

**CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
MAY 3, 2010**

ATTENDANCE: Fred Wilms, Chairman; Michael Lyons; Leo Mellow; James Feigenbaum; Mayor Richard Moccia; James Clark; Michael Kolman (via phone).

STAFF: Thomas Hamilton, Finance Director; Ossie Lewis, Director of Management & Budgets; Ellen Wink, City Clerk.

OTHERS: Hal Alvord, Public Works Director; Lisa Biagarelli, Tax Collector.

The meeting was called to order at 7:30 p.m. by the Chairman.

APPROVAL OF FY 2010-11 OPERATING BUDGET AND TAX RATES

Mr. Kolman said that he did not receive the materials for tonight's meeting because he is traveling. Mayor Moccia noted that Mr. Kolman had been present for all of the discussions on the budget, so he did not feel it would be inappropriate for him to vote on the budget.

Mr. Hamilton reviewed the recommended budget and the recommended changes. There are no wage increases in next year's budget other than step increases for bargaining groups where they don't expect a settled contract by July 1st (police, fire & 2405). They have reflected changes in energy accounts (bidding for heating fuel, etc.). They have also updated wage accounts to reflect turnovers. They made a \$40,000 adjustment (reduction) to the disposal account in Public Works (bulky waste disposal).

Mr. Hamilton said that, in total, the recommended budget incorporated changes on the expenditure side of \$382,954. There was a significant reduction to the employee benefit line (health insurance reduced to \$9,264,000). On the revenue side, the largest change was the telephone access line grant (personal property tax). They recommended \$403,000 down to \$285,000. That revenue has declined greatly over the years. It is worthwhile having the State look into this. They also reduced the estimated revenue from health clinic fees and made a \$15,000 reduction to park usage fees and \$13,000 in rentals. Revenues go down to \$198,000 and expenditures will increase to \$2,005,670, a .72% increase. Non-tax revenues will decline by \$6,400,000. The total tax levy needs to increase by \$9,400,000. This means an increase of 3.69% in the average mil rate.

Mr. Hamilton said they were also asking for approval of the resolution authorizing the Finance Director to make transfers of less than \$5,000 between line items and to make emergency transfers subject to submission to the Board of Estimate & Taxation for approval at its next regular meeting.

**** MR. LYONS MOVED TO APPROVE THE GRANT AGENCIES APPROPRIATIONS AS LISTED.**

The Chairman and Mr. Mellow recused themselves from discussion and vote on this item and left the room.

**** MOTION PASSED UNANIMOUSLY.**

The Chairman and Mr. Mellow returned to the meeting.

**** MR. LYONS MOVED TO APPROVE THE RECOMMENDED FY 2010-11 OPERATING BUDGET OF \$280,660,289 AND THE FOLLOWING RESOLUTION:**

BE IT RESOLVED, that although the power to make transfers between appropriations lies with the Board of Estimate and Taxation, the Board hereby delegates the power to the Finance Director, upon this limited basis.

1. BE IT RESOLVED, that although the power to make transfers between appropriations lies with the Board of Estimate and Taxation, the Board hereby delegates the power to the Finance Director, upon this limited basis.

1. Transfers of less than five thousand dollars (\$5,000.00) between line items may be authorized by the Finance Director without prior approval of the Board of Estimate and Taxation; and,

2. Emergency transfers may be authorized by the Finance Director without prior Board of Estimate and Taxation approval, subject to submission to the Board for the approval at its next regular meeting following the transfer.

BE IT RESOLVED, that the Board of Estimate and Taxation hereby delegates its powers to recognize increased estimated revenues up to \$5,000 to the Finance Director, and authorizes the Finance Director to credit the appropriate expenditure accounts, subject to submission of such action to the Board of Estimate and Taxation at its next regular meeting following the Finance Director's approval of such items.

Mayor Moccia thanked the Board for their hard work, Mr. Hamilton and his staff and the taxpayers, who understand the difficulty they are facing. These are very difficult economic times. The populace is losing income and jobs and is confused by spending in the cities and the state. Norwalk tackled that by dealing with the unions and employees who took furloughs. The State and the Legislature are living in an Alice in Wonderland world. He has an 11-page sheet of mandates, some of which are valuable and well-meaning but they have forgotten who is going to pay for these unfunded mandates. He does not know what is happening in Hartford. If most cities tried to run their finances like

this, they would be run out of town. Fairfield County is 25% of the state and they pay 45% of the taxes. Mayor Moccia read a quote from Lewis Carroll's Alice in Wonderland and said that the Legislature should try to figure out where it is going and take us along with them without unfunded mandates. This nonsense is not going to help – they should be ashamed of themselves.

The Chairman thanked the Board of Estimate, saying that they have put in a lot of hours and it has been a pleasure serving with everyone. This year in particular was even more difficult. He thanked Mr. Hamilton and Mr. Lewis for their fine work. They have the finest finance department in the state. He thanked Mayor Moccia, noting that he is always the first one to make any sacrifices, which is the mark of a good leader.

The Chairman said this is the worst recession in seventy years. This is a working middle class city and they are pretty much left on their own by the state, which does not provide the help they need. They have limited means and have had to make painful decisions. The city has not engaged in any gimmicky accounting and maintained its AAA debt rating. They have asked everyone to make sacrifices, even the city and school unions. The tax rate is increasing 3.7%, which is a sacrifice for home owners. They have asked departments and the Board of Education to take pay freezes. Public Works has less money than two years ago. There are still discussions with a number of unions, the results of which will not be known for week. He pointed out that all of the increases are going toward employee benefits and pensions. He would like to see more police and fire officers and more roads paved.

**** MOTION PASSED UNANIMOUSLY BY ROLL CALL VOTE.**

The Chairman noted that the rate bill notices were signed.

APPROVAL OF MINUTES

APRIL 5, 2010 REGULAR MEETING

**** MR. WILMS MOVED APPROVAL.**

**** MOTION PASSED WITH 3 ABSTENTIONS (CLARK, KOLMAN, FEIGENBAUM).**

SPECIAL APPROPRIATIONS AGENDA

\$25,000 FROM CONTINGENCY TO THE TAX COLLECTOR'S OFFICE FOR EXPENDITURES FOR THE UPCOMING TAX SALE & \$25,000 FROM INCREASED ESTIMATED REVENUES TO THE TAX COLLECTOR'S OFFICE FOR EXPENDITURES FOR THE UPCOMING TAX SALE

Mr. Hamilton reviewed Mr. Lewis's memo and recommended approval.

Ms. Biagarelli said they started working on the sale in November and December of 2009. They started with 200 properties and 87 were paid in full as of today for a total of \$2,835,855. There are 104 properties left. By July 19th, most of the properties should be paid. They had to do title searches as of the first of the year but those costs were paid when the taxes were paid. The action of collecting taxes through a tax sale does not cost the taxpayers anything. There is a tax sale link on the city's web page. Tax collections are up over last year and this is a direct result of the tax sale. A taxpayer must be three or more years in arrears or have \$25,000 or more due.

At 8:10 p.m., Mr. Kolman left the meeting.

The Chairman thanked Ms. Biagarelli and said her work on the tax sale has been great.

**** MR. WILMS MOVED:**

RESOLVED, THAT A SUM NOT TO EXCEED \$25,000 IS AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE TAX COLLECTOR'S OFFICE TO COVER EXPENDITURES ASSOCIATED WITH THE UPCOMING TAX SALE (ACCOUNT NO. 01-1330-5258); AND RESOLVED, THAT A SUM NOT TO EXCEED \$25,000 BE AND THE SAME IS HEREBY TRANSFERRED FROM INCREASED ESTIMATED REVENUES TO THE TAX COLLECTOR'S OFFICE TO COVER EXPENDITURES ASSOCIATED WITH THE UPCOMING TAX SALE (ACCOUNT NO. 01-1330-5258).

\$25,000 FROM CONTINGENCY TO THE RECREATION AND PARKS DEPARTMENT TO COVER THE COST OF PROVIDING SECURITY AT THE CITY'S PARKS

Mr. Hamilton reviewed Mr. Lewis's memo and said that the Finance Department recommended approval.

Mayor Moccia said that attendance at the beach has increased and hopefully, attendance by out-of-towners, who are charged, will help offset the costs.

**** MR. WILMS MOVED:**

RESOLVED, THAT A SUM NOT TO EXCEED \$25,000 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE RECREATION AND PARKS DEPARTMENT TO COVER THE COST OF PROVIDING SECURITY AT THE CITY'S PARKS (ACCOUNT NO. 01-6010-5296).

**** MOTION PASSED UNANIMOUSLY.**

TRANSFER AGENDA

POLICE DEPT:

\$55,000 FROM 01-3030-5110 TO 01-3061-5110

Mr. Hamilton reviewed this item and recommended approval.

- ** MR. WILMS MOVED TO APPROVE THE ABOVE-LISTED TRANSFER.**
- ** MOTION PASSED UNANIMOUSLY.**

PUBLIC WORKS:

\$7,115 FROM 01-3055-5244 TO 01-3055-5298

Mr. Hamilton reviewed this item and recommended approval.

- ** MR. WILMS MOVED TO APPROVE THE ABOVE-LISTED TRANSFER.**
- ** MOTION PASSED UNANIMOUSLY.**

OTHER BUSINESS

RESOLUTION, MAKING APPROPRIATION FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING \$16,675,500 FOR THE FY 2010-11 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF \$11,378,969 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE FY 2010-11 CAPITAL BUDGET

Mr. Hamilton said this implements the Capital Budget that has been adopted by the Common Council.

The Chairman said they are making full use of the new stimulus bonds.

- ** MR. WILMS MOVED TO APPROVE THE ABOVE-LISTED RESOLUTION.**
- ** MOTION PASSED UNANIMOUSLY.**

RESOLUTION, AMENDING RESOLUTIONS APPROPRIATING AND AUTHORIZING BONDS FOR INFRASTRUCTURE AND TRAFFIC IMPROVEMENTS IN THE REED-PUTNAM REDEVELOPMENT AREA

Mr. Hamilton reviewed his memo dated April 28, 2010. He noted that they are not giving \$3,300,000 more to infrastructure development on this project. It is just a technical change so that they can issue the recovery zone bonds.

Mr. Clark pointed out that this was stimulus money and Mr. Hamilton agreed.

**** MR. WILMS MOVED TO APPROVE THE ABOVE-LISTED RESOLUTION.**

**** MOTION PASSED UNANIMOUSLY.**

APPROVAL OF FY 2009-10 SUSPENSE TAX LIST

Ms. Biagarelli reviewed the suspense tax list.

Mayor Moccia noted some of the businesses still operating and asked if their licenses could be withheld. Ms. Biagarelli said they do that if taxes are overdue by one year or more. Also, building permits cannot be issued if taxes are overdue.

**** MR. WILMS MOVED TO APPROVE THE 2009-10 SUSPENSE TAX LIST.**

**** MOTION PASSED UNANIMOUSLY.**

ADDITIONAL INFORMATION

KEY REVENUE REPORT – APRIL 2010

Mr. Davis reviewed this report, noting the improvement in the real estate conveyance taxes in April.

The Chairman said he hopes this trend continues. He noted that interest income keeps troubling him and asked when they will hit bottom. Mr. Hamilton said that the federal interest paper that Mr. Gilden bought is the only thing that has saved them thus far. It seems that the economy is starting to pick up and if that is the case, the Federal Reserve will raise interest rates.

Mr. Mellow asked how quickly the maturities will run off. Mr. Hamilton said he would have to check with Mr. Gilden to see how much is coming off.

OAK HILLS FINANCIAL STATUS – MARCH 2010

Mayor Moccia said it is too early in the season to judge how Oak Hills is doing.

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

**** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Cheryl Telesco
Telesco Secretarial Services