

**Council at Large:**

Mr. Joshua Goldstein  
Mr. Johan Lopez  
Ms. Nicol Ayers

Mr. Jesse Buccolo  
Mr. Colin Hosten

**District A:**

Mr. Jalin Sead

Mr. Broderick Sawyer

**District B:**

Mr. Dajuan Wiggins

Ms. Darlene Young

**District C:**

Ms. Nicolé Eaddy

Ms. Anne Wennerstrand

**District D:**

Mr. Jan Degenshein

Mr. Richard Dellinger

**District E:**

Mr. James Frayer

Mr. Brian Bailey

**I. ROLL CALL**

The meeting was called to order by Mayor Smyth at approximately 6:33 PM. The Pledge of Allegiance was recited. Roll call was taken, and a quorum was established.

**II. PUBLIC PARTICIPATION**

Mr. Zerzan (Nick Zerzan of One Jean Avenue) addressed the Council. He spoke about concerns regarding the school budget, referencing a potential \$6 million gap and a proposed 4% increase. He described last year's budget process as painful for teachers, noting uncertainty about job security, some departures from the district, and challenges in special education compliance due to stretched resources and larger classrooms. He urged the Council to avoid a last-minute crisis, collaborate with the Board of Education and superintendent to prevent repeats of prior issues, and work together proactively rather than placing the burden solely on the superintendent. No other members of the public spoke in person or online.

**III. PRESENTATION OF THE FISCAL YEAR 2026-2027 RECOMMENDED  
OPERATING BUDGET**

Mayor Smyth provided introductory remarks and presented the recommended operating budget for fiscal year 2026-2027. She noted that the budget had been presented the previous night to the Board of Estimate and Taxation. She thanked the Council for their upcoming work and addressed residents watching, providing context on the budget's challenges. She described this as her first budget year as Mayor but not her first with the City. She highlighted three major cost drivers: skyrocketing healthcare costs (a national and state trend), contract obligations from six collective bargaining agreements expiring simultaneously, and pressures from the ongoing revaluation. She outlined responses including spreading out future negotiations (police and fire on five-year cycles, others on four-year), investing in the internal service fund to offset healthcare tax burdens, and efforts to build the grand list, attract new businesses, and develop responsibly to address housing costs. She emphasized continued investment in schools, noting successes in early identification and in-house support for students with special needs, which incurs short-term costs but yields long-term savings. She stressed collaboration with the Board of Education, Superintendent, and others to avoid last year's issues. CFO Jared Schmitt was

referenced as assisting with the presentation, though detailed line-item presentation occurred in the subsequent regular meeting.

CFO Jared Schmitt then presented the detailed recommended operating budget for fiscal year 2026-2027. He thanked his staff (Mr. Tom Ellis, Ms. Kimberly Kinsella, Comptroller Ms. Chitsune Lam) and department heads/staff for cooperation in a difficult process. Hard copies of the presentation were available, with the full version online on the City website.

### **Key Challenges Detailed**

- Third year of revaluation phase-in (spread over years to relieve tax burden; enters 27th year as year three).
- Board of Education request at 6.5% (building on \$4.5 million FY26 base addition).
- Employee healthcare costs rising 13-14% under state Partnership 2.0 plan (with Fairfield County regional add-ons of 1-2%).
- Funding included for all six settled contracts.
- Efforts to rebuild depleted internal service fund.
- No biannual tax sale revenue in FY27 (occurs every other year).
- Reduced investment income (lower rates, diminished cash from prior ARPA/grants).
- Pending final pension costs (estimate available; finals expected in 2-4 weeks; not expected to have massive impact).

### **Measures to Address Challenges**

- Citywide unallocated salary lapse of \$3 million (based on consistent historical positive variances; departments under budget).
- Step-down use of accumulated bond premium (\$5 million in FY27, then reduced over 3-5 years to avoid future "cliff").
- Reduced fund balance draw (\$7 million vs. prior \$8 million budgeted; actual FY25 use only \$5.5 million).
- Ongoing motor vehicle registration compliance program (initial \$65,000 received; larger amounts projected).
- Updated trash collection mill rate allocation (fairness: full cost to participating properties only, not socialized citywide).
- Third-year revaluation effects, plus new red light camera program (revenue plus safety benefits; initial collections expected, then tapering).
- Continued personal property mill rate increase (from 28 to 32).
- Board of Education request reduced to 4% after thorough meetings with department heads.

### **Revenue Sources**

- Property taxes ~89% of revenue.
- Updated interest/penalties projections higher.
- Fund balance change from \$8 million to \$7 million.

**Expenditure Highlights**

- Total proposed increase just over 7% (city side 10.72%, Board of Education 4%).
- Includes prior \$4.5 million BOE base assumption.
- \$3 million salary lapse.
- New budgeting of ~\$680,000 police school security (previously carry-forward).

**Additional Details**

- Proportional spending analysis over time (stable pie chart proportions).
- Total education support ~62% (including city-paid debt service, allocated salaries like legal staff time on BOE cases, internal service fund portions; city operations ~38%).
- Collective bargaining: future staggered cycles, added pay steps, police/fire pension equalization (pre- and post-2013 employees; improves retention/morale), 2.5-3% annual wage increases, ~\$9 million total wage/salary increase FY25-27, city 401(a) contribution up from 5% to 6%.
- Fund balance history as budget percentage (rating agencies see ~2 points higher).
- Taxpayer impacts: mill rate increases 3.8-4.6% by district; median household increases shown (varies by property).
- Grand list growth \$1.05 billion (\$750 million phase-in + \$300 million natural 1.8% growth; strong). Commercial rising faster (0.94%) than residential (0.69%).
- Revaluation reminder: average home values +45%, residential share 66% to 71.5%, commercial 34% to 28.5%; phase-in mitigated homeowner burden.

Mr. Schmitt referenced upcoming schedule (Finance Committee public hearing February 12, Council cap setting February 24, department meetings, final tax levy/mill rate May 4). He thanked attendees and opened for questions.

Mr. Bailey asked several questions and they were answered by Mr. Schmitt as listed below.

- a. What was the year-over-year percentage increase in healthcare benefits costs? Mr. Schmitt: The plan cost is budgeted to increase 13–14%. He explained that the internal service fund had previously had a positive balance that was drawn down to offset appropriations, reducing the apparent hit in recent years. That balance is now depleted, so FY27 requires a much larger appropriation—driving most of the visible employee benefits increase.
- b. Have any analyses been done on upcoming retirements (especially higher-cost employees) and their potential impact? Mr. Schmitt: Retirements are difficult to predict accurately. The Board of Education has better data and does projections for their larger workforce. On the city side, recent retirements occurred because employees waited for contract settlements (which affect pensions). Future patterns are inconsistent and hard to forecast.
- c. With added pay steps in the new contracts, will costs continue rising year-over-year? Mr. Schmitt: Yes, costs will continue to increase due to the steps. Similar impacts are expected between FY27 and FY28. The steps were added primarily

for retention and to preserve institutional knowledge, especially at the upper end for longer-serving employees.

- d. How was the decision made to increase the city's 401(a) contribution (from 5% to 6%)? Mr. Schmitt: The increase was negotiated as part of the collective bargaining contracts—just like wages, overtime, or other elements.

Ms. Ayers raised concerns about the lack of a full printed budget book at the meeting and the need for line-by-line detail to fulfill the Council's oversight responsibilities under the Charter. She emphasized that a budget reflects priorities, trade-offs, service impacts, and taxpayer effects—not just a total figure. Without complete information (including department narratives), the Council could not properly evaluate spending alignment, set the tax cap responsibly, or maintain transparency and checks/balances. She requested the full budget book and stressed accessibility issues (not everyone processes digital documents the same way; paper allows notations; online access limits some members). Mr. Schmitt apologized for the absence of hard copies, explained that full line-by-line detail (including position counts) was already posted online the previous night, and that only department narratives were still being finalized. He committed to providing printed line-by-line books the next day (February 11) and the complete budget book (with narratives) by the end of the month. He reiterated that the numerical “guts” of the budget were fully available digitally. Ms. Ayers followed up, acknowledging the online posting but reiterating that digital format is not equivalent to printed access for all members—especially for detailed review, annotations, and line-by-line comparison. She emphasized that the request was about enabling the Council to do its fiduciary job effectively, not about creating extra work, and reiterated the need for printed copies for herself and colleagues.

Mr. Sead asked what specific cuts or reductions were made to limit the tax impact on residents, given the significant proposed increases. Mr. Schmitt: Outside of salaries, benefits, and fixed costs (e.g., debt service), increases are rare and in many cases line items show decreases. The most significant tool this year is the \$3 million citywide unallocated salary lapse (based on consistent historical underspending). When reviewing the full line-by-line detail, members will see very limited large buckets available for cuts beyond those areas, making substantial non-personnel reductions difficult.

Mr. Jalin Seed (continued) followed up on debt service sustainability, noting it appears as the second-highest item in some views. Is it sustainable, and if not, how can it be addressed? Mr. Schmitt: Debt service is being closely monitored. This year's capital budget recommendations significantly reduced new authorizations compared to departmental requests. The budgeted amount for new debt authorizations is now less than the gross debt service due in FY27—a positive trend. However, debt service plays out over 20–30 years, so meaningful reduction requires long-term commitment to keeping new borrowing authorizations low.

Mr. Jalin Seed (continued) asked about preparation for when the fund balance can no longer be drawn down (currently shrinking; last year \$8 million budgeted but only \$5.5 million used). Mr. Schmitt: It is difficult. The city is using bond premium step-downs, increasing taxes significantly, and reducing the fund balance draw slightly this year. Long-term planning is

**CITY COUNCIL  
NORWALK,  
CONNECTICUT**

**SPECIAL MEETING  
6:30 PM**

**FEBRUARY 10, 2026  
VIA ZOOM & CITY  
COUNCIL CHAMBERS**

underway: last summer a 5-year budget framework began, and this summer a detailed 5-year projection/modeling effort will examine revenue/spending trends—especially fund balance—to identify problems early and avoid surprises.

No formal motions or votes occurred.

#### **IV. ADJOURNMENT**

**\*\*MR. FRAYER MOTIONED TO ADJOURN.**

**\*\*THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at approximately 7:30 PM.

Respectfully Submitted,  
Courtney Baldwin  
Recording Secretary