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CITY OF NORWALK
BOARD OF ESTIMATE AND TAXATION
REGULAR MEETING
MAY 1, 2023
VIA TELECONFERENCE

ATTENDANCE: Ed Abrams, Chair; Mayor Harry Rilling; James Frayer; Troy Jellerette; Anne Yang; Kendrick Constant (6:41 p.m.)

STAFF: Lisa Biagiarelli, Tax Collector; Henry Dachowitz, Chief Financial Officer; Irene Dixon, City Clerk; Thomas Ellis, Director Management and Budgets; Tina Fogel, Director of Personnel and Labor Relations; Laoise King, Chief of Staff; Fire Chief Gino Gatto; Police Chief James Walsh; Mickey Docimo Administrative Manager

OTHERS: Alan Dutton, Oak Hills Park Authority

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

Mayor Rilling called the Roll as indicated above. A Quorum was present.

1. **APPROVAL OF MINUTES**

April 3, 2023 – Regular Meeting

Ms. Yang submitted corrections to the Chair.

**** MR. JELLERETTE MOVED TO APPROVE THE MINUTES AS AMENDED**
**** MOTION PASSED WITH ONE (1) ABSTENTION (MAYOR RILLING)**

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

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

** **MR. JELLERETTE MOVED TO APPROVE THE FOLLOWING TRANSFER AGENDA**

SECTION B

CITY OF NORWALK TRANSFERS 2022-23
BOARD OF ESTIMATE AND TAXATION

FISCAL YEAR 2022-23:

Police Department:

From		To		Amount
01-30*	Various Police accounts	01-3053-5731	Cars & Vans	$80,858

This transfer is to cover expenditures for police vehicle upfitting accessories. Supply chain issues and inflation are major causes. Detailed list of all the Police accounts attached.
Finance recommends approval.

Fire Department:

From		To		Amount
01-3120-5110	Wages & Salary -- Regular	01-3110-5110	Wages & Salary -- Regular	$55,000
01-3120-5110	Wages & Salary -- Regular	01-3152-5140	Wages & Salary – Part Time	$9,000
01-3120-5110	Wages & Salary -- Regular	01-3160-5110	Wages & Salary -- Regular	$6,000

This transfer is to cover transfer personnel costs between Fire Department areas for staffing moves and changes. Details in attached.
Finance recommends approval.

From		To		Amount
01-3120-5110	Wages & Salary -- Regular	01-3153-5244	Gas	$10,000
01-3120-5110	Wages & Salary -- Regular	01-3153-5246	Heating Fuels	$10,000

This transfer is to cover transfer increased costs gas and heating fuels.
Finance recommends approval.

Legislative:

From		To		Amount
01-9600-5900	Contingency	01-0200-5258	Other Professional Services	$62,947

This transfer request from Contingency is to cover the remaining FYE 2023 cost for outside counsel for the City Charter re-write effort.
Finance recommends approval.

Human Resources & Personnel:

From		To		Amount
01-9600-5900	Contingency	01-0700-5110	Wages & Salary – Regular	$50,000

This transfer request from Contingency is to cover severance costs for a recently retired employee.
Finance recommends approval.

Chief Walsh reviewed the transfer request for $80,858 for the Police Department and Chief Gatto reviewed the transfer request for $70,000 for the Fire Department.

Mr. Constant joined the meeting at 6:41 p.m.

Mr. Ellis reviewed the transfer request for 62,947 under Legislative. Ms. Yang asked how much as been spent so far this year for the Charter re-write. Mr. Ellis said that $135,000 has been spent so far this year.

Ms. Fogel reviewed the Human Resources and Personnel transfer request for $50,000.

**** MOTION PASSED UNANIMOUSLY**

<u>OTHER BUSINESS</u> (Section C)

**** MR. FRAYER MOVED THE FOLLOWING RESOLUTION**

Ms. Dixon read the following resolution.

RESOLUTION, MAKING APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING $48,440,692 FOR THE FY 2023-2024 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF $48,440,692 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE FY 2023-2024 CAPITAL BUDGET.

Mayor Rilling explained that the capital requests were carefully reviewed. He expressed this thanks to all the department heads.

The Board members discussed the following section:

Section 5. The Mayor and the Chief Financial Officer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be in such denominations, bear interest at such rate or rates and be payable at such time or times as shall be determined by the Mayor and the Chief Financial Officer, be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Chief Financial Officer, have the City seal or a facsimile thereof affixed, be certified by a bank or trust company designated by the Chief Financial Officer, and be approved as to their legality by Shipman & Goodwin LLP, as bond counsel.

Such notes shall be issued with maturity dates which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon.

The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the capital improvements for the financing of which said notes were issued. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

The following section was amended to read:

Notes evidencing such borrowings shall be in such denominations, bear interest at such rate or rates and be payable at such time or times as shall be determined by the Mayor and the Chief Financial Officer, be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Chief Financial Officer, have the City seal or a facsimile thereof affixed, be certified by a bank or trust company designated by the Chief Financial Officer, and be approved by their current bond counsel.

Mr. Dachowitz commented on the bond capacity. He said there is $360 million in outstanding bonds; however, if they issue more than $400 million in bonds, they will go into the danger zone regarding the City's AAA bond rating. He said he discussed this with Mayor Rilling and said there was a real possibility that they would not be able to move forward with every project. He said that the City's financial advisor notified him that based on Moody's new methodology, the City could incur debt up to $500 million, while keeping its AAA bond rating.

Ms. Yang began a discussion about City properties how it works when the City sells a property. She asked if at some time, they could discuss properties on the City's balance sheet. Mr. Abrams said he would like to stick to the resolution.

**** MR. JELLERETTE MOVED TO APPROVE THE ITEM AS AMENDED**
**** MOTION PASSED UNANIMOUSLY**

**** MR. JELLERETTE MOVED APPROVAL OF THE FY 2023-2024 OPERATING BUDGET AND TAX RATES**

Mayor Rilling said that there have been changes where they were able to add unexpected revenues to reduce the mill rates. He noted that this has been a very difficult budget season. He said he met with Dr. Estrella to discuss creative ways to increase the school budget. They hope to have favorable results.

Mr. Dachowitz explained that there were discussions with the Norwalk Housing Authority and they looked at the contract with the City. Ms. King said they are close to a resolution with the Norwalk Housing Authority and expects it to be resolved very early in the next fiscal year. As a result, this will add $3.5 million of additional revenue which will decrease the net cash levy needed to balance the budget. This translates to a 1% reduction for each district.

Mr. Dachowitz expressed his thanks to everyone. Mr. Ellis said this has been a true team effort.

**** MOTION PASSED UNANIMOUSLY**

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

Financial reports

• Oak Hills Park Budget – March 2023

Mr. Dutton gave an overview of their financials and said for the first nine months of the fiscal year, they've kept their expenses down and their revenues up. They controlled their expenses and saved $24,000. Year to date they are doing well and are $178,000 ahead of budget. More people are playing golf compared to the budget. In addition, expenses are below budget.

Mayor Rilling said he was impressed by the numbers. Mr. Dutton said they renegotiated the lease agreement and added wording in the agreement regarding hours of operation. He said they are looking for candidates for the General Manager's position.

• Tax Collector's Narrative -- March 2023
• Tax Collector's Report -- March 2023

Ms. Biagiarelli reviewed her monthly report as follows:

As of the end of March 2023, we had collected in excess of $356.5 million against our $365 million adjusted levy, or 97.60%. We also collected 98.23% of our sewer use levy, an additional $17 million, and 84.69% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year (through March, 2022) we were behind relative to taxes (-1.22%), slightly ahead relative to sewer use (.69%); and behind relative to the IPP fee (-6.42%).

The difference in the collection rate for supplemental motor vehicle taxes in particular through March 2023 is reflective of the extended due date of that billing, which was payable by April 1, 2023 this year, as opposed to February 1 last year and in prior years. With regard to delinquent collections, the effects of court stipulated judgments and settlements in assessment appeal cases from the 2018 revaluation continue to erode our delinquent collections, as well as our current levy. This will continue through fiscal year end. We are nonetheless continuing to pursue collection enforcement other than tax sale during calendar year 2023.

Recently we have again begun working with the Department of Health to withhold health permits of establishments owing past due taxes for more than one year. Taxpayers owing past due motor vehicle taxes will be precluded from obtaining a resident pass (beach permit / transfer station permit) until their back taxes are paid. We are also once again beginning work on an employee wage garnishment initiative for city and Board of Education employees who owe past due taxes to Norwalk.

We are also meeting with the Building Department and their blight enforcement officers to possibly assist that department in pursuing blight fees through the tax sale or other enforcement initiatives. The extended due date for the 2022 grand list motor vehicle supplemental billing, and the conversion of the assessment and tax collection administrative software system from Munis to QDS (Quality Data Systems LLC) that occurred on March 1, 2023 were both discussed in greater detail in my preliminary narrative last week. The software conversion moved our administrative systems off Munis and onto Quality Data Services LLC (QDS) software. In the tax collector's office, this conversion affected billing; payment entry and payment processing; reporting, including receiving and providing reports to agencies such as the town clerk's office, the DMV, tax services and escrow agents, etc.; our IVR and online payment portals and E Tax Bill lookup; our financial reporting interface; all our recordkeeping, including fifteen years of payment and other history; and other areas as well. The software conversion and our delayed supplemental motor vehicle billing have both contributed to adjustments to our regular spring schedule, outlined in more detail in my previous narrative.

I do not expect these changes to substantially affect our collection rate, and going forward in subsequent years, we expect to revert to our former schedule. We do expect to meet our collection goals as outlined in the operating budget for fiscal year ending June 30, 2023. We are presently working with the software vendor and other stakeholders to attempt to achieve a smooth, timely, and accurate billing when we initiate processes to collect on our new tax levy for the October 1, 2023 grand list in June 2023. I will have a better idea of where we stand relative to that initiative in May's narrative.

All of our data necessary for tax billing comes to us from the Assessor's division; I must work within the parameters of their schedule. They will be dealing with elderly and disabled homeowners credit applications and Board of Assessment Appeals adjustments, among other variables. They, too, are working on a system that is new to most of the staff in that division. Our goal is to have tax bills in the mail to Norwalk taxpayers as usual by the second or third week of June at the latest. Again, I apologize for the delay in providing end of month figures for March 2023. It was our first end of month closing on the QDS software system, and we learned by doing. I will continue to keep all stakeholders informed of our progress.

The remainder of the agenda is for informational purposes.

• 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

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

There was no further business, and the meeting was unanimously adjourned at 7:34 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services