED FIREFIGHTERS AND NEWLY PROMOTED OFFICERS.**

**** THE MOTION PASSED UNANIMOUSLY.**

OTHER BUSINESS
(Section C)

1. - RESOLUTION, making appropriations for Various Public Improvements aggregating \$27,774,200 for the FY 2011-12 Capital Budget and Authorizing the Issuance of \$27,143,200 General Obligation Bonds of the City to meet certain appropriations in the FY 2011-12 Capital Budget.

Mr. Hamilton stated that the routine appropriation confirms the appropriations related to the Capital Budget and General Obligation Bonds. The City is planning to issue bonds in July.

**** MAYOR MOCCIA MOVED THE FOLLOWING RESOLUTION,**

RESOLUTION - MAKING APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING \$27,774,200 FOR THE FY 2011-12 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF

\$27,143,200 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE FY 2011-12 CAPITAL BUDGET.

**** THE MOTION PASSED UNANIMOUSLY.**

2. – RESOLUTION, requesting a Special Capital Appropriation in the amount of \$600,000 for the Fire Department to purchase a new and more advanced fireboat. (Account No. 0911-3110-5799- C0505)

Mr. Hamilton said that he would let Chief McCarthy speak to the issue, but the grant funds have been awarded and bids have been opened. The boat is being financed 100% by grant funding, but it is also a capital asset for the City and the Department. Mr. Hamilton said that the Chief had assured him that there would not be any additional expenses since the Department already has a boat. Chief McCarthy said that there has been increased concern since the plane that landed in the Hudson a few years ago. The Department has a surplus boat from the Police Department, but there are many possibilities with Long Island Sound. He thanked Katherine Pytleski on the grant writing. The Mayor said that there had been significant cooperation with Bridgeport and if they have an emergency, our boat will be available to them. He added that there would be reimbursements from the Federal Government. Mr. Hamilton said that he did not know if the reimbursements would be progress payments or a lump sum. Chief McCarthy said that he would check and let Mr. Hamilton and Mr. Wilms know if it was progress payments or lump sum. The Chief said that the future of public safety would be shared resources. By having the resources in different cities helps.

**** MAYOR MOCCIA MOVED THE FOLLOWING RESOLUTION,**

RESOLUTION - REQUESTING A SPECIAL CAPITAL APPROPRIATION IN THE AMOUNT OF \$600,000 FOR THE FIRE DEPARTMENT TO PURCHASE A NEW AND MORE ADVANCED FIRE BOAT. (ACCOUNT NO. 0911-3110-5799- C0505).

**** THE MOTION PASSED UNANIMOUSLY.**

3. – RESOLUTION, authorizing a \$190,000 reduction in the Approved Capital Appropriations for the demolition of the Old Police Facility (Account No. 0911-7100-5777-C0368); and

4. – RESOLUTION, authorizing a Special Capital Appropriation of \$190,000 for the Building Management Department on behalf of NEON for the replacement of its aging chiller at the Benjamin Franklin child Care Facility. (Account No. 0911-7100-5777-C0506).

Mr. Hamilton said that the chiller at Ben Franklin was at the end of its useful life and there are concerns about it lasting the summer. The lease does not require the City to provide the air

conditioning. Mr. Hamilton said that there are State Laws that indicate when the temperature rises above 85 degrees, the children would have to be sent home. NEON is looking for grants and other funding, but has requested assistance from the City. Mr. Hamilton said the capital appropriation would have a reduction for the demolition of the old police facility, since there are some funds left from that. He added that the City would expect NEON to repay the City over a 10 year period at 5%. When the chiller was put in during the 90's, it was clearly indicated that the chiller was NEON property. Mr. Wilms said that it was clearly indicated in Mr. Mann's letter. Mr. Hamilton said that the Mr. Barron then reviewed the fact that the chiller was originally installed on the roof and that the neighbors complained about the noise. A fence was installed but that cut down on the efficiency. The new chiller will be relocated.

**** MAYOR MOCCIA MOVED THE FOLLOWING RESOLUTIONS:**

RESOLUTION, AUTHORIZING A \$190,000 REDUCTION IN THE APPROVED CAPITAL APPROPRIATIONS FOR THE DEMOLITION OF THE OLD POLICE FACILITY (ACCOUNT NO. 0911-7100-5777-C0368); AND

RESOLUTION, AUTHORIZING A SPECIAL CAPITAL APPROPRIATION OF \$190,000 FOR THE BUILDING MANAGEMENT DEPARTMENT ON BEHALF OF NEON FOR THE REPLACEMENT OF ITS AGING CHILLER AT THE BENJAMIN FRANKLIN CHILD CARE FACILITY. (ACCOUNT NO. 0911-7100-5777-C0506).

****THE MOTION PASSED UNANIMOUSLY.**

5. – Approve the FY 2011-12 Proposed Parking Authority Budget

Mr. Barron said that there was a cover letter from Mr. Hamilton regarding both the WPCA and the NPA. He then directed everyone's attention to the third page of the NPA FY12 recommended Operating Budget and reviewed all the changes with the Board.

In summary there was a reduction in revenue, and increase in expenses. Mr. Alvord said that normally this would have been done in December, but Mr. Barron had not arrived yet. Mayor Moccia said that he had worked with the LAZ staff and that there would be improvements. Paid parking is always difficult. He said that he felt there was a tremendous improvement. Mr. Wilms said that he likes the new system at the Webster lot and he had also seen the Authority change from operating at a deficit to operating in the black. Katherine said that there was more compliance, which is the point of compliance. Mr. Clark said that the meters were easier and therefore it was easier to comply. Mr. Wilms said that this means that the City is collecting revenue from those who do not live in Norwalk.

**** MAYOR MOCCIA MOVED TO APPROVE THE FY 2011-12 PROPOSED PARKING AUTHORITY BUDGET.**

****THE MOTION PASSED UNANIMOUSLY.**

6. - Approve the FY 2011-12 Proposed WPCA Budget.

Mr. Barron said that the budget was being recommended as presented. Mr. Alvord said that the WPCA had adopted what appeared to be a solid plan for moderate increases each year. This has proven to be the case. Mayor Moccia said that Phase 1 was moving forward. Mr. Hamilton asked when the debt service would kick in. Lisa said that the debt service would arrive a year after the completion of the building, which is estimated to be 2013. Mr. Wilms said that WPCA was under a mandate to provide cleaner water to Long Island Sound.

**** MAYOR MOCCIA MOVED TO APPROVE THE FY 2011-12 PROPOSED WPCA BUDGET.**

****THE MOTION PASSED UNANIMOUSLY.**

#7- Appointment of Auditors for Fiscal Year 2010-11.

Mr. Hamilton said that there was an five year contract with McGladrey and Pullan with one year terms. Mr. Hamilton said that he did not remember why there were concerns. The principals for the team have been changed. Last year, there were multiple bids, but it was decided to remain with McGladrey and Pullan. Mr. Hamilton said that if the City changed auditors, it would have to go out to bid again. At this late date, it would not be a wise idea.

**** MAYOR MOCCIA MOVED TO APPROVE THE APPOINTMENT OF MCGLADREY AND PULLAN AS AUDITORS FOR THE CITY OF NORWALK FOR FISCAL YEAR 2010-11.**

****THE MOTION PASSED UNANIMOUSLY.**

Mr. Hamilton said that he would like to know if the Board was interested in changing auditors because he would like to inform McGladrey and Pullan of this. Mr. Barron said that he came from a Fortune 100 company and it is not uncommon to stay with the same auditors for decades. Mr. Wilms said that if there was any member who felt strongly about McGladrey and Pullan, this could be on the agenda for discussion.

8. – Approval of the FY 2009-10 Suspend Tax List

Ms. Biagiarelli said that the amount that was being put on suspense was decreasing. The City is near the \$500,000 mark. A major portion of the outstanding taxes are for vehicles and the delinquent collector has been working very hard.

**** MAYOR MOCCIA MOVED TO APPROVE THE FY 2009-10 SUSPEND TAX LIST.**

****THE MOTION PASSED UNANIMOUSLY.**

The discussion then moved to an upcoming training class for Tax Collectors, which will be held at five different locations around the State.

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

Mr. Barron said that the financials for Oak Hills Park was in the packet. The legal contract has a few more changes.

ADJOURNMENT

**** MAYOR MOCCIA MOVED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:25 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services

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Board of Estimate & Taxation
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