CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
REGULAR MEETING
VIA ZOOM
SEPTEMBER 11, 2023

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ATTENDANCE: Ed Abrams, Chair; Kendrick Constant; Troy Jellerette; Anne Yang

STAFF: Lisa Biagiarelli, Tax Collector; Henry Dachowitz, Chief Financial Officer; Irene Dixon, City Clerk; Thomas Ellis, Director of Management and Budgets

OTHERS: Denise Brown and Alan Dutton, Oak Hills Park Authority

Mr. Abrams called the meeting to order at 6:31 p.m.

Ms. Dixon called the Roll as indicated above. A Quorum was present.

1. APPROVAL OF MINUTES

**** MR. JELLERETTE MOVED TO APPROVE THE FOLLOWING MINUTES**

August 7, 2023 – Regular Meeting

The following correction was made to page 10 – the site was approximately 11 acres.

August 21, 2023 – Special Meeting

** **MOTION PASSED WITH ONE (1) ABSTENTION ON THE AUGUST 7, 2023 MINUTES (MR. ABRAMS)**

2. **SPECIAL APPROPRIATIONS AGENDA** (Section A) None

3. **TRANSFER AGENDA** (Section B)

** **MR. JELLERETTE MOVED TO APPROVE THE TRANSFER AGENDA AS PRESENTED**

Fiscal Year 2023-24
Fire Department

From	To	Amount
01-9600-5900 Contingency	01-3152-5332 Fire Equipment	$60,000

This transfer is to replace the existing engine and all associated parts for the 2009 Rescue Truck #2.

Chief Gatto reviewed the request. Mr. Abrams asked if this was the most effective solution. Chief Gatto explained that this truck has to last two more years. The body of the truck is fine. Eventually this truck will be put into reserves.

Mr. Jellerette asked about the warranty. Chief Gatto said it comes with a two year – 200,000 mile factory warrantee. The 2009 truck has almost 81,000 miles on it and they would never do 200,000 in two years. A new truck costs $1.9 million, but they are hoping that one comes in at the $1.4 million range.

Mr. Dachowitz suggested contacting the vendor and ask them to guarantee the 200,000 mile warrantee. Chief Gatto said he will ask the Mechanic to call the vendor. Mr. Dachowitz offered to participate in that call.

Legislative Department

From	To	Amount
01-9600-5900 Contingency	01-0200-5258 Other Prof Svcs	$37,500

This transfer is to cover the City of Norwalk Charter re-write, including support, documentation and attendance at meetings by outside counsel.

Mr. Ellis explained this request is related to the City's Charter re-write. The total amount spent for the effort is $174,400. They already spent $50,000 from contingency this fiscal year.

**** MOTION PASSED UNANIMOUSLY**

4. **OTHER BUSINESS** (Section C) None

5. **ADDITIONAL INFORMATION** (Section D)

Financial reports

Ms. Biagiarelli reviewed her reports as follows:

- Tax Collector's Narrative – August 2023
- Tax Collector's Report – June/July 2023

At this writing, we have not yet completed our July 2023 month end reports. I will provide July 2023 information as soon as we have it available. I can report on the collection period in general, and address some of the concerns raised at last month's meetings of both the BET and the Finance and Claims Committee. At last month's BET meeting, I was specifically asked to follow up on the issues we experienced with our June 2023 tax billing. Normally, we send our billing files to the printer at the end of May or first week of June. This year we were not able to meet that goal, and files were not sent to the printer until the second and third week of June. Consequently, it became apparent bills would not be mailed by June 30. We acknowledged this and provided an extended grace period, in accordance with state statute that requires us to provide thirty days from the day bills are mailed. Bills were mailed from July 3 - July 7, and August 7, 2023 was the last day to pay without penalty.

On July 5, the initial round of bills was received, and taxpayers called to advise that in some cases, households that qualified for elderly and disabled tax relief did not receive the credit they were entitled to receive. That issue was immediately identified, and the assessor's office made the necessary changes. Corrected bills were timely mailed at that time. This issue affected approximately 300 households.

There also was an issue with some taxpayers whose bills should have been coded to reflect that their tax payment was to be made on their behalf by their escrow agent; nonetheless, bills they received did not reflect this notation. We identified this as a software conversion issue and made plans to send memorandum tax bills to all affected taxpayers to advise that we were expecting their escrow agents to pay on their behalf. Those bills were issued within the next ten days.

The second wave of bills was received around July 10. At that time, it became apparent that there were issues with some motor vehicle assessments. The Assessors office began working on that issue, and is continuing to do so. My division is not involved in assessment or with assigning assessed values; however, we are responsible for billing, and in conjunction with the assessor's office, have fielded many inquiries about this since July 10.

Due to the volume of changes being made, the assessor's office determined the most expedient way of addressing this is to involve the software vendor, QDS. QDS will import the revised assessments, create and subsequently mail revised tax bills, based on those revised assessments. Affected taxpayers will have 30 days from the mailing date in which to pay these revised bills without penalty. At this writing they expect the mailing to occur by the end of August with a pay-by date of September 30.

This situation is complicated by numerous variables. Assessor's staff has already made hundreds of adjustments to motor vehicle assessments based upon taxpayers' inquiries over the course of the last month.

Many taxpayers have already received revised tax bills in the mail, in the same way taxpayers whose elderly and disabled credits were affected have already received revised bills. There are hundreds of other adjustments "in the hopper," or in the process of having a new bill mailed by my division. Additionally, many taxpayers have already made payment.

Some have paid bills that have been revised, while others have paid their original bills. All of these variables need to be addressed. The vendor intends to cross check their revised billing against these revisions and adjustments that have already been made, as well as against payments that have already been received and posted as of a given date, in order to potentially eliminate some bills from the mailing and avoid further confusion.

We will continue working with the assessors on revisions; additionally, we will work with the comptroller's office to address situations where taxpayers have paid, and may be owed a refund or a credit. Some taxpayers will owe a balance due; still others will not have made any payment at all, and will simply be paying their revised, corrected bills. Bear in mind that while some taxpayers will see their revised assessments drop, others will see their revised assessments increase, as the erroneous assessments were not uniformly higher.

There also were conversion – related issues with some real estate bills populating with addresses and / or with owners from prior years. This has been attributed to miscommunication between the Assessor’s computer assisted mass appraisal (CAMA) software, Munis, and QDS. Those issues have not yet been fully identified, addressed, or resolved.

The Administration has issued several press releases and responded to numerous direct inquiries from the press concerning these issues. There is information on the tax collector’s home page on the city website in the form of a Frequently Asked Question: I think my motor vehicle assessment is wrong! What happened? FAQs • City of
Norwalk • CivicEngage (norwalkct.gov) as well as links to articles on higher motor vehicle values in general. There is also a separate link on Revised / Corrected Motor Vehicle Tax Bills: Revised / Corrected Motor Vehicle Tax Bills |
Norwalk, CT - Official Website (norwalkct.gov)

This has been a challenging collection period, due to the later mailing, assessment and other billing errors, and issues related to the software conversion. There were very long lines to pay taxes on July 27 and 28. This is directly attributable to mailing the bills out as late as we did, compressing into four weeks what is normally a six to seven week collection period; and to taxpayers choosing to pay during the last days of the month of July. We also continue to deal with issues related to the software conversion. We are behind with processing exception mail, partly due to the change in software. We are now unable to process payments with back taxes through our automated system; all of those are now processed manually by our staff. The QDS website, where taxpayers look up their bill and / or what is due, had function issues on July 31 and on August 1. We have also had issues with our online and IVR payment provider, Invoice Cloud; their payment portal had problems throughout the collection, and we had difficulty getting responses to our questions from Invoice Cloud.

Due to the extended grace period, the date of July 31 has less significance than usual. I will be able to provide a more accurate assessment of where we stand when we conclude the month of August 2023, as a large volume of payments will be processed and posted between August 1 and August 31.

Looking ahead, since we expect a sizeable number of corrected / revised motor vehicle bills to be issued and still collectible during September, this will affect our ability to issue past due notices, which likely won’t be issued until October, a month later than usual. I will continue to keep stakeholders informed of our progress, and will update you when additional information is available. I thank you for your patience.

• Tax Collector’s Narrative – September, 2023

At this writing, we have not yet completed our August 2023 month end reports. I expect to have those reports completed in time for the Finance and Claims Committee meeting on September

14. I can report on the collection period, tax collections in general and progress in dealing with some of the issues that presented themselves over the course of the past two months. Through the month of July 2023, we had collected 43.54% of our current tax levy, and 44.93% of our current sewer use levy. On the prior grand list year, we had collected 98.65% of the 2021 grand list real estate levy and 98.91% of the sewer use levy through the month of July, 2023 (13 month period). We had an extended grace period for current taxes this year, due to tax bills having been mailed a few days later than hoped for; the last day to pay current taxes was Monday, August 7, 2023.

Around July 10, it became apparent that there were issues with some motor vehicle assessments on the 2022 grand list. The Assessor's division began making corrections, and between that time and this week, more than 1,000 bills were manually reassessed and subsequently re-billed by my division. However, due to the volume of changes that were deemed necessary, the Assessor's division determined it best to involve the software vendor (QDS). Accordingly, QDS will be sending a mass mailing for the remainder of the revised tax bills, based on revised assessments that the assessor's office has been reviewing. Affected taxpayers will have 30 days from the mailing date in which to pay these revised bills without penalty.

We anticipate that mailing being sent at the end of this week, with the last day to pay being Tuesday, October 10. This mailing affects more than 5,000 taxpayers, some of whom will owe less than the amount originally billed, and some who will owe more. The Administration will be issuing a statement for the press and the public about this issue later this week or early next week. I am not prepared to respond to questions about the assessment process or assessed values, but can speak to the billing and recordkeeping aspects of this endeavor.

My office has already processed payments on hundreds of revised bills since the first week of July. We will work with the Comptroller's office to address situations in which taxpayers have already paid, and are owed a refund or a credit due to the revision or correction. This undertaking will likely continue through the next six to eight weeks, and possibly beyond. I also need to file amended state reports, because our tax levy will change to reflect all these adjustments.

There is information on the tax collector's home page on the city website in the form of a Frequently Asked Question: I think my motor vehicle assessment is wrong! What happened? FAQs • City of Norwalk • CivicEngage (norwalkct.gov) as well as links to articles on higher motor vehicle values in general.

We have been unable to proceed with some of our normal enforcement activities due to the issues with motor vehicle assessments and what is now an extended payment period. Delinquent notices, called demand for payment notices, are being mailed this week to taxpayers owing balances due on real estate, sewer use and business personal property. Motor vehicle demand notices will be sent at a later date. The term "demand" is prescribed by state law, and is not meant to imply rudeness to the taxpayer; the tax collector is required to "demand" payment prior to taking any other enforcement action. Once we conclude the revised motor vehicle billing, and process the payments we anticipate receiving as a result of the mailing of demand notices, we expect to focus on enforcement and begin working on our July 2024 tax sale, scheduled for Monday, July 22, 2024. We did not have a tax sale last year; our last sale was in 2021 and normally we do a sale every two years. We expect there will be more properties eligible for inclusion in this sale due to the three years that have elapsed since the last sale. Our criteria, as in past years, will be either the dollar amount owed, or the number of years in arrears.

We will have a more accurate assessment of where we stand relative to current collections as well as final reports of our sixty day collections on the immediately prior levy when we provide reports through the end of the month of August, as a significant amount of payments were processed between August 1 and August 31. I will continue to keep stakeholders informed of our progress and will update you when additional information is available.

Mr. Abrams congratulated Ms. Biagiarelli on the 99% collection rate and said he was glad all the corrected auto bills went out.

• Oak Hills Park Financials

Mr. Dutton reported that Oak Hills Park was off to a good start for the month of July. He said the restaurant is up to date in their rent and utilities. The new general manager is doing a great job and is very visible.

Ms. Brown, Oak Hill Park Authority's Treasurer reviewed her report and said they are going to be investing money from their cash balance. They are comfortable investing $500,000 and met with Ms. Vitale. They agreed upon J. P. Morgan. There is also an opportunity to invest in CDs with Trust Mark National Bank. She said they have been able to accomplish a lot over the last two years.

Mr. Abrams noted that in prior discussions they talked about Oak Hills Park Authority piggy backing on the City's investments. Mr. Dachowitz said that Ms. Vitale is working with the City's Comptroller Ms. Lam.

• Year-to-date Capital Budget Report – FY 2022-23
• Year-to-date Operating Expenditure Report – FY 2022-23
• Year-to-date Operating Revenue Report – FY 2022-23
• Police Wages FY 2022-23
• Fire Wages FY 2022-23
• Public Works Wages FY 2022-23
• Year-to-date BOE Operating Expenditure Report FY 2022-23

The next meeting will take place on October 2nd, where the Board will discuss the 2023 surplus funds roll over.

Ms. Yang asked about the memo relative to the unfunded capital projects. She asked Mr. Dachowitz what he hope is in terms of cuts. He explained that $225 million is only the list of projects. He estimates the net is $175-180 million that has to be funded. When the financial advisor did an analysis they determined they should be cautious of having outstand debt of $400 million; however, since then, Moody’s changed their methodology and raised their estimate to $500 million.

Mr. Dachowitz said that with $70 million raised last month, they are at $450 million outstanding. He noted the capital budget has been running at $40 – 50 million for regular items. It costs a lot to maintain the City. There are concerns that next year, the City get closer to the $500 million limit. He said the Mayor asked all the Chiefs to look at their capital budgets and make cuts or close out projects. Everyone was given two weeks to come back with their results. Mr. Dachowitz said he does not have an expectation on an estimated amount.

Ms. Yang asked if there was an historical cushion. Mr. Dachowitz said it goes year by year. During his first year, it was $20 million, but recently they’ve had smaller amounts while the amount they borrow goes up. He said he hopes to keep next year’s borrowing under $500 million.

Mr. Dachowitz discussed school reimbursements and noted that once everything is submitted to the State, not everything may be reimbursable and they may not reimburse on the original amount. For example, Stamford built a school that was supposed to have an 80% reimbursement, but they only received 49% reimbursement.

Currently, the City is pretty flush with cash, but if the City does not get the total 80% reimbursement for the $225 million high school, they may have to bond for the financing costs.

Mr. Jellerette expressed his appreciation to Mr. Dachowitz for his efforts. He said he realizes there is a lot on the table with the Board of Education and the AAA rating saves the City in interest expenses. Mr. Dachowitz said the City is very conservative in borrowing.

****	MS. YANG MOVED TO ADJOURN**
****	MOTION PASSED UNANIMOUSLY**

There was no further business, and the meeting was unanimously adjourned at 7:16 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services