CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
REGULAR MEETING MINUTES - FEBRUARY 9, 2026
VIA ZOOM VIRTUAL CONFERENCE

ATTENDEES: Ed Abrams (Chair), Mayor Barbara Smyth, Kendrick Constant, Troy Jellerette, Artie Kassimis, Anne Yang, Joseph Andrasko.

STAFF: Marsha Elbourne (City Clerk), Kimberlee Kinsella, Jared Schmitt, Tom Ellis.

OTHERS: Deanna D'Amore, David Westmoreland, Douglas Hempstead, Stuart Wells.

I. CALL TO ORDER

The regular meeting of the Board of Estimate and Taxation was called to order at 6:30 p.m. by Mr. Abrams.

II. ROLL CALL

Ms. Elbourne called the roll. A quorum was established. Mr. Andrasko was welcomed as a new formal member of the Board.

****MR. KASSIMIS MOVED TO DO THE DISCUSSION OF THE SPECIAL CAPITAL APPROPRIATION - HISTORICAL COMMISSION CONSERVATORY PROJECT BEFORE THE PRESENTATION IN OTHER BUSINESS.**
****THE MOTION PASSED UNANIMOUSLY.**

III. ACCEPTANCE OF MINUTES

****MR. KASSIMIS MOVED TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF JANUARY 12, 2026.**
****MR. JELERETTE SECONDED THE MOTION.**
****THE MOTION PASSED WITH ONE ABSTENTION MR. ANDRASKO (NOT PRESENT AT LAST MEETING). THE MINUTES WERE APPROVED AS PRESENTED.**

No changes, amendments, or revisions were proposed.

IV. SPECIAL APPROPRIATION AGENDA

There were no special appropriations on the agenda.

V. TRANSFER AGENDA

A. Transfer FY2025-2026
Mr. Abrams suggested considering each transfer individually.

Health Department Transfer
Mr. Ellis introduced the transfer request from the Health Department to cover relocation assistance costs related to a significant building condemnation event. Ms. D'Amore explained that the request was made under the Connecticut Uniform Relocation Assistance Act following a water supply line break that displaced numerous residents. Most residents returned within four days, but some remained under relocation assistance. The request also included funds for other ongoing relocation cases.

Questions were raised by Mr. Kassimis regarding reimbursement from insurance or landlords, and by Mr. Jellerette regarding historical success rates of recovery. Mr. Schmitt and Ms. D'Amore indicated that recovery efforts are pursued through Corporation Counsel, including potential liens, though timelines can be lengthy. Mayor Smyth noted ongoing firm pursuit of reimbursement. Mr. Jellerette requested a summary of recovery success rates over the past five years.

> ****MR. KASSIMIS MOVED TO APPROVE THE HEALTH DEPARTMENT TRANSFER AS PRESENTED.**
> ****THE MOTION PASSED UNANIMOUSLY. THE TRANSFER WAS APPROVED.**

Registrar of Voters Transfer
Mr. Ellis explained that this was an interdepartmental transfer (not from contingency) to true up accounts following identification of grant-eligible expenses, accommodate planning for the remainder of the year, and address state mandates. A clerical error was noted: election signs for $500 appeared twice, making the correct total $25,765 rather than $26,265. Mr. Wells was available for questions.

> **** MR. KASSIMIS MOVED TO APPROVE THE REGISTRAR OF VOTERS TRANSFER AS PRESENTED (CORRECTED TOTAL OF $25,765).**
> ****MR. ABRAMS SECONDED THE MOTION.**
> ****THE MOTION PASSED UNANIMOUSLY. THE TRANSFER WAS APPROVED.**

VI. OTHER BUSINESS

B. Special Capital Appropriation - Historical Commission Conservatory Project
Mr. Abrams noted the previously approved agenda change to move this item ahead of the FY 2026-27 operating budget presentation.

Mr. Ellis provided background, explaining that the Historical Commission had included a capital request of approximately $1.5 million in the FY 2026-27 budget for repairs to the conservatory at the Lockwood-Mathews Mansion. Due to the urgent and precarious condition of the structure, the Commission was requesting an immediate transfer of $275,000 from unexpended bond proceeds remaining in the Combined Dispatch/Communications Upgrade capital project (formerly associated with the 911 communications dispatch program). The funds would support initial research, design, and engineering work. Upon final approval by the City Council, a new account would be established.

Ms. Elbourne read the proposed resolution into the record as follows:
"Be it resolved that a special capital appropriation of $275,000 is hereby transferred from the combined dispatch capital project for the communications upgrade account noted to the City's Office of Building Management Department on behalf of the Historical Commission for the conservatory project referenced below. Be it further resolved that a special capital appropriation of $275,000 is hereby transferred to the City's Office of Building Management Department on behalf of the Historical Commission for the research, design, and engineering work associated with the conservatory at the Lockwood-Mathews Mansion. Funds will be appropriated to a new account established upon final approval from the City Council. Project specifics are detailed and described in Exhibit A, attached hereto."

Mr. Ellis then introduced Mr. David Westmoreland, a member of the Historical Commission, and Mr. Douglas Hempstead, President of the Lockwood-Mathews Mansion Museum, Inc., the 501(c)(3) organization in public-private partnership with the City of Norwalk.

Mr. Westmoreland described the conservatory as a semicircular (quarter-globe) glass structure with three main vertical beams and horizontal supports. All three primary vertical beams had suffered significant interior rot at the seams where they met the glass, a condition that became visible only after leaking began. One horizontal beam also showed considerable rot. Temporary supports had been installed to prevent collapse, and efforts were being made to keep snow off the structure. He noted that the current wooden framing replaced an earlier metal structure damaged by a fallen tree limb in the early 1970s.

The estimated full replacement cost ranged from $1.5 million to $1.75 million, based on consultations with the mansion's long-time architects, David Scott Parker Architects. The $275,000 transfer would enable immediate commencement of engineering, design, and research to advance the project as quickly as possible given the dangerous condition.

Mr. Hempstead emphasized the urgency of beginning the engineering phase now to avoid another winter season under the current precarious conditions. Delaying would make it more difficult to start construction in summer or fall, increasing risk from snow, wind, and weather. Recent severe weather had required extra heating and manual snow removal from the structure. He noted that the conservatory was now in year-round use following prior mechanical system upgrades.

In response to questions:
Mr. Jellerette confirmed that the $275,000 was an early draw from the FY 2026-27 capital request and would reduce the future request by that amount, not represent new/additional funding.

Mr. Westmoreland clarified that the prior $17.5 million state-funded renovation (completed years earlier) focused exclusively on mechanical systems (HVAC, electrical, sprinklers, lighting, emergency systems) and did not include structural restoration of the conservatory. The rot was discovered only recently (approximately November 2025) after leaking was observed. Full building restoration needs were estimated at an additional $20–25 million beyond mechanical work already completed.

Mr. Kassimis asked whether the structure could safely wait until August for funding. Mr. Hempstead replied that engineering and design would take several months, and delaying would leave the conservatory exposed to another full winter.

Mayor Smyth inquired about recent snow accumulation and ongoing mitigation efforts. Mr. Hempstead confirmed concerns about snow weight and described continued measures including extra heating and careful snow removal.

Mr. Abrams thanked Mr. Westmoreland and Mr. Hempstead and wished them success with the engineering work.

> ****MR. KASSIMIS MOVED TO APPROVE THE RESOLUTION TRANSFERRING $275,000 FROM THE COMBINED DISPATCH CAPITAL PROJECT TO A NEW ACCOUNT FOR THE HISTORICAL COMMISSION CONSERVATORY PROJECT (RESEARCH, DESIGN, AND ENGINEERING), SUBJECT TO FINAL CITY COUNCIL APPROVAL.**
> ****MAYOR SMYTH SECONDED THE MOTION.**
> ****THE MOTION PASSED UNANIMOUSLY. THE TRANSFER WAS APPROVED.**

A. Presentation of the FY 2026-27 Recommended Operating Budget
Mr. Abrams invited Mayor Smyth to provide opening remarks prior to the budget presentation. Mayor Smyth delivered the following statement:
Mayor Smyth began by thanking the members of the Board of Estimate and Taxation for the work ahead, noting that the meeting marked the formal public beginning of the budget season, although significant preparatory work had already occurred.
Addressing residents who may have been watching, Mayor Smyth described the FY 2026-27 budget as particularly challenging for the City of Norwalk. While this was Mayor Smyth’s first budget as mayor, it was far from the first budget cycle experienced in Norwalk.

Three major structural cost drivers were identified as shaping the budget:
1. Skyrocketing healthcare costs, a trend affecting municipalities across the state and nation, with Norwalk experiencing the same pressures.
2. Contractual obligations, driven by six collective bargaining agreements reaching fruition simultaneously, significantly increasing costs this year.
3. The ongoing revaluation phase-in, a state-mandated process occurring every five years, whose timing—following the post-COVID housing surge—had made its impact especially difficult for Norwalk residents.

Mayor Smyth outlined the city's response and forward-looking changes:
Regarding contractual obligations, the administration remains committed to offering competitive, fair wages to retain quality employees who keep the city safe. To avoid future simultaneous impacts, collective bargaining agreement negotiations have been spread out over time for better financial planning.

For healthcare costs, the city is making a significant investment in the internal service fund to offset future tax burdens related to health insurance. While this will increase the tax impact this year, it positions Norwalk for a stronger financial position in the long term.
On the revaluation phase-in, the city is actively working to grow the grand list by attracting businesses and pursuing responsible development to help moderate housing costs and broaden the tax base in coming years.

Mayor Smyth emphasized continued investment in Norwalk's schools, particularly in early identification and support for students with special needs. By bringing certain services in-house and providing early interventions, the city aims to support students in reaching their full potential. While these measures may cost more in the short term, they are expected to yield long-term savings and better outcomes.

Mayor Smyth stressed the importance of avoiding short-term decisions that create larger future challenges, urging consideration of both immediate and long-range implications.
The mayor described the presented budget as an initial proposal and a living document that would undergo many changes through the budget process.

Upcoming budget milestones were outlined as follows:
The budget would be presented to the City Council the following night (February 10, 2026), The Finance and Claims Committee would hold a public hearing on Thursday (February 12, 2026), The City Council would set the operating budget cap at the end of February, Beginning in early March, the BET would hold departmental meetings to discuss potential adjustments, A public hearing before the BET was scheduled for March 25, 2026, The City Council would set the final budget cap no later than April 21, 2026.

Mayor Smyth stated the goal of placing Norwalk on stronger financial footing for the future and emphasized engaging residents in the process. Residents were encouraged to email BET members, City Council members, and the mayor directly, to attend public hearings, and to share their priorities and voices.

While acknowledging that not everyone would agree with final decisions, Mayor Smyth promised that every effort would be made to minimize the impact on residents while planning responsibly for the city's future.

Mayor Smyth concluded by thanking those present for their attention and turned the meeting over to CFO Jared Schmitt for the budget presentation.

Mr. Schmitt thanked Mayor Smyth for her remarks and shared his screen to present the budget materials. He noted that he had emailed two attachments at the start of the meeting—the presentation slides and the line-item detail of the budget—and provided a link to these documents on the city website.

Mr. Schmitt expressed appreciation to his team, particularly Mr. Tom Ellis and Ms. Kimberly Pincella (Assistant Director), as well as to Ms. Chits and others involved in the months-long process. He also thanked all department heads for their cooperation and assistance during a very difficult budget year, noting their helpfulness in responding to questions and ensuring due diligence on behalf of taxpayers.

Mr. Schmitt then reviewed key drivers and elements of the proposed FY 2026-27 budget, many of which aligned with Mayor Smyth's earlier comments:

- This is the third year of the real estate revaluation phase-in.
- The Board of Education requested a 6.5% increase (with a footnote regarding whether the $4.5 million supplemental appropriation from FY 2025-2026 should be included in the base; Mr. Schmitt clarified that the proposed 4% increase incorporates that amount, resulting in approximately $10 million additional funding).
- Healthcare costs are rising 13–14% (higher in Fairfield County), as Norwalk participates in the state's Partnership 2.0 Plan.
- Six collective bargaining agreements settled simultaneously; future negotiations have been staggered (police and fire on five-year terms, others on four-year terms) to avoid future clustering.
- A significant contribution is required to fortify the Internal Service Fund (healthcare, workers' compensation, and liability/auto/property buckets), which had been drawn down in prior years to offset appropriations. The balance is now insufficient to continue that practice, necessitating a large one-time rebuild.
- No additional PACE sale revenue is expected in FY 2026-27 (occurs every other year).
- Investment income is decreasing due to falling/stabilizing rates and a declining investable corpus (no more ARPA or certain grant cash).
- Pension costs remain an estimate pending final figures expected within the next two weeks to one month.

To address these challenges, given heavy reliance on property tax revenue, the following measures were proposed:

- A citywide unallocated salary lapse of $3 million (based on historical under-spending due to turnover and vacancies; to be trued up and allocated to departments at year-end).
- Utilization of $5 million in bond premium in FY 2026-27, with a planned step-down ($5M, $4M, $3M, $2M, $1M) over subsequent years to avoid a future cliff.
- A $7 million drawdown from fund balance (last year's actual draw was $5.5 million against a budgeted $8 million).
- Continuation of the motor vehicle registration compliance program (nearing implementation).
- Updated allocation of trash collection costs to participating homeowners only (for fairness and proper mill rate application).
- Implementation of red light cameras (revenue to be placed in a separate designated account, similar to opioid settlement funds, with primary goal of safety/compliance rather than revenue generation).

- Maintenance of the personal property assessment ratio at 32%.
- Reductions to departmental requests after thorough vetting (including a reduction from the Board of Education's requested increase).

Mr. Schmitt reviewed revenue variances (noting declines in investment income and fund balance usage), continued strong building permit activity, and a summary of expenditures by division. Key highlights included:

- Board of Education at approximately 53% of the budget (rising to ~62% when including ~$17–18 million in city-paid debt service and in-kind services such as finance, HR, and legal support allocated to the Board of Education).
- Employee benefits showing a $14.5 million increase, driven primarily by Internal Service Fund rebuilding and healthcare trends.
- Overall city increase of 10.72% (~$22 million), largely attributable to collective bargaining agreements, Internal Service Fund requirements (especially healthcare), and related pressures.

Additional slides covered:

- Collective bargaining details (step increases, equalization of police/fire pension tiers for morale, general wage increases of 2.5–3% annually, 1% increase in city 401(k) contribution).
- Two-year salary impact of ~$9 million.
- Historical fund balance trends (budgetary basis; rating agency view typically 2–3 points higher).
- Tax impact analysis by district and for the median home (increases ranging from 3.8% to 4.6% depending on district).
- Grand list growth: $1.05 billion net taxable increase ($750 million automatic from phase-in + $300 million natural growth, equating to ~1.8% organic growth—strong for a phasing year). Commercial growth is beginning to chip away at the residential share (71.5% residential post-reval).

Mr. Schmitt concluded the presentation by recapping the upcoming budget calendar (as previously outlined by Mayor Smyth) and thanked his team and Mayor Smyth for her patience and collaboration during her first budget cycle.

Mr. Abrams opened the floor for questions.

Mr. Jellerette asked for clarification on the 10%+ increase on the city side of the budget (excluding Board of Education), describing it as alarming and unprecedented in his experience on the Board. Mr. Schmitt explained that prior years had drawn down the Internal Service Fund balance (across healthcare, workers' compensation, and liability buckets) to offset appropriations, a practice that occurred when the balance was deemed sufficient. That balance is now too low to continue, requiring a significant rebuild and resulting in the large increase. Mr. Schmitt confirmed this approach had been used in other municipalities (including Fairfield) when balances were high, but emphasized the need to phase corrections to avoid future cliffs. He noted the $14.5 million jump in employee benefits reflected both healthcare trends and the restoration of full appropriations.

Mr. Jellerette expressed concern about the magnitude on top of the phase-in year, the limited fund balance flexibility, and proximity to AAA rating thresholds. Mr. Schmitt acknowledged the challenge and described improved modeling (including 20 years of data and a developing 5-year financial plan) to anticipate such issues earlier.

Mr. Abrams instructed that detailed modeling be shared during deliberations (not delayed until summer) and emphasized that department heads must defend every line item—no flat budgets from prior year would be accepted without justification. Deliberations would focus on challenging and reducing where possible.

Ms. Yang thanked Mr. Schmitt and team for the extensive work. She focused on grand list growth, noting that despite ongoing construction, the residential share had not meaningfully declined as anticipated during the phase-in. She requested detailed analysis during deliberations, including top developments, enterprise zone abatements, and a projection of grand list composition and mix at the end of the phase-in.

Mr. Schmitt responded that new development is also subject to phase-in, limiting immediate recognition (e.g., only one-third recognized in year two of three remaining). The $300 million natural growth was strong (~1.8%), especially in a phasing year, though other budget pressures were overpowering the tax relief benefit. He agreed to provide further reconciliation and projections.

Mr. Abrams proposed adding a dedicated grand list discussion to deliberations, including a 3–5 year outlook past the phase-in and reconciliation of numbers to address questions from both Ms. Yang and himself.

Mayor Smyth added comments, thanking Mr. Schmitt for his work and collaboration. She described the Internal Service Fund situation as stunning and confirmed the need to address underfunding for the city's long-term health. She reiterated the critical importance of preserving the AAA bond rating during deliberations and departmental reviews.

Mr. Abrams acknowledged the Board's shared commitment to the AAA rating.

No further questions or comments were raised on the proposed operating budget at that time.

C. Contingency Tracker FYE 2026
Mr. Abrams introduced the item, noting it as the final agenda topic, and asked Mr. Ellis to provide an update on the contingency tracker.

Mr. Ellis reported that following the January meeting, the contingency balance stood at $546,000 after beginning the fiscal year with $1.4 million. Significant expenditures had included school resource officer overtime and Registrar of Voters activities. With the recently approved $210,000 transfer for the Health Department related to the building condemnation and resident relocation, the remaining balance would be reduced to approximately $336,000, with about five months left in the fiscal year.

Mr. Jellerette asked Mr. Ellis if he felt comfortable with that remaining amount for the rest of the year.

Mr. Ellis responded that he would feel comfortable if the current cold snap breaks, acknowledging that future needs are impossible to predict with certainty. He noted that typical contingency requests historically fall in the $10,000 to $20,000 range. The recent Health Department event was considered very much out of the norm. He added that police overtime, which has become somewhat routine in recent years, has been requested to be included in the Police Department's FY 2026-27 budget submission rather than drawn from contingency going forward, assuming approval during the budget process. Overall, Mr. Ellis stated that the remaining balance should be sufficient, though it leaves little margin.

Mr. Kassimis asked whether any reimbursement recovered from the property owner related to the recent building condemnation and relocation costs would return to the contingency account. Mr. Ellis clarified that any recovered funds would be deposited into the general fund. From there, the Board would determine how to allocate or appropriate those funds, including the possibility of replenishing contingency as part of the FY 2026-27 budget process. He noted that the timing of any recovery is uncertain.

Mr. Abrams asked if there were any additional questions or comments regarding contingency. Hearing none, he reminded members that the meeting packet included all standard financial reporting items for their review, including the Norwalk Public Schools construction monthly project update (January 2026), the Oak Hills Park Authority monthly financial statements (December 2025), the narrative on tax collections (December 2025), the monthly tax collector's reports (December 2025), the year-to-date capital budget report (FY 2025-2026), the year-to-date operating expenditure report (FY 2025-2026), the year-to-date operating revenue report (FY 2025-2026), the Police, Fire & DPW wages report (FY 2025-2026), and the year-to-date Board of Education operating expenditure report (FY 2025-2026). He noted these were available for members' review at their convenience.

D. NPS Construction-Monthly Project Update January 2026
No presentation or discussion occurred on this item.

VII. ADDITIONAL INFORMATION

A. Financial Reports
The following reports were included in the meeting packet for review:

1. Oak Hills Park Authority Monthly Financial Statements for December 2025
2. Narrative on Tax Collections dated December 2025
3. Monthly Tax Collector's Reports dated December 2025
4. Year-to-date Capital Budget Report – FY 2025-2026
5. Year-to-date Operating Expenditure Report – FY 2025-2026
6. Year-to-date Operating Revenue Report – FY 2025-2026
7. Police, Fire & DPW Wages – FY 2025-2026

8. Year-to-date BOE Operating Expenditure Report – FY 2025-2026

No discussion occurred on these reports.

VIII. ADJOURNMENT

****MR. KASSIMIS MOVED TO ADJOURN THE MEETING.**
****THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at approximately 7:55 PM.

Respectfully Submitted,
Courtney Baldwin
Recording Secretary