CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
JULY 5, 2016

ATTENDANCE: Gregory Burnett, Chairman; James Feigenbaum, Edwin Camacho, Mayor Harry Rilling

STAFF: Robert Barron, Finance Director; Donna King, City Clerk;

Call to Order

Chairman Burnett called the meeting to order at 7:00 p.m. and asked City Clerk King to call the roll. Members were in attendance as indicated above, and there was a quorum present.

Approval of Minutes

June 6, 2016

Memo from Ms. Yang-Dwyer submitted via e-mail to Mr. Barron:
On Page 3, strike the first two paragraphs and replace with the following:

Ms. Yang-Dwyer suggested the funds be taken out of the money set aside for work on the Broad River Fire Station. She recalled the approval early last year when then-Chief Denis McCarthy sought to take close to $1 million left over from the construction of the Connecticut Avenue fire house and use it to renovate Broad River. Ms. Yang-Dwyer recalled saying that the leftover capital funds should go back into the city's overall capital pot and be put through due process, through the Planning Commission and the Common Council, instead of being treated as fire department capital funds. Now that the Fire Department has a capital need, this appropriation should come out of those funds. And if the Broad River project requires additional funds, that request can be reviewed and approved at a later time rather than new money be appropriated to the fire department for this overrun.

Page 4: First sentence, third paragraph, add "of the funding" at the end of the sentence.
Page 5: Paragraph 6, sentence 7, change 'hear' to 'year'.
Page 6: Paragraph 4, first sentence, change 'as' to 'was'.
Page 7: Paragraph 2, change 'tanked' to 'thanked'.

** **MR. CAMACHO MOVED TO ACCEPT THE MINUTES FROM THE MEETING OF JUNE 6, 2016 AS AMENDED WITH CORRECTIONS NOTED.**
** **MOTION PASSED UNANIMOUSLY.**

Special Appropriations Agenda

Mr. Burnett asked City Clerk King to read the item as follows:

FISCAL YEAR 2015-16:

1. RESOLVED, that a sum not to exceed $8,557 be and the same is hereby transferred to the Police Department Special Services Division overtime and State Reimbursement due to Increased Estimated Revenues. (Account 0l-3035-5120).

   Mr. Baron reviewed supporting documentation and noted that this is to cover the cost of Police Special Services overtime worked on state cases, and the Finance Department recommends approval.

**** MR. CAMACHO MOVED TO ADOPT THE SPECIAL APPROPRIATION: RESOLVED, THAT A SUM NOT TO EXCEED $8,557 BE AND THE SAME IS HEREBY TRANSFERRED TO THE POLICE DEPARTMENT SPECIAL SERVICES DIVISION OVERTIME AND STATE REIMBURSEMENT DUE TO INCREASED ESTIMATED REVENUES. (ACCOUNT 01-3035-5120).**

**** MOTION PASSED UNANIMOUSLY.**

Transfer Agenda

Mr. Baron reviewed supporting documentation provided. Mickey Docimo was in attendance and fielded questions and comments.

POLICE DEPARTMENT:

From		To		Amount
01-3023-5331	Automotive Fuel & Fluids	01-3040-5251	Medical, Dental, Veterinary	$4,335
01-3023-5326	Clothing & Uniforms	01-3040-5251	Medical, Dental, Veterinary	847
01-3023-5246	Heating Fuels	01-3040-5251	Medical, Dental, Veterinary	400
				$5,582

This transfer is to cover physicals for new hires. The budget includes physicals for not only those that will he hired, but also an additional amount to test candidates that are not ultimately brought on. The Department experienced unanticipated retirements- during the year, and, in order to bring the force up to full strength had to test more potential new hire candidates than they had originally budgeted. Finance recommends approval.

**** MR. FEIGENBAUM MOVED TO ADOPT THE ABOVE TRANSFER AS PRESENTED.**

**** MOTION PASSED UNANIMOUSLY.**

Transfer Agenda - continued

From		To		Amount
01-3023-5333	Machinery & Equipment Parts	01-3042-5272	Training & Education	$2,468
01-3023-5297	Storage	01-3042-5272	Training & Education	1,280
01-3061-5272	Training & Education	01-3042-5272	Training & Education	848
01-3053-5269	Other Repair-Maintenance	01-3042-5272	Training & Education	300
				$4,896

This transfer is to cover required in-service training classes for current Police union employees. This covers both on- site training as well as training done at the State Police Academy. While this transfer is within the $5,000 limit that can be processed by the Management & Budget Office without BET approval, a total of $5,000 has a1eady been moved into this account so the additional funds put it well over the transfer limit.

** **MR. CAMACHO MOVED TO ADOPT THE ABOVE TRANSFER AS PRESENTED.**
** **MOTION PASSED UNANIMOUSLY.**

COMBINED DISPATCH:

From		To		Amount
01-3026-5269	Other Repair-Maintenance	01-3620-5262	Other Machinery-Equipment	$1,000
01-3022-5294	Machinery, Equipment Rent	01-3620-5262	Other Machinery-Equipment	1,000
01-3053-5269	Other Repair-Maintenance	01-3620-5262	Other Machinery-Equipment	1,000
01-3048-5298	Machinery, Equipment Rent	01-3620-5262	Other Machinery-Equipment	500
				$3,500

This transfer is to cover maintenance on the police radio system. In June, $15,000 was moved out of this account in anticipation of major repairs being completed. However, unexpected service was needed requiring some of the funds be moved back. While this transfer is within the $5,000 limit that can be processed by the Management & Budget Office without BET approval, a total of $4,800 has already been moved into this account so the additional funds put it well over the transfer limit. Finance recommends approval.

** **MR. FEIGENBAUM MOVED TO ADOPT THE ABOVE TRANSFER AS PRESENTED.**
** **MOTION PASSED UNANIMOUSLY.**

Other Business - Section C

Discussion of tax agreement with Trinity Financial regarding Washington Village

Mr. Barron referred to the supporting documents and outlined the background and overview of the memorandum from the Redevelopment Agency as follows:

Trinity Financial Tax Agreement Proposal Washington Village Phase One

Limited Partnership Choice Neighborhoods Initiative.

In July 2014, City of Norwalk was awarded a HUD Choice Neighborhoods Implementation grant of $30 million to implement a transformation plan formally approved and adopted by the Common Council on May 28, 2013 to replace the existing 136 unit Washington Village with a new 273 unit mixed income community. Trinity Washington Village Phase One Limited Partnership, the approved project developer, intends to complete construction of 80 units of the proposed 273 unit total of mixed income housing consisting of 40 rent- and income-restricted affordable replacement public housing units serving extremely low and very low-income households with incomes less than or equal to fifty percent (50%) of Area Median Income (AMI), 18 rent- and income-restricted affordable non-public housing units serving low-income households with incomes less than or equal to sixty percent (60%) of AMI and 22 unrestricted market rate non-public housing units.

The proposed real estate tax agreement, the terms of which are in the attached draft Tax Agreement between the City of Norwalk, the Housing Authority of the City of Norwalk and Trinity Washington Village Phase One Limited Partnership, is critical to the Washington Village Phase One project to maintain the rents for the public housing and other affordable units in the development at restricted levels, thereby preserving affordability to persons of low and moderate income. In addition, it is critical to the financing of a project of this nature, which will have a mix of incomes, that there be a real estate tax agreement in place in order to secure public and private sector financing. Financial participants in these types of transactions typically require such agreements ensure, to the extent possible, financial stability at the development over the term of investment and to evidence local commitment to the project.

Mr. Barron explained the tax agreement and operating pro forma of Washington Village Phase One and highlighted the fifteen-year projection provided.

		Taxes Based on Appraised Value 75% aff/25% mkt		
		From CHFA Appr.*		From FD
	Proposed Tax	low (avg)*	high (avg)**	Appraisal
units	80	80	80	80
Indicated Market Value of Leasehold Interest		**$3,670,000**	**$4,534,144**	**$4,700,000**
State of CT Multiplier		70%	70%	70%
Taxable Value		**$2,569,000**	**$3,173,900**	**$3,290,000**
Millage Rate		24.269	24.269	24.269
Indicated Tax		**$62,347**	**$77,027**	**$79,845**
Effective Gross Income		**$1,144,065**	**$1,144,065**	**$1,057,532**
per unit per month		*$1,192*	*$1,192*	*$1,102*
Indicated Tax as a Percentage of EGI	**7.25% - 8.25%**	**5.45%**	**6.73%**	**7.55%**
			Average	**6.58%**
			excluding "low"	**7.14%**
Indicated Tax per unit	*$935* year one	*$779*	*$963*	*$998*

Trinity Financial Tax Agreement Discussion -- continued

Mr. Barron noted that no vote would take place by this Board, as this was informational on what would be taken up by the Finance Committee of the Common Council.

D. Additional Information

The following reports were submitted for information:

Summary of Special Appropriations
Status of Contingency
Financial reports:
• Oak Hills Financial Status — May 2016
• Year-to-date Capital Budget Report— FY 2015-16
• Year-to-date City Operating Budget Report - FY 2015-16
• Year-to-date BOE Operating Budget Report - FY 2015-16
• Tax Collector's Narrative — May 2016
• Tax Collector's Report — May 2016
• Key Revenue Report— 2016
Salary accounts
• Police
• Fire
• Public Works

Adjournment

****	MR. FEIGENBAUM MOVED TO ADJOURN.**
****	MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 7:50 p.m.

Respectfully submitted,
M. Knox, Telesco Secretarial Services