CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
DECEMBER 6, 2010

ATTENDANCE: Fred Wilms, Chairman; Mayor Richard Moccia, Michael Lyons, James Fiegenbaum, Leo Mellow.

STAFF: Ellen Wink, City Clerk; Thomas Hamilton, Finance Director; Robert Barron, Director of Management & Budgets..

OTHER: Registrars of Voters: Mr. Stuart Wells and Karen Doyle Lyons; Sixth Taxing District Commissioners: Mike Barbis, John Ignieri, Tammis Langalis; John Verel, Sixth Taxing District Treasurer.

Call to Order

The meeting was called to order at 7:35 p.m. by the Chairman Wilms. Ms. Wink called the roll and announced that the above members were present and there was a quorum.

Mr. Hamilton introduced Mr. Robert Barron, Director of Management & Budgets, and Mr. Wilms welcomed him to the Board.

Approval of Minutes - October 4, 2010 – Regular Meeting

** **MR. LYONS MOVED TO APPROVE THE MINUTES FROM THE OCTOBER 4, 2010 MEETING AS SUBMITTED.**
** **MOTION PASSED WITH THREE VOTES IN FAVOR, NONE OPPOSED AND TWO ABSTENTIONS (MR. FEIGENBAUM, MAYOR MOCCIA)**

Special Appropriations Agenda

List of Resolutions Advertised Items

City Clerk Wink read the resolution as follows:

RESOLVED, that a sum not to exceed $72,426 be and the same is hereby transferred from Contingency to the Registrar of Voters to cover expenses associated with the August 10th primary election (Account # various).

Mr. Hamilton provided a narrative report from the Office of Management and Budgets with details and background information in support of the above listed special appropriation. He explained that supporting documentation detailed that primary expenses came in $9,770 less than estimate, and Finance is recommending a total appropriation of $50,816 rather than the $68,201.

Mr. Wilms invited the Registrar of Voters in attendance, Mr. Stuart Wells and Ms. Karen Doyle Lyons, to address the Board to present the item. Mr. Wells provided a memo to the members of the Board, and stated that the request is $65,192 representing a savings of $3,009due to phone savings at the polling places. He added that there is enough in the budget to cover data wiring expenses as needed for the Primary Election.

Mr. Wells stated that he takes exception to the recommendation from the Finance Department as the Part-Time Wage line is an integral part of the budget, and not a category that can be created and then defunded by the BET. He explained that the amount budgeted is needed to meet the costs associated with state mandated functions as required by law.

Mr. Hamilton replied that in the part-time wage accounts, $15,000 is recommended to cover all primary expenses for the one office staff persona and all expense to date for the two deputy Registrars. He added that the Deputy Registrars were not funded for this year but were hired by the Registrars to perform election related activities, and now that the election is over, they should no longer employ Deputy Registrars. Mr. Wells responded that these statements are not true and the recommendation is out of order and inappropriate.

Mayor Moccia asked how long after the election did they keep people working, and if they are appointed or employed on a per diem rate. Mr. Wells replied that the Deputy Registrars are employed one month prior and after and that all post work was done as required, and they are paid per diem, unless they serve as a moderator, and are then paid an additional amount. He summarized that the fee amounts to about $200 for a very long day of approximately 5:30 a.m. to 9:00 p.m. Mr. Wells explained that he has an additional concern for the spring where the redistricting will take place that they must clean up addresses as required, along with doing the extra work required for next year's City election.

Mr. Fiegenbaum stated that he strongly objects to the threatening emails that were sent to Mr. Hamilton, and wanted to know why the Board was not copied on the message. Mr. Wells replied that it was addressed only to Mr. Hamilton as part of his efforts to explain his rational to maintain the budget, and a verbal exchange ensued. Mr. Wilms interjected a point of order and requested that only one person could speak at a time and only when recognized.

Mr. Mellow asked for an explanation of the $20,000 difference, and Ms. Doyle-Lyons showed him the detailed budgeting tracking to answer his questions. Mr. Lyons questioned if a retroactive amendment to the previously approved budget should be done, as opposed to looking elsewhere in the budget. Mr. Hamilton replied that it is in the BET's role to examine remaining balances in accounts and to make adjustment recommendations. He gave an example of, if a consultant was hired with a prior year's appropriation, when actual expenses were finalized, it would be the BET's decision to determine where the remaining funds are to be transferred.

Mayor Moccia requested that it be noted in the record, that he asked if the Registrar of Voters can appoint a Deputy Registrar, and that person does not come in to work on a regular basis, but only brought in an emergency. Mr. Wells replied that the Deputy Registrars are employed as necessary to perform all post election work as required.

Mr. Wilms asked if all post election bills were covered, and Mr. Hamilton replied, yes all except for small items, but that all poll workers have been paid. Mayor Moccia suggested that wiring of the schools be run through the I.T. Department, as that would be the most economical and efficient way to handle the technical data requirements.

Ms. Doyle-Lyons asked to present additional points, and stated that the $5,000 is for work as required by state mandates and Connecticut General Statutes. She stated that the Registrars work very hard, they do their jobs, and do not take breaks. She stated that the funding is needed to accommodate the state mandated tasks of counts and address verifications, and she asked the Board to leave the budget fully funded, especially in view of the next year's election requirements.

**** MAYOR MOCCIA MOVED TO ACCEPT THE FINANCE DEPARTMENT RECOMMENDATION TO APPROVE THE AMENDED APPROPRIATION, AS FOLLOWS:**

RESOLVED, THAT A SUM NOT TO EXCEED $50,816 BE AND THE SAME, IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE REGISTRAR OF VOTERS TO COVER EXPENSES ASSOCIATED WITH THE AUGUST 10TH PRIMARY ELECTION (ACCOUNT # VARIOUS).

**** THE MOTION PASSED WITH THREE VOTES IN FAVOR, ONE OPPOSED (LYONS) AND ONE ABSTENTION (MR. MELLOW).**

Ms. Lyons expressed her disappointment with the outcome of the decision, and stated that the City should expect another "Bridgeport".

TRANSFER AGENDA (Section B)

There were no transfers.

Other Business

Ms. Wink read the following resolution:

> **RESOLUTION, appropriating $400,000 for Capital Projects of Sixth Taxing District and authorizing the issuance of $400,000 Bonds of the City to meet said Appropriation and pending the Issuance Thereof the Making of Temporary Borrowings for such purpose.**

Mr. Hamilton provided an overview of the resolution, and referred to the following documentation on the resolution and stated that the Finance Department has recommended that the most feasible means to finance this appropriation is through the issuance of general obligation bonds, which will be repaid by the Sixth District.

Mr. Hamilton referred to the following supporting documentation and read from the following memorandum:

NORWALK on the move!

DEPARTMENT OF FINANCE

OFFICE OF THE DIRECTOR

MEMORANDUM

DATE: December 1, 2010

TO: Richard A. Moccia, Mayor
The Members of the Board of Estimate and Taxation
The Members of the Planning Commission
The Members of the Common Council

FROM: Thomas Hamilton, Director of Finance

RE: Special Capital Appropriation and Authorization to Issue Bonds on Behalf of the Sixth Taxing District

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Attached is a special capital appropriation and bond resolution in the amount of $400,000. The purpose of this resolution is to permit the Sixth Taxing District to "piggyback" on the City's favorable bond rating and to allow the Sixth Taxing District to realize interest savings on a $400,000 borrowing the District plans to undertake in order to finance renovations to the Rowayton Community Center.

The Sixth District is currently not rated by the major rating agencies, and the expense associated with bringing their own bond issue to market would be considerable, and the interest rate they would likely achieve in the market would be higher than the rate the City enjoys because they are not a well-known issuer. The District has requested, therefore, that the City allow the District to "piggyback" on the City for purposes of this financing. The District would be responsible for repaying all principal and interest to the City. In addition, the District would pay an administrative fee equal to 35 basis points on the outstanding loan balance on an annual basis, and would reimburse the City for a proportionate share of the cost of issuance. At several times in the past, the City has allowed the District to borrow funds through the City, most recently when the District financed a $300,000 fire truck through the City.

Prior to the issuance of any notes or bonds, the District and City will execute a loan agreement to provide for the repayment of the debt to the City. The terms of the loan agreement are summarized on the attached Term Sheet. Since the City Tax Collector currently collects the Sixth District's tax levy, the City is in a strong position to enforce collection and remedy an instance of default, if that ever should become necessary.

Attached is a resolution, prepared by City bond counsel, appropriating $400,000 for renovation of the Rowayton Community Center and authorizing the issuance of City bonds to meet this appropriation. These obligations will represent general obligations of the City, but the Sixth District will be responsible for reimbursing the City for all costs associated with this borrowing.

Cc: John Verel, Sixth District Treasurer

POST OFFICE BOX 5125 125 EAST AVENUE NORWALK, CT 06856-5125 TELEPHONE 203-854-7870

Mr. Wilms asked if members from the Sixth Taxing district wanted to come forward to present the item. Mr. Mike Barbis, Commissioner from the Sixth Taxing District, introduced himself and the following commissioners: Ms. Tammis Langalis, Mr. John Ignieri, and Mr. John Verel, Sixth District Treasurer.

Mr. Barbis gave a background and overview of the project, and provided supporting documentation outlining the terms of the financing requested, as follows:

Summary

The Sixth Taxing District is commencing a three phase project to restore its Community Center. Phase One, as recently authorized by the electorate, comprises restoration of the Center's roof and gutters. Phase One is anticipated to be financed through a combination of currently available District capital funds, grant monies from the State of Connecticut Commission on Culture and Tourism, Historic and Preservation Division and newly borrowed funds. The authorized maximum expenditure for this Phase One is $475,000. The District proposes to borrow $400,000 via the City of Norwalk's regular public bond borrowing program as a source of funds for this project.

The Project

The Rowayton Community Center is an historic building, constructed 1911-16. It was purchased by the District in 1967 and has been named to the National Register of Historic places. The building has a number of issues to be addressed in the three phases of the project, including slate roofs, gutter, windows, wood trim, stone work and stucco, energy management, ADA compliance and fire safety upgrade.

Mr. Barbis provided the details of the project terms, as follows:

TERM SHEET – Rowayton Community Center Project

Project Description: Repair and restoration of the Rowayton Community Center, a historic structure built in 1911. Phase 1 of the project will involve repairs to the slate roof, gutters, and wood trim. The estimated cost of the Phase 1 work is $475,000.

Summary of Financing Request: The Sixth Taxing District is requesting to finance a portion of this project ($400,000) through the City of Norwalk, thereby taking advantage of the low interest rates the City of Norwalk can achieve on its borrowings. The project would be financed in two phases; phase one would be a short term note in the amount of $125,000; phase two would be a twenty-year fixed rate financing, which would be used to repay the short-term note and would close when the City finances the FY 2011-12 capital budget anticipated in July 2011.

Short-Term Note:

1. Amount of Loan	$125,000
2. Term	7 months (1/1/2011 – 7/31/2011). Principal and interest due in full upon maturity of the note.
3. Interest Rate	2.5% per annum (.208333% per month)

Long-Term Loan:

1. Amount of Loan	$400,000
2. Term	20 years, subject to annual principal payments and semi-annual interest payments.
3. Interest Rate	To be determined based on True Interest Cost achieved by The City in the bond financing transaction anticipated summer 2011.
4. Fees	The Sixth District will pay to the City an annual administrative fee each year equal to .35% on the outstanding loan balance
5. Cost of Issuance	The Sixth District will pay a proportionate share of the cost of issuance associated with the City's July 2011 bond financing transaction.
6. Prepayment	The Sixth District shall be permitted to prepay the loan without penalty. In the event that the Sixth District secures grant funds to reimburse any portion of this project, the District will pre-pay such portion of the loan to the City at the time these grant reimbursements are received.

Mayor Moccia explained that state grants from tourism have been less that dependable when it comes to unfulfilled promises from the Commission, and he suggested that the District have a back-up plan for repayment. Mr. Barbis responded that they will find out in March 2011 if the grant is approved, and that the Commissioners were well aware of the likelihood that the grant may not come through, and in that event, the District will appeal to the electors of the District. He added that the District's $200,000 that is committed to this project is composed of $75,000 allocated to the project in the District's capital budget, plus internal borrowing from other District capital project funds, effectively an internal "bridge financing."

Mr. Wilms asked if this action would in any way be jeopardizing the City's AAA Bond Rating, and Mr. Hamilton replied that it would not.

Mr. Lyons stated that he was in support of the item and applauds the local response from the District in the form of this grant application, and feels it is a worthy project.

**** MAYOR MOCCIA MOVED TO ACCEPT THE FOLLOWING:**

RESOLVED, THAT A SUM NOT TO EXCEED $400,000 BE AND THE SAME, IS HEREBY APPROPRIATED FOR CAPITAL PROJECTS OF SIXTH TAXING DISTRICT AND AUTHORIZING THE ISSUANCE OF $400,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

**** THE MOTION PASSED UNANIMOUSLY.**

OTHER BUSINESS

Oak Hill Financial Status – September-October 2010

Mr. Hamilton said that the reports were roughly equivalent to last year numbers, and Mr. Mellow asked for an explanation of the Retained Earnings numbers. Mr. Hamilton agreed to forward this request to the Oak Hills representatives to come in to give a report and address questions or concerns.

FY 2010-11 YTD Capital Budget Report and -YTD Operating Budget Report

There were no questions or comments by the committee members.

Tax Collector's Narrative – October - November 2010

Mr. Hamilton submitted the Tax Collector's Reports dated September 30 and October 30, 2010 which tracks current fiscal year grant list collections, versus the original and corrected levy, with comparisons versus last fiscal year to date. There were no questions or comments by the committee members.

Narrative on Tax Collections dated November 18, 2010- Receive Report and discuss.

Mr. Hamilton referred to the Tax Collector's written report and highlighted the following points:

- Collections remain slightly behind last year (.38%) and slightly ahead in current sewer use collections.
- An additional $2million in back taxes, interest and lien fees was collected, which was lover versus prior year by $383,457.
- Over $1 million in past due business personal property taxes has been collected in concert with state marshal and delinquent tax collector's personal efforts.
- Currently 43 Alias Tax Warrants have been served since the last report.
- With 2011 being a non-tax sale year, the primary focus is on business personal property delinquencies.
- They are continuing to deal with those City and BOE employees who owe back taxes, who are subject to wage garnishment that go into effect by the end of the month if they remain unpaid.
- The second installment billing should result in a mail date of December 10, in advance of the holiday rush. Plans are contingent upon completion of work on the motor vehicle file and accurate file production of supplemental auto tax bills.

KEY REVENUE REPORT

Mr. Hamilton reviewed the Real Estate Conveyance Tax included on the report, stating that they are within 96% of collections. Mr. Hamilton then reviewed his projections for the Interest Income and Code Enforcement Fees. He stated that, despite Mr. Ireland's optimistic outlook, that projects in the works should be generating substantial revenue the Finance Dept. is projecting a 20% decrease. He added that relative to the Interest Income, short term rates are still very low, and despite the market value portfolio, there is an inverse relationship, and they do not project an increased value of those securities.

BET/BOE Joint Study Group Minutes – October 21, 2010

Mr. Wilms referred to the minutes of the BET/BOE Joint Study Group meeting of October 31, 2010 and asked Mr. Hamilton to give an overview of the key action points.

Mr. Hamilton replied that the two Board of Ed. payroll personnel have been physically relocated to the Controller's Office and this is the first step in overseeing the consolidation of payroll functions. He added that they are working on automating the function of inputting compensated absences, and they should have a report in the next few months. He summarized that they look forward to improving the efficiency of the payroll functions from the outdated manual system that has been used in the past.

Mr. Wilms stated that good progress has been made with the legal consolidations that have been reviewed by Corporation Counsel, and Mr. Maslan has reported on changes that have been implemented by both administrations.

Mayor Moccia added that these joint study efforts should be continued as an on-going process, as the line by line budget reduction chore really doesn't generate much savings. He added that what actually has to happen is deeper concessions in order to achieve more dramatic budget reductions.

6. Additional Information (Section D)

The following documents were submitted without comments or questions.

Summary of Special Appropriation – FY 2009-10
Status of Contingency – FY 2009-10
Year-to-date Capital Budget Report (FY 2009-10)
Year-to-date Operating Budget Report (FY 2009-10)
Salary Accounts/ Fire Overtime/Dispatch Overtime/Police Overtime

Adjournment

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

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

Respectfully submitted,

Marilyn Knox,
Telesco Secretarial Services