**CITY OF NORWALK**
**BOARD OF ESTIMATE AND TAXATION**
**SPECIAL MEETING**
**VIA TELECONFERENCE**
**MARCH 28, 2024**

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ATTENDANCE: Ed Abrams, Chair; Mayor Harry Rilling; Edwin Camacho; Kenrick Constant; Troy Jellerette; Artie Kassimis; Anne Yang

STAFF: Thomas Ellis, Director Management and Budgets; Irene Dixon, City Clerk

## 1. CALL TO ORDER

Mr. Abrams called the special meeting to order at 6:32 p.m. He announced that there will be no public commentary tonight. Any letters submitted will be added to the minutes.

## 2. ROLL CALL

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

## 3. FY 2024-25 OPERATING BUDGET DELIBERATION

Mr. Abrams invited Mayor Rilling to make opening remarks. Mayor Rilling expressed his thanks to the members of the Board of Estimate and Taxation and welcomed Norwalk's new Chief Financial Officer who will begin next Tuesday.

Mr. Abrams explained that the Board was provided with additional information on revenues and the debt service. This evening, they will look at different scenarios and how they will impact the mill rate. Mr. Ellis added that the primary focal point is the revaluation and its impact on the budget. He said Mr. Groman and Mr. Friia came up with a one page document and he shared that document. He said the document will be forwarded to the Board members.

Mr. Ellis explained that the State allows a phase in process for the revaluation. He presented what the savings to the median tax bill with a four year phase in. He also did a hurt/help analysis and noted that about 80% of the people would experience relief with the phase in. The remaining 20% would be negatively impacted by this. Mr. Gorman said the phase in would impact the Tax Assessor's office because of the intensive amount of recordkeeping. Anyone who did not receive an increase from the revaluation will be hurt by the phase in.

Ms. Yang requested to see the portion of the State Statute regarding revaluation and new construction. She added that new construction receiving an abatement should not receive an assessment phase in. Mr. Gorman said they would need legal interpretation. Mr. Jellerette asked for legal guidance.

Mr. Abrams thanked Ms. Yang for continually to think differently. He said this process has been very difficult and suggested using time to get more information.

Mr. Ellis continued to share his screen and said the Division Summary shows what the rates would look like with a four year phase in district by district.

Mr. Camacho commented that there are still the same budgetary needs and asked where that money is coming from, because it seems less is being collected from each household. Mr. Gorman said the 20% will help with this. He added there are 20% of people waiting for tax relief.

The Board held a discussion about the impact of a phase in.

Mr. Abrams said the phase in does not solve the issue, but spreads it out over a number of years.

Mr. Ellis said the assumption is a 3% tax increase with an $8 million draw down.

Mr. Jellerette said that for the next three years the abatement numbers will not change a lot. What will help are the projects that are coming on line soon. Mr. Gorman said the grand list growth will help. Mr. Camacho asked if they could conduct a revaluation less than every five years. Mr. Gorman said he would have to look at the Statute. Mr. Abrams asked if a phase in is something the Board should support and recommend and if so, would a two, three or four year phase in be the most palatable to the residents.

Mr. Gorman said the grand list growth will help, but will not reduce the mill rate. He added that typically they will get a 1-2% growth, which is pretty good, but will not balance out the budgetary concerns.

Mr. Abrams suggested discussing various budget scenarios. Ms. Yang said they received a lot of feedback from the public and said they need to listen to that feedback.

Mr. Jellerette asked about Stamford's phase in. Mr. Gorman said they are in the second year of a two year phase in.

In response to Mr. Camacho's question about conducting revaluations more frequently, Mr. Gorman said they can do it on an annual basis, but it will cost $1 million each time.

Mr. Ellis presented and highlighted scenarios showing the impact of a four year phase in by district. Mr. Abrams said the public asked the Board to look at needs verses wants. He said there are meaningful impacts and significant trade offs.

Ms. Yang said there are three parts to consider – residential, commercial and City. She said that while the budget increase is not necessarily out of line, given inflation, the City needs to share the pain. She said she feels the City can find $17 million out of the budget. Ms. Yang said it is not like the City is not funding the Board of Education, but they may not be spending those funds as efficiently as possible. Mr. Camacho said they would have to lay off a lot of teachers. Mr. Jellerette said the Board of Education's budget has not been flat for a number of years. He said he agreed with Ms. Yang and said all three areas have to share the pain.

Mr. Constant said he sees phasing in the revolution as the best option. Mr. Jellerette said that assuming they do a phase in, they should take each scenario to determine what the amounts would be.

Ms. Yang asked if they could only give an increase for the amount that is contractually obligated. Mr. Abrams said most of the City departments came back with the majority of their increases tied to contractual obligations.

Ms. Yang noted they received a lot of thoughtful comments from the public and felt they should aggregate those suggestions. She said they need to listen to the people who sent in comments. Mr. Abrams said that would be unrealistic since they have to approve the budget on Monday. Ms. Yang asked if they would be able to get an extension. Mr. Livingston said the date in the Charter is April 1st. Ms. Yang said she would be happy to aggregate the comments. She suggested they could vote on the budget and then the Mayor could decide where to make the $17 million in cuts. Mr. Jellerette agreed and said those cuts would be up to the Mayor.

Mr. Camacho said the City provides services to everyone. Ms. Yang said there are elements in the budget that are in the want category and not in the need category. Mayor Rilling said there were a lot of wants in the budget that were pulled out.

Ms. Yang said they are very close to the debt service and it is a burden to be bumping close to the maximum. She said that with the level of capital expenditures expected, the faster they show true fiscal discipline the more they will be in good standing with the rating agencies.

Mr. Jellerette said this is a very difficult situation and they are trying to spread the pain as much as possible. There is a lot coming down the pike, and the State does not reimburse immediately. He said the City will have to live within its means.

Mr. Abrams asked Mr. Ellis to run phase in numbers and a flat budget for Monday's meeting. He said he does not expect a unanimous vote on the budget on Monday, but will ask everyone to search their conscience and vote on Monday.

Ms. Yang asked if they could take the rainy day draw down to $8 million. Mr. Gorman said the bond advisors were ok going for $6 – 8 million but cautioned strongly against going up to $10 million. He said they said the City should not make an $8 million draw down a habit.

Mayor Rilling made closing remarks and expressed appreciation to the Board for reviewing various scenarios. He noted this is a challenge. Mayor Rilling welcomed the new Chief Financial Officer Jared Schmitt.

## 4. **ADJOURNMENT**

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

There was no further business, and the meeting was unanimously adjourned at 7:56 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services