

**CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
FEBRUARY 10, 2014**

ATTENDANCE: James Clark, Chairman; Mayor Harry Rilling, Erik Anderson, Gregory Burnett, Edwin Camacho, Ann Yang Dwyer, James Feigenbaum,

STAFF: Donna King, City Clerk; Thomas Hamilton, Finance Director; Robert Barron, Director of Management & Budget Operations.

Call to Order

Chairman Clark called the meeting to order at 7:30 p.m. and asked City Clerk King to call the roll. Members were in attendance as indicated above, and there was a quorum present.

Approval of Minutes

January 4, 2014

Mr. Anderson noted on page 2, paragraph 2, in the last sentence, he should be changed to Mr. Wells.

- ** MR. ANDERSON MOVED TO ACCEPT THE MINUTES FROM THE MEETING OF JANUARY 6, 2014 AS AMENDED WITH CORRECTION NOTED.**
- ** MOTION PASSED WITH FIVE VOTES IN FAVOR, NONE OPPOSED AND ONE ABSTENTION (YANG DWYER)**

SPECIAL APROPRIATIONS AGENDA

\$28,000 from Contingency to the Norwalk Redevelopment Agency

Mr. Barron referred to the supporting documents and explained that this \$28,000 special appropriation is to cover health benefits for the new economic director, a request made necessary because former director was not getting health benefits from the city.

Ms. Yang Dwyer asked about the 401k match and why there is a 50% of salary cost of benefits. Mr. Hamilton explained that the city has a defined benefit pension plan but the Redevelopment Agency (RDA) has a 401K with an employer match, and health benefits offered through the RDA are significantly more expensive than those offered through the city because it is a small employer.

Mr. Burnett asked if this appropriation was earmarked designated for benefits only or if it would not be used if the benefits are not necessary. Mr. Barron explained the funds would have to be used to support salary and benefits. He gave the example of a Fair Housing position where funds were not used and the surplus was used to lower the subsequent budget. He added that if this appropriation was not required, they would go back to the RDA and discuss.

Mayor Rilling added that there was accrued sick time as part of the severance.

Ms. Yang Dwyer asked why the City would not extend benefit group rates to the RDA. Mr. Hamilton explained that ten years ago, the decision was made to separate the RDA's health benefits from those offered by the city because the RDA's claims were significantly higher.

Mr. Camacho asked if that was due to a systemic problem or a special situation. Mr. Hamilton replied that he did not know that it's systemic or if it was just bad luck, but they had significant adverse claims experience that the city wasn't comfortable having to subsidize. He explained that when there's a small group like that, you run the risk of being in a situation where if we're charging the agency the premium equivalent, or the Cobra rate for health insurance. He further explained that there are going to be years when they actually spend less and others where they spend more, and one catastrophic claim would be substantially over what they are paying the city for.

Ms. Yang Dwyer said her rough estimates are it would save the city \$10,000 if the business and marketing director was getting health insurance through the city instead of the RDA. Mr. Hamilton explained that the RDA is not a regular city department but an organization that gets a grant from the city and money from HUD. Its board members are essentially a board of directors, who oversee an autonomous organization. Mr. Hamilton further explained that there is a collective bargaining issue and labor relations concern with what group would claim the RDA as part of the union.

There was further discussion about insurance benefits and Mr. Hamilton explained that Norwalk is one of 17 municipalities that buy life insurance together. He suggested that they can find out if that would be a viable option to roll in the RDA.

There was discussion over an amendment to the motion to include a condition requested by Ms. Dwyer to evaluate the inclusion of the position into the City benefit plan.

It was agreed to approve the resolution as presented, and that the Mayor would evaluate the designation of the position as a City employee in the salary accounts, if there was significant savings in insurance and benefits.

**** MR. ANDERSON MOVED TO ADOPT THE FOLLOWING RESOLUTION:**

RESOLVED, THAT A SUM NOT TO EXCEED \$28,000 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE NORWALK REDEVELOPMENT AGENCY TO COVER THE ANTICIPATED COSTS OF HIRING A BUSINESS DEVELOPMENT OFFICER.

(ACCT # 01-7025-5B0620).

**** MOTION PASSED UNANIMOUSLY.**

Presentation of FY 2013-14 Operating Budget

Mr. Hamilton reviewed the supporting documents and presented the recommended operating budget. Questions and comments from the members were fielded. Mr. Clark requested that the budget presentation would be posted on the City website and that the link be included in the minutes:

Mr. Hamilton summarized the bottom line of \$318,480,145 budget would increase overall expenditures by 2.9 percent. He stated that this is the lowest expenditure growth in three years, and it's an austere, conservative budget that represents being as responsible as we can to the taxpayers of the city. He explained that the budget would boost the annual property tax bill on the median single-family home in the city's 4th Taxing District by \$74, or roughly 1.2 percent.

Mr. Hamilton outlined that the budget would provide a 2.9 increase for the Board of Education, a 19.3 percent increase for pension contributions, and a 1.8 percent increase for city departments excluding the pension fund. He explained that the budget would fully fund the school board except for a \$1.2 million insurance reserve, deemed unnecessary in fiscal year 2014-15 due to the current and anticipated reserve balance in the city's insurance fund.

Mayor Rilling commended the Board of Education for coming in with a realistic budget and added that the recommended budget includes funding for an additional police officer position. He explained that there will be one School Resource Officer at each middle school, and they will work at the respective elementary schools that feed into their schools to provide good coverage.

Mr. Hamilton outlined other major initiatives to include new vehicles for the Norwalk Police Department; restoring Sunday Library hours and literacy volunteers; and a Fire Cadet Program in the Norwalk Fire Department.

Mr. Hamilton outlined the assumptions, and noted that department revenues are projected to increase by \$1 million annually, while state aid is anticipated to increase by \$979,000.

Ms. Yang Dwyer suggested looking into the increasing fees to raise revenue. Mr. Hamilton noted that they will review this and that he always suggests departments to search for sources of revenue in the budgeting process.

Mr. Hamilton explained that this budget presentation marks the starting point for the Board of Estimate to craft the city's 2014-15 operating budget. He reviewed the timeline of between February 24 and March 12, where there will be reviews by department of spending requests line by line.

Mr. Hamilton noted that a public hearing has been scheduled for Wednesday, March 19; the Finance/Claims Committee will hold its public hearing February 20; and the Board has until May 5 to adopt the final budget and set property tax rates.

Mayor Rilling thanked Mr. Hamilton and Mr. Barron and stated that it was a pleasure to work with them in this process, that they are very knowledgeable.

Mr. Barron noted that in addition to the presentation there is a nine-page summary in the budget book that provides further details that the members may find very helpful.

Other Business

Mr. Barron noted that the Oak Hills Authority financial report comments are similar to what was reported last month that he has concerns over the trend in expenditures. It was noted that these could be off-season purchases for chemicals, and that the amounts expended are in line versus budget.

Mr. Clark welcomed the new members to the Board and suggested that after reviewing the budget book to email any further questions to the Finance Department.

Additional Information—the following reports were submitted:

- Summary of Special Appropriation -Status of Contingency - Financial reports
- Oak Hills Financial Status-December 2013 - Oak Hills Sales Analysis - January 2014
- Year-to-date Capital Budget Report FY 2013-14-
- Year-to-date City Operating Budget Report - FY 2013-14
- Tax Collector's Report — December 2013
- Key Revenue Report — January 2014 accounts
- Fire Overtime • Dispatch Overtime • Police Overtime
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Adjournment

- ** **MR. FEIGENBAUM MOVED TO ADJOURN.**
- ** **MOTION PASSED UNANIMOUSLY.**

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

Respectfully submitted,
Marilyn Knox;
Telesco Secretarial Services