CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULAR MEETING
MAY 8, 2025

ATTENDANCE: Greg Burnett, Chair, Heather Dunn, Jim Frayer, Doug Sutton, Anne Wennerstrand, Johan Lopez. Dajuan Wiggins (7:36 p.m.)

OTHERS: Chitsamay Lam, Comptroller; Lisa Biagiarelli, Tax Collector, Jared Schmitt, CFO, Alan Lo, Land Use and Building Management; Robert Stowers, Recreation and Parks.

CALL TO ORDER

Mr. Burnett called the meeting to order at 7:01 p.m.

ROLL CALL

Council Member Burnett called the roll. A quorum was present.

ACCEPTANCE OF MINUTES

A. Regular Meeting: April 10, 2025

Mr. Burnett said that he wished to table these minutes to have them redone and corrected. He noted there was a duplicate entry.

PUBLIC PARTICIPATION

There was no one who wished to comment at this time.

REPORTS

A. Oak Hills Park Authority Monthly Financial Statements for January, February And March 2025

Ms. Denise Brown from Oak Hills greeted everyone. She said that they had very slow finances for January and February. During February, they had to close the course due to the weather conditions. They were able to draw on the reserves from past months. March has picked up and they expect April to be good. There are 24 tournaments scheduled throughout the year. A new software package called FourUP is being used and it appears to be running well. The bunker project is almost completed. The tennis center will be up and running this coming week-end. The restaurant is now open 7 days a week and they have added music and new entries. She said that they hope to have a successful year.

Mr. Frayer asked about the bunker project. Ms. Brown said that there were some areas where they have installed large nets for the practice area. She said that there have been discussions about simulators because of the cost. Those discussion will continue.

Mr. Burnett asked how the staffing was. Ms. Brown said that Mr. Schell had hired two new staff members, a mechanic and a foreman. She noted that there were often considerations about the pay and benefits because Oak Hills is a public course and competing with private clubs. The pro shop, the tennis center and the nature centers are doing well.

B. Tax Assessor Report

Mr. Schmitt said that he was filling in for Paul tonight. He gave a brief overview of the Senior and Disabled Tax Relief program. He said that they were also doing all the other preparation for the tax billing cycle. They are also working on permit inspections and also checking projects that are partially completed for assessment. An online assessment program has been started and the City is shifting from paper filing to the online filing.

MPS is on their way regarding identifying vehicles that are registered out of state, but the owners are Norwalk residents.

Mr. Frayer asked about the partial assessment process. Mr. Schmitt said that it had always been in place.

Mr. Burnett asked about the correction to the growth of the grant list. Mr. Schmitt said that they had communicated with the news outlet and discovered from data from a previous year. They have been given updated data and the grand list has increased with new commercial enterprises and the second phase of the real estate program. There were some reductions in the motor vehicle grand list, but the overall list has increased. The newspaper has corrected it in their manner.

Mr. Burnett noted that the application process for the Senior and Disabled Tax Relief will end next week. Mr. Schmitt said that they send the application out to the current participants and also follow up with them.

C. Narrative on Tax Collections dated May 2025

D. Monthly Tax Collector's Reports dated April 2025

E. Claims Committee Report dated May 2025

Ms. Biagiarelli greeted the Council Members. She explained that there was one item on the April Claims report that requires a vote from the Committee. This is a refund of $41,395.54 on 2021 and 2022 grand lists payment on 71 Connecticut Avenue, a commercial property which is an apartment building. This is the result of a stipulated judgement from court. Ms. Biagiarelli gave the details and said that the property has since been sold. The prior owner is entitled to this refund.

**** MS. WENNERSTRAND MOVED TO APPROVE THE MAY 2025 CLAIMS COMMITTEE REPORT AND THE REFUND OF $41,395.54 AS PRESENTED**
**** THE MOTION PASSED UNANIMOUSLY**.

This item will be presented to the full Common Council on May 13, 2025 for approval.

Ms. Biagiarelli then presented the following report:

> As of the end of April 2025, having completed ten months of our fiscal year, we collected more than $364 million against our nearly $372 million adjusted levy. As noted in prior months, the net adjusted levy has been reduced from the original budgeted levy due to stipulated judgments in adjudicated property tax appeal cases related to the 2018 (prior) revaluation. Our net levy increased in December 2024 with the infusion of $4.6 million in supplemental motor vehicle taxes on the 2023 grand list, billed as of January 1, 2025, but still remains reduced overall by (now) more than $2.4 million due to stipulated judgments.
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> As of the end of April 2025, our current collection rate for all tax types, including the supplemental motor vehicle levy, was **97.98%,** up from 97.65% as of the end of March 2025. We also collected **98.78%** of our sewer use levy, more than $18.7 million, and **87.72%** of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year, we ended April 2025 very slightly behind last year for collection of taxes (-0.15%) and for sewer use (-0.02%) but slightly ahead of last year for the IPP fee (1.45%).
>
> We also collected more than $7 million in past due taxes, interest and fees, with two months remaining in the fiscal year. This amount is (net) over $3.5 million more than what had been collected in back taxes during the same period last fiscal year. The increase is due to the tax sale we held on September 9, 2024. All these figures are net of refunds and credits, and in both the current and in the prior fiscal year, a sizeable portion of our past due collections were basically consumed by credits, as noted above.
>
> Since June 2024, the tax collector's office has been responsible for billing and for collecting a monthly municipal tax on gross receipts from cannabis sales within Norwalk. We receive information monthly from the Connecticut Department of Revenue Services on what the gross sales were, and how much tax is owed to the city. The tax rate is 3% of gross sales, and the tax is paid by all cannabis retailers, hybrid retailers and micro cultivators. From April 2024 through the end of the month of April 2025, we have collected more than $284,000 in municipal cannabis tax. These funds are turned over to

the Comptroller's office. We include cannabis tax receipts in a one- line notation at the bottom of our monthly reports.

Our delinquent tax collector continues to work with the Department of Health to identify establishments with past due taxes that need to be brought current before a new health permit is issued. Many of these permits renewed in January. She also continues filing Uniform Commercial Code (UCC-1) liens with the office of the Secretary of the State of Connecticut to secure payment of past due business personal property taxes.

Our third-party collection agency continues to bill on our behalf for suspended motor vehicle accounts. Through the end of March 2025, in conjunction with their efforts, we had collected nearly $1.3 million in past due motor vehicle taxes and interest due to the City. At this writing I do not yet have April figures for collection agency accounts. This agency's fees are charged *in addition to* the taxes and interest due to the City and are paid by the taxpayers who owe the past due bills; we collect what is due to us in full, and do not sacrifice any of what is due to the City. We began working with this company in December 2022.

We have mostly concluded our work on the September 2024 tax sale, more than eight months after the actual sale. We collected in excess of $6.5 million directly on tax sale properties. In April 2025 we collected more outstanding blight fees on a property that had been included in the tax sale, but failed to sell, and we need to recalculate our total collections due to the sale. Out of the original 225 properties, 212 paid in full prior to the day of the sale. On the day of the sale, we were left with 7 properties. The tax sale website remains up: https://storymaps.arcgis.com/stories/00d984cac70d4ae49f41a8936c0c638f ; this site is also reachable from the tax collector's home page. There were four properties that did not redeem, and deeds in the name of the successful bidders were filed in March. Subsequently, we turned over more than $800,000 in overbid (excess proceeds) to the Superior Court in Stamford, in accordance with state law, as the City does not make a profit on tax sale properties regardless of how much they sell for.

In March, we issued delinquent notices, called demand for payment notices, for past due real estate and business personal property taxes. We followed up with motor vehicle demand notices in April. We filed our lien continuing certificates in the Norwalk land records on April 7. We will continue to work on collection enforcement, including a wage garnishment initiative for City and Board of Education employees who owe past due Norwalk property taxes. We also anticipate working with the Planning and Zoning Department to assist them in collecting past due zoning violation fees through the tax sale process, in the same manner we now collect blight fees for the Blight Enforcement Division, and are considering holding a tax sale for these properties in the fall of 2025.

Our Board of Estimate and Taxation set our mill rates this week, and the WPCA set their rates on March 17. Accordingly, we are beginning the processes that will result in our billing the new tax levy for the new fiscal year that begins July 1, 2025. We are working with our Assessor's office and our software provider to implement the significant changes to our motor vehicle assessment and taxation processes brought about by recent state legislation. Information about these changes will be included on the city website, and included with the motor vehicle tax bills we send in June. We will be billing based on the second year of the four year phase-in of assessment values for the 2023 citywide property revaluation of taxable real property and hope to ensure that taxpayers continue to be well informed about the revaluation and the phase-in.

I am concluding this month's report with a reprint of information I provided in last month's report, because I feel it is important in case anyone missed it last month. That information follows below.

At the end of March 2025, a post was made on one of the Norwalk online forums concerning outstanding back taxes. The post referred to the fiscal year end 2024 (June 30, 2024) audit report, and referenced a page showing taxes billed and collected. The poster was dismayed that there was $4+ million in uncollected taxes and inferred that these revenues could be used to further fund education. I do not read these forums regularly, and will not respond on the forum directly, but will address this issue here.

Every municipality in Connecticut is subject to an annual external audit. Part of the audit report is a fifteen year lookback on taxes billed and collected. Property taxes are collectible for fifteen years. This auditor's report to which the poster referred looked at the current year, as well as fifteen prior years of billed and collected taxes that were payable during the fiscal year that ended on June 30, 2024.

The grand list year that was currently being billed in that fiscal year was the grand list of 2022 (due July 1, 2023 and January 1, 2024). In addition to the 2022 grand list, we were also still collecting on the prior 15 years of taxes. The oldest year included on this report was the 2007 grand list. One of the comments that followed that online post inquired why we still carry an amount from 2007. Taxes are collectible for 15 years. There could be any

number of reasons why we had bills from 2007 that were still uncollected on June 30, 2024. Also, because every year we collect more and more on those back years, that answers the question of why the amounts "ballooned" as the grand list years become more current – because the older the grand list, the less is left still to collect, and vice versa.

To put this in perspective, for the grand list years of 2008 through 2022 inclusive (fifteen years) our revised levies for those fifteen grand list years totaled $4,630,730,999.12 (**$4.6 BILLION**). And according to our records, we had a balance due from all those billed years of $9.4 million. This means there was $9.4 million remaining uncollected out of $4.6 BILLION billed . That is an uncollected percentage of **0.203% (two tenths of one**

percent). Our collection rate on the fifteen years of billed and collectible taxes was **99.797%.**

Furthermore, we sent out approximately 1,304,515 (**1.3 MILLION**) tax bills during that time, and operated with a staff of between six and eight full-time staff members, depending on vacancies. And, since that fiscal year ended on June 30, 2024, between then and now April, 2025) we have collected $3.8 million of the $9.4 million balance that was still due on June 30, 2024.

Another comment in the online post basically stated that we pursue only some accounts through tax sale, and that we do not collect on commercial properties. This is absolutely false. The tax sale criteria is based on dollar amount owed and / or the number of years in arrears. It makes no difference what type of property it is - residential, commercial, vacant land, etc., and it makes no difference who the property owner is. If a property meets the criteria, it is included in the sale, until the taxes are paid. If we hold a sale, and start with 200+ properties, and on the day of the sale find ourselves with no commercial properties, that means only that the commercial properties that were originally included in the sale have paid prior to the sale. Comments that we target senior citizens and / or residential homeowners are inflammatory and false.

As nearly every monthly report from my division concludes, maintaining a high tax collection rate allows for a more fair distribution of the tax burden. Maintaining a high current and back tax collection rate allows the budget making authority to set lower mill rates, as there can be less of an allowance for "uncollectible" taxes - taxes not timely paid when billed. Conversely, a lower collection rate, and less efficient tax collection, would require higher mill rates, and a correspondingly higher tax levy to be borne by all taxpayers. This principle inspires all our billing and tax collection enforcement activities. Not every billed tax will be collectible, and when you are sending millions of bills, some are never going to be collected. Not every item included in the grand list by the Assessor is a valid bill. Adjustments are made. However, a collection rate of 99.797% over 15 years on a $4.6 billion levy is excellent. To question our collection rates and enforcement, or claim no one is being held accountable for paying their back taxes, are false claims and needed to be addressed.

Mr. Frayer asked for the analysis for the 15 year period of the delinquent taxes. Ms. Biagiarelli said that she would send the report. Discussion followed about the details.

Mr. Frayer said that there had been some challenges with the software system. Ms. Biagiarelli said that there would be a meeting about this tomorrow. She explained that Norwalk bills their residents carefully because the Water charges are included in the real estate bill and different districts receive different services.

Mr. Wiggins joined the meeting at 7:36 p.m.

OLD BUSINESS

There were no items to consider at this time.

NEW BUSINESS

A. ACTION REQUESTED:

> **1a. Recommend the allocation of $583,668 in Special Capital Appropriation funds to the Recreation and Parks Department for the development and construction of the Norwalk Community Recreation Center at 98 South Main Street as identified Herein this memo and attached documentation.**
> **Current acct. #09256030 5777 C0719**
>
> **1b. Recommend the reduction in the amount of $583,668 from the balance in the middle schools bathroom improvement capital budget Acct. #09225010 5777 C0807**

**** MR. FRAYER MOVED THE ITEM**.

Mr. Lo and Mr. Stowers came forward to speak about item. Mr. Lo said that the City has owned the building for a number of years and they have developed this project. They will be renovate the building. He gave an overview of the project and said that once they started renovating the interior walls, they discovered a great deal of mold and water damage. Some of the interior steel infrastructure had rusted away because it is galvanized steel. Today they use stainless steel. He gave the details. Every month that they delay on the work costs them $40,000.

Mr. Lo said that this request should cover the current conditions. Now that they know that the extent of the problem they can move forward. He does not expect many more problems since the only other thing would be potential soil contamination.

Mr. Burnett asked about the interior wall damage and the damage on the back wall. He wished to know if the building was structurally sound. Mr. Lo said that it was a steel structured building and the contractor has done his due diligence.

The discussion moved to the transfer of the funds from the bathroom renovations. Mr. Lo gave the details. Mr. Schmitt said that the two projects net out and this will not add any debt to the City.

Mr. Lo said that on Monday night, he presented to Land Use and Building Management and the Common Council at the same time. Therefore the Council will have two similar items on the agenda.

Ms. Wennerstrand wished for clarification regarding the decision to transfer the funding from the Board of Education. Mr. Lo said that there had been pressure to upgrade and improve the bathrooms in the middle schools. Those improvements were made and the funding has been in the account for over a year. Ms. Wennerstrand said that it was important for people to understand that the schools were not losing something. Once the project is completed, the funding can be reallocated to another department project.

Mr. Burnett asked what other kinds of surplus funding had been utilized by the City. Mr. Lo said that he had used some funding from Ponus to drainage and another amount to traffic signals. He also listed a number of school projects where the surplus funding had been used for other major City projects. He noted that the school HVAC projects have been a challenge but would prefer to get into that situation another time.

Mr. Schmitt said that the Charter Commission was in the process of making some changes in the project process for this area. One thing would be that the Capital projects that would dormant for four years would have to be re-authorized. Discussion followed.

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

> **1A. RECOMMEND THE ALLOCATION OF $583,668 IN SPECIAL CAPITAL APPROPRIATION FUNDS TO THE RECREATION AND PARKS DEPARTMENT FOR THE DEVELOPMENT AND CONSTRUCTION OF THE NORWALK COMMUNITY RECREATION CENTER AT 98 SOUTH MAIN STREET AS IDENTIFIED HEREIN THIS MEMO AND ATTACHED DOCUMENTATION.**
> **CURRENT ACCT. #09256030 5777 C0719**
>
> **1B. RECOMMEND THE REDUCTION IN THE AMOUNT OF $583,668 FROM THE BALANCE IN THE MIDDLE SCHOOLS BATHROOM IMPROVEMENT CAPITAL BUDGET ACCT. #09225010 5777 C0807**

PASSED UNANIMOUSLY.

B. RESOLUTION:

> **Making Appropriations For Various Public Improvements Aggregating $74,522,646 For The Fiscal Year 2025-2026 Capital Budget And Authorizing The Issuance Of $74,522,646 General Obligation Bonds Of The City To Meet Certain Appropriations In The Fiscal Year 2025-2026 Capital Budget**

**** MR. LOPEZ MOVED THE ITEM.**

Mr. Schmitt said that the Council had approved the Capital Budget and this is to authorize the issuance of General Obligation Bonds. He explained that they would be speaking with the various departments about what they are going to need over the next 18 months. Something like the Fire Truck needs to be fully authorized for the manufacturing company to start building the truck, which won't arrive for a three to four years. This same situation is applicable to the WPCA who have projects that take time.

**** THE MOTION TO APPROVE THE RESOLUTION FOR MAKING APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING $74,522,646 FOR THE FISCAL YEAR 2025-2026 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF $74,522,646 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE FISCAL YEAR 2025-2026 CAPITAL BUDGET PASSED UNANIMOUSLY.**

This item will be presented to the Council on May 13th for their approval.

**** MR. SUTTON MOVED SUSPEND THE RULES TO ADD AN ITEM TO THE AGENDA REGARDING AUTHORIZING THE MAYOR, HARRY W. RILLING, TO EXECUTE AN ELECTRIC VOTING LEASE AGREEMENT WITH THE STATE OF CONNECTICUT FOR A LEASE TERM OF APPROXIMATELY TEN (10) YEARS AND A TOTAL LEASE COST OF ONE DOLLAR ($1.00).**
ACCT NUMBER NOTED.

**** THE MOTION PASSED WITH SIX (6) IN FAVOR (BURNETT, DUNN, FRAYER, LOPEZ, SUTTON AND WENNERSTRAND) AND ONE (1) ABSTENTION (WIGGINS).**

> **Authorize The Mayor, Harry W. Rilling, To Execute An Electric Voting Lease Agreement With The State Of Connecticut For A Lease Term Of Approximately Ten (10) Years And A Total Lease Cost Of One Dollar ($1.00).**

**** MS. WENNERSTRAND MOVED THE FOLLOWING ITEM:**

> **TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE AN ELECTRIC VOTING LEASE AGREEMENT WITH THE STATE OF CONNECTICUT FOR A LEASE TERM OF APPROXIMATELY 10 YEARS AND A TOTAL LEASE COST OF $1.00 (ONE DOLLAR).**

Mr. Burnett said that the State of Connecticut has purchased new voting machines and tabulators. The State has mandated that all municipalities in the State to rent the voting machines from the State for the sum of one dollar for a ten year lease. He noted that the City would be responsible for the acquisition of the software to run the machines as well as the maintenance, service, repair and safe storage of the new voting machines is the City's responsibility, which is currently the case with the existing voting machines. The Registrar of Voters has requested that the Common Council approve the lease so they can take delivery of the new voting machines and the appropriate employees may begin training.

**** THE MOTION PASSED UNANIMOUSLY.**

This item will be presented to the Council on May 13th for their approval.

ADJOURNMENT.

**** Mr. FRAYER MOVED TO ADJOURNED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:12 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services