

**CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
SPECIAL MEETING
JUNE 25, 2012**

ATTENDANCE: Fred Wilms, Chair; Leo Mellow, James Feigenbaum, John Frederici, Mayor Richard A. Moccia, Michael Kolman, James Clark

STAFF: Erin Halsey, City Clerk; Thomas Hamilton, Finance Director; Robert Barron, Finance Department

CALL TO ORDER.

Mr. Wilms called the meeting to order at 7:30 p.m. He then recognized a number of Common Council members present: Mr. Petrini, Mr. Hempstead, Mr. Watts, Mr. Igneri, Mr. Pena, and Ms. Duleep, along with Superintendent Marks, and Mr. Longo from the Board of Education.

APPROVAL OF MINUTES.

a) JUNE 4, 2012 – Regular Meeting

The following corrections were noted:

Page 2, following the motion: please change:

“Mr. Wilms acknowledge that Ms. Haynie, Ms. Murray, Mr. Lyons and Mr. Kimmel from the Board of Education were present in the audience.”

TO:

“Mr. Wilms acknowledge that Ms. Haynie, Ms. Murray, Mr. Lyons from the Board of Education and Mr. Kimmel from the Common Council were present in the audience.”

Page 4, under **EXECUTIVE SESSION** please change the following from”

EXECUTIVE SESSION

a.) Meet and Confer with Board of Education regarding collective bargaining negotiations (Executive Session).

Mr. Wilms announced that the Board was entering executive session at 8:06 p.m. to discussion contract negotiations.

b.) Designate Board of Estimate and Taxation member to observe Board of Education negotiations.

ADJOURNMENT

**** _____ MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at _____

TO:

EXECUTIVE SESSION

a.) Meet and Confer with Board of Education regarding collective bargaining negotiations (Executive Session).

Mr. Wilms announced that the Board was entering executive session at 8:06 p.m. to discuss contract negotiations. There was no action taken. The Board returned to public session.

b.) Designate Board of Estimate and Taxation member to observe Board of Education negotiations.

**** MAYOR MOCCIA MOVED TO APPOINT MR. WILMS AS THE REPRESENTATIVE TO OBSERVE BOE NEGOTIATION.
** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** MAYOR MOCCIA MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:30 p.m.

**** MAYOR MOCCIA MOVED TO APPROVE THE MINUTES OF JUNE 4, 2012 AS AMENDED.
** THE MOTION PASSED UNANIMOUSLY.**

TRANSFERS

Mr. Barron distributed copies of transfer requests to the Committee members.

FIRE DEPARTMENT

The amount of \$6,364.10 from account 0133120-5251 to account 013120-5331.

Mr. Barron stated that the transfer of funds was from Medical to Diesel Fuel.

**** MAYOR MOCCIA MOVED TO APPROVE THE TRANSFER OF THE AMOUNT OF \$6,364.10 FROM ACCOUNT 0133120-5251 TO ACCOUNT 013120-5331 FOR THE FIRE DEPARTMENT.**

**** THE MOTION PASSED UNANIMOUSLY.**

YOUTH SERVICES

The amount of \$7,000.00 from account 01-11-00-5149 to account 01-11-00-5329.

Mr. Barron reviewed the details of the transfer from the part time wage account for an account to renovate the office area. He added that the new Youth Service Director, Mr. Welencyk was present. One of the requests was for modification of the office for small, private interview offices.

**** MAYOR MOCCIA MOVED TO APPROVE THE TRANSFER OF THE AMOUNT OF \$7,000.00 FROM ACCOUNT 01-11-00-5149 TO ACCOUNT 01-11-00-5329 FOR YOUTH SERVICES.**

**** THE MOTION PASSED UNANIMOUSLY.**

BUILDING MANAGEMENT

The amount of \$30,000 from account #014073-5246 (heating fuel) to account #013055-5241 (electric) for the Norwalk Police Department.

Mr. Barron reviewed the details of the transfer of funding from heat fuel to electrical at Police Headquarters. Mayor Moccia pointed out that these transfers were not new funding, but transfers.

**** MAYOR MOCCIA MOVED TO APPROVE THE TRANSFER OF THE AMOUNT OF \$30,000 FROM ACCOUNT #014073-5246 (HEATING FUEL) TO ACCOUNT #013055-5241 (ELECTRIC) FOR THE NORWALK POLICE DEPARTMENT.**

**** THE MOTION PASSED UNANIMOUSLY.**

OTHER BUSINESS

- a.) Discussion regarding the Board of Education's reconciliation of its FY 2012-13 budget;
- b.) Consideration of a revision to the Board of Estimate and Taxation's June 4, 2012 action

regarding the Board of Education's deficit.

Mayor Moccia said that the discussion that had been mentioned in the press and discussed elsewhere was focused on giving the Board of Education an extra year to handle the situation. The mayor said that both Dr. Marks and Mr. Longo were present and that they were busy with scrubbing the accounts for any left over funding.

**** MAYOR MOCCIA MOVED THE ITEMS.**

Mr. Hamilton said that it was nearly the same resolution that had been previously presented with the exception of extending it over a longer period of time and that there was an additional amount of over \$400,000 in budget release to the BOE. This has been discussed with Standard and Poor's, and Moody's, along with the BOE. A bond refunding is underway. Mr. Hamilton said that he was comfortable that this would not have any negative rating implications for the City.

Mr. Wilms said that he believed that this was the third adjustment to the insurance trust fund. Mr. Wilms said that he felt that this was the outer limit that the City could handle. Mr. Hamilton said that he was comfortable with the resolution tonight, but would not want to take it any further. Mr. Clark said that he was pleased to hear this because many people were wondering how far the City could go without impacting the bond rating. Mr. Hamilton reminded everyone that the City would now be carrying a negative insurance balance over a period of years. He added that an appropriation from the Fund Balance would not be something he would recommend. From a rating perspective, the soundest recommendation would be the issuance of a special tax to cover the shortfall. However, Mr. Hamilton said that he was not aware that this had been done in a long time. He said that this was considered to be catastrophic

Discussion followed about the insurance cost projections for 2013-2014. Mr. Hamilton reviewed the negative balance figures.

Mr. Wilms said that Moody's had just released a rating for Norwalk as AAA. He then reviewed the details of the article.

Mr. Mellow had some questions about the outlay details. Mr. Hamilton gave an overview of some of the factors.

Mr. Wilms said that he would be supporting the Mayor's motion ,but believed the City had reached the outer limits of the City's ability to help. There will be three level payments to the insurance trust fund.

**** THE MOTION TO APPROVE THE FOLLOWING:**

A.) DISCUSSION REGARDING THE BOARD OF EDUCATION'S RECONCILIATION OF ITS FY 2012-13 BUDGET;

B.) CONSIDERATION OF A REVISION TO THE BOARD OF ESTIMATE AND TAXATION'S JUNE 4, 2012 ACTION REGARDING THE BOARD OF EDUCATION'S DEFICIT.

PASSED UNANIMOUSLY.

c.) Update on the Board of Education's \$4M deficit investigation and outside audit

Mr. Hamilton aid that he could give the Committee a bit more information but that Mr. Longo had produced a comprehensive report. He said that the next steps would be to put together a detailed scope of service and develop the areas that the outside auditors would be examining, such as special education. The final question is what deliverables that the Committee wanted back from the auditors.

The annual audits confirm that the City's financial documents are valid. The outside audit would be creating an operational review and submitting recommendations of what steps should be taken in the future to prevent this situation from re-occurring. Internal controls, budget accuracy and other steps will most likely be needed. An RFP will be complied and then sent to a list of auditor in Connecticut.

Mr. Wilms suggested including OPEB and internal controls be included. He said that it would be good to have another auditing firm other than the one that the City currently uses. The Mayor agreed.

ADJOURNMENT.

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

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Services

