CITY OF NORWALK
BOARD OF ESTIMATE & TAXATION
SPECIAL MEETING
SEPTEMBER 10, 2012

ATTENDANCE: Fred Wilms, Chairman; John Federici, James Feigenbaum, Michael Kolman.

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

OTHER: Oak Hills: Pat Williams, Shelly Guyer, Robert Virgulak, Clyde Mount.

Call to Order

The meeting was called to order at 7:32 p.m. by Chairman Wilms. City Clerk Halsey called the roll, and announced that the above members were present and there was a quorum.

Approval of Minutes

Mr. Federici noted that once again his name was incorrectly spelled and requested that it be corrected on pages 2, 3, 4.

** **MR. WILMS MOVED TO APPROVE THE MINUTES FROM THE MEETING OF AUGUST 6, 2012 AS AMENDED WITH CORRECTION NOTED.**
** **MOTION PASSED WITH TWO VOTES IN FAVOR, NONE OPPOSED, AND TWO ABSTENTIONS (WILMS, KOHLMAN).**

Approval of 2011-12 Reserve for Encumbrances

Mr. Wilms then stated he would move the list of transfers as one item, and asked Mr. Hamilton to comment on the transfer items.

Mr. Hamilton stated that the trailing year-end transfers were requested to finish up the final year end numbers to cover minor year-end deficits in various accounts as listed in the following itemized transfer list:

FISCAL YEAR 2011-12:

RECREATION & PARKS :

From		To		Amount
01-1000-5110	(Salary & Wages – Reg.)	01-6010-5296	(Security Systems)	$ 1,599
01-6022-5258	(Other Professional Svcs.)	01-6010-5296	(Security Systems)	1,000
01-6023-5258	(Other Professional Svcs.)	01-6010-5296	(Security Systems)	1,666
01-6023-5325	(Recreation Supplies)	01-6010-5296	(Security Systems)	1,159
01-6031-5276	(Purch. Uniforms/Clng.)	01-6010-5296	(Security Systems)	1,411
01-1210-5130	(Salary & Wages – Temp.)	01-6031-5462	(Cent. Fleet Maintenance)	11,132
01-2020-5110	(Salary & Wages – Reg.)	01-6031-5462	(Cent. Fleet Maintenance)	33,561
01-6034-5242	(Water)	01-6031-5462	(Cent. Fleet Maintenance)	10,512
01-6031-5322	(Chem. Lab, Med. Supp.)	01-6033-5241	(Electric)	2,100
01-6031-5329	(Other Op. Supplies)	01-6033-5241	(Electric)	2,252
01-6033-5242	(Water)	01-6033-5241	(Heating Fuels)	1,487
				$67,873

These transfers are to cover year end deficits throughout the Parks Department.

Finance recommends approval.

LIBRARY:

From		To		Amount
01-6200-5110	(Salary & Wages – Reg.)	01-6200-5140	(Salary & Wages –P/T)	$16,055
01-6200-5110	(Salary & Wages – Reg.)	01-6200-5234	(Subscription – Tax Law)	17,144
01-6200-5231	(Pub. Of Notices & Rept.)	01-6200-5234	(Subscription – Tax Law)	122
01-6200-5235	(Membership & Dues)	01-6200-5246	(Heating Fuels)	625
01-6200-5392	(Books)	01-6200-5246	(Heating Fuels)	8,468
			Total	$42,414

These transfers are to cover year end deficits throughout the Library.

Finance recommends approval.

HISTORICAL COMMISSION:

From		To		Amount
01-1350-5110	(Salary & Wages – Reg.)	01-6300-5620	(Grants & Donations)	$4,537
01-6300-5241	(Electric)	01-6300-5620	(Grants & Donations)	1,247
				$5,784

These transfers are to cover year end deficit.

Finance recommends approval.

From		To		Amount
01-1000-5110	(Salary & Wages – Reg.)	01-6300-5110	(Salary & Wages – Reg.)	$17,533

These transfers are to cover a year end deficit in regular wages as a result of the Museum Curator's severance

**** MR. WILMS MOVED TO APPROVE THE ABOVE TRANSFERS AS REQUIRED FOR THE 2011-12 RESERVE FOR ENCUMBRANCES.**

**** MOTION PASSED UNANIMOUSLY.**

Review of Preliminary FY 2011-12 Results

Mr. Hamilton referred to the following report and stated that the report is not final pending the actual year end audits, which will not conclude until the end of November.

The City of Norwalk, Connecticut

OPERATING BUDGET TREND AND FY 2011-12 PROJECTION

September 10, 2012

	APPROVED BUDGET 2011-12	REVISED BUDGET 2011-12	FORECAST ACTUAL 2011-12	VAR FROM REV. BUD. MORE/(LESS)	APPROVED BUDGET 2012-13
EXPENSES BY DEPARTMENT					
MAYOR	$ 252,997	$ 277,550	$ 265,654	$ (11,896)	$ 272,386
LEGISLATIVE	$ 13,050	$ 12,729	$ 12,174	$ (555)	$ 12,450
CORPORATION COUNSEL	$ 824,510	$ 871,610	$ 840,423	$ (31,187)	$ 944,067
CITY CLERK	$ 329,757	$ 322,384	$ 319,192	$ (3,192)	$ 329,553
TOWN CLERK	$ 598,182	$ 612,715	$ 609,931	$ (2,784)	$ 580,055
INFORMATION TECHNOLOGY	$ 1,337,277	$ 1,327,720	$ 1,297,045	$ (30,675)	$ 1,415,414
PERSONNEL	$ 556,494	$ 568,751	$ 552,105	$ (16,646)	$ 557,062
HUMAN RELATIONS & FAIR RENT	$ 217,534	$ 206,405	$ 165,941	$ (40,464)	$ 217,861
YOUTH SERVICES	$ 260,817	$ 260,817	$ 256,224	$ (4,593)	$ 229,846
REGISTRAR OF VOTERS	$ 399,075	$ 393,375	$ 368,195	$ (25,180)	$ 446,990
FINANCE DIRECTOR	$ 189,633	$ 239,912	$ 189,322	$ (50,590)	$ 194,280
TAX ASSESSOR	$ 780,522	$ 1,895,656	$ 742,202	$ (1,153,454)	$ 774,160
TAX COLLECTOR	$ 849,523	$ 878,321	$ 878,321	$ (0)	$ 788,781
ACCOUNTING & TREASURY	$ 624,895	$ 627,795	$ 616,097	$ (11,698)	$ 663,223
MANAGEMENT & BUDGETS	$ 332,533	$ 317,799	$ 305,644	$ (12,155)	$ 371,532
PURCHASING	$ 369,089	$ 369,606	$ 355,348	$ (14,258)	$ 356,769
HEALTH DEPT	$ 1,996,769	$ 2,014,656	$ 1,912,839	$ (101,817)	$ 1,951,904
POLICE DEPT	$ 18,079,099	$ 18,816,310	$ 18,816,308	$ (2)	$ 19,310,461
FIRE DEPT	$ 16,166,366	$ 16,197,855	$ 15,938,212	$ (259,643)	$ 16,294,462
PLANNING & ZONING	$ 1,055,478	$ 1,057,108	$ 1,045,447	$ (11,661)	$ 1,054,095
CODE ENFORCEMENT	$ 651,190	$ 657,792	$ 656,232	$ (1,560)	$ 663,573
COMBINED DISPATCH	$ 2,096,921	$ 2,221,873	$ 2,221,873	$ 0	$ 2,130,402
PUBLIC WORKS	$ 16,177,528	$ 16,531,979	$ 15,802,317	$ (729,662)	$ 16,335,211
WPCA	$ 349,965	$ 349,965	$ 349,965	$ -	$ 367,463
EDUCATION-PUBLIC	$ 154,801,489	$ 155,097,632	$ 154,532,776	$ (564,856)	$ 155,494,990
RECREATION AND PARKS	$ 3,481,580	$ 3,698,054	$ 3,688,845	$ (9,209)	$ 3,616,144
LIBRARY	$ 3,406,060	$ 3,405,451	$ 3,401,683	$ (3,768)	$ 3,280,785
HISTORICAL COMMISSION	$ 310,534	$ 314,604	$ 335,694	$ 21,090	$ 201,639
GRANT AGENCIES	$ 3,026,600	$ 3,026,600	$ 3,016,255	$ (10,345)	$ 1,713,638
DEBT SERVICE	$ 25,310,683	$ 25,235,993	$ 25,122,434	$ (113,559)	$ 25,678,273
ORGANIZATIONAL MEMBERSHIPS	$ 157,662	$ 112,662	$ 112,662	$ -	$ 98,725
EMPLOYEE BENEFITS	$ 26,228,536	$ 26,879,436	$ 26,875,850	$ (3,586)	$ 27,833,825
BOE FY 2011-12 INS. DEFICIT				$ -	$ 4,000,000
PENSIONS	$ 5,626,991	$ 5,626,991	$ 5,618,091	$ (8,900)	$ 7,129,662
CONTINGENCY	$ 1,348,537	$ 418,509	$ -	$ (418,509)	$ 1,532,686
FINANCE COMMITTEE ADDITIONS					
Total Expenditures	$ 288,207,876	$ 290,846,615	$ 287,221,301	$ (3,625,314)	$ 296,842,367
REVENUES					
TAX REVENUES	$ 260,954,473	$ 260,954,473	$ 259,675,911	$ (1,278,562)	$ 267,856,829
NON-TAX REVENUES					
INTEREST & PENALTIES	$ 1,908,900	$ 1,908,900	$ 1,870,550	$ (38,350)	$ 1,661,490
INTERGOVERNMENTAL REVENUE	$ 16,194,409	$ 16,299,312	$ 16,740,635	$ 441,323	$ 16,366,702
INVESTMENT INCOME	$ 1,000,000	$ 1,000,000	$ 1,004,504	$ 4,504	$ 712,000
DEPARTMENTAL RECEIPTS	$ 7,210,085	$ 7,210,085	$ 7,453,286	$ 243,201	$ 7,769,685
MISCELLANEOUS	$ 940,009	$ 953,376	$ 1,400,095	$ 446,719	$ 1,475,661
TRANS FROM FUND BALANCE				$ -	$ 1,000,000
Total Non-Tax Revenue	$ 27,253,403	$ 27,371,673	$ 28,469,070	$ 1,097,397	$ 28,985,538
Total Revenue	$ 288,207,876	$ 288,326,146	$ 288,144,981	$ (181,165)	$ 296,842,367
REVENUES LESS EXPENDITURES	$ -	$ (2,520,469)	$ 923,680	$ 3,444,149	$ -

Mr. Barron highlighted the preliminary results of the year-end for 2011-12 and explained the GAAP revenues which represent slightly lower percentages.
Mr. Kolman asked about the fire hydrant rental and Mr. Barron replied that it represents rates as established by the districts. Mr. Hamilton added that there is

very little as far as municipal regulations and rates are set as approved by the District Commissioners, according to the state charter.

Mr. Wilms asked about the $50,000 for audits if that was for operational and Mr. Hamilton replied that it did not yet reflect the audit in process that is complied for June 30, and they would come back for a special appropriation if the final number is different.

A discussion ensued on the median fund balance and the following chart was presented:

City of Norwalk, Connecticut

FUND BALANCE PROJECTIONS

FY 2011-12 Fund Balance Forecast

FUND BALANCE PROJECTION	Audited Actual 2010-11	Approved Budget 2011-12	Revised Budget 2011-12	Forecast Actual 2011-12	Approved Budget 2012-13
TOTAL FUND BALANCES - BEGINNING (GAAP)	**$ 28,613,275**	**$ 30,574,487**	**$ 30,574,487**	**$ 30,574,487**	**$ 31,498,167**
Other Programs Funds (**p.55**)	**$ 558,458**				
TOTAL FUND BALANCES - BEGINNING RESTATED	**$ 29,171,733**				
Revenues					
TAXES, INTEREST AND LIEN FEES	$ 255,380,363	$ 262,863,373	$ 262,863,373	$ 261,546,461	$ 269,518,319
INTERGOVT REVENUES	$ 15,956,939	$ 16,194,409	$ 16,299,312	$ 16,740,635	$ 16,366,702
DEPT. FEES & CHGS	$ 8,386,936	$ 8,150,094	$ 8,163,461	$ 8,853,381	$ 9,245,346
INVESTMENT INCOME	$ 1,075,369	$ 1,000,000	$ 1,000,000	$ 1,004,504	$ 712,000
Total Revenues	**$ 280,799,607**	**$ 288,207,876**	**$ 288,326,146**	**$ 288,144,981**	**$ 295,842,367**
State on-behalf payments	$ 14,126,829	$ 14,126,829	$ 14,126,829	$ 14,126,829	$ 14,126,829
GAAP Revenues	**$ 294,926,436**	**$ 302,334,705**	**$ 302,452,975**	**$ 302,271,810**	**$ 309,969,196**
Expenditures					
GENERAL GOVERNMENT	$ 7,325,611	$ 7,935,888	$ 9,183,145	$ 7,773,818	$ 8,154,429
EDUCATION: PUBLIC SCHOOLS	$ 150,478,056	$ 154,801,489	$ 155,097,632	$ 154,532,776	$ 155,494,990
PUBLIC SAFETY	$ 39,561,919	$ 38,049,054	$ 38,950,938	$ 38,678,072	$ 39,452,993
HEALTH AND WELFARE	$ 1,872,224	$ 1,996,769	$ 2,014,656	$ 1,912,839	$ 1,951,904
PUBLIC WORKS	$ 15,494,011	$ 16,527,493	$ 16,881,944	$ 16,152,282	$ 16,702,674
COMMUNITY GRANTS	$ 3,016,523	$ 3,026,600	$ 3,026,600	$ 3,016,255	$ 1,713,638
RECREATION, ARTS & CULTURE	$ 6,959,888	$ 7,198,174	$ 7,418,109	$ 7,426,222	$ 7,098,568
OPERATING CHARGES	$ 54,540,650	$ 58,672,409	$ 58,273,591	$ 57,729,037	$ 66,273,171
Total Expenditures	**$ 279,248,882**	**$ 288,207,876**	**$ 290,846,615**	**$ 287,221,301**	**$ 296,842,367**
REVENUES-EXPENSES	**$ 1,550,725**	**$ -**	**$ (2,520,469)**	**$ 923,680**	**$ (1,000,000)**
Revenues-Expenses Other Program Funds (**p. 86**)	$ (100,404)				
Add back current year encumbrance	$ 55,798				
Subtract prior year encumbrance	$ (103,365)				
TOTAL FUND BALANCE-ENDING (GAAP)	**$ 30,574,487**	**$ 30,574,487**	**$ 28,054,018**	**$ 31,498,167**	**$ 30,498,167**
% of GAAP Revenues	**10.4%**	**10.1%**	**9.3%**	**10.4%**	**9.8%**
ASSIGNED FUND BALANCE (incl. encumb.)					
Board of Education	$ 296,143	$ 296,143		$ 564,856	$ 564,856
City	$ 1,650,013	$ 1,650,013	$ 525,687	$ 1,049,344	$ 1,049,344
Special Appropriation-2013 Revaluation				$ 1,100,000	$ 1,100,000
Total Assigned Fund Balance	**$ 1,946,156**	**$ 1,946,156**	**$ 525,687**	**$ 2,714,200**	**$ 2,714,200**
UNASSIGNED FUND BALANCE-ENDING (GAAP)	**$ 28,628,331**	**$ 28,628,331**	**$ 27,528,331**	**$ 28,783,967**	**$ 27,783,967**
% of GAAP Revenues	**9.7%**	**9.5%**	**9.1%**	**9.5%**	**9.0%**
CHANGE IN FY 2010-11 UNASSIGNED FUND BALANCE		**$ -**	**$ (1,100,000)**	**$ 155,636**	

RECONCILIATION:		
	REVENUES - EXPENSES	$ 923,680
	INCREASE IN ASSIGNED FB ($2,714,200-$1,946,156)	$ (768,044)
	CHANGE IN UNASSIGNED FB	$ 155,636

A discussion ensued on how the rating agencies view the GAAP revenues, Mr.

Wilms asked about the definition of the fund balance and suggested that the policy definition be reworked for clarity purposes. Mr. Barron replied that this is a good point that would serve as a policy guideline in response to public questions amidst current budget issues.

Oak Hills Financial Status

Mr. Wilms asked representatives from Oak Hills to come forward, and the reports as provided in the packet were reviewed. Mr. Wilms asked about the revenue assumptions and Ms. Williams noted that the projections assume a 2% increase in revenue and expenses and 2% increase in revenue and cart rounds.
She noted that one of the key contributing factors was the 1,500 living social rounds that are projected to turn to paying rounds, and that the revenue increases are dictated by the 1st half results in FY2012. She explained that it may not be required as it assumes more revenue months in 2013 in comparison to the months that were closed in 2012.

Mr. Wilms replied that he liked the flat revenue assumption and asked if there is a new revised Board policy on the living social rounds. Mr. Guyer replied that the vouchers are now expired, and he feels confident that additional revenue will be attained as many were only paying below minimum in fees.

Mr. Mount stated that the course will be open all year, and in comparing the number of days and the improved conditions with new carts and better management all indications point towards increased revenue. He added that an advertising and marketing plan is being developed to promote the positive changes for Oak Hills. Mr. Federici added that word of mouth is the best type of advertising, and this along with social media and good weather predictions should result in greater revenues generated.

Mr. Feigenbaum asked if there is money in bank after the debt repayment, and Ms. Williams replied that there is enough to adequately operate and manage the course. A discussion ensued on the potential of a driving range and preliminary plans relative to location and financing options were discussed. Mr. Virgulak asked if the Board would consider a financing plan, and Mr. Barron replied that the City may be able to secure better rates and could entertain such a proposal. Mr. Wilms stated that this was not on the agenda, but he would put it on for consideration at a future meeting.

Tax Collector's Report

Mr. Hamilton highlighted excerpts from the narrative report, as follows:

As of the end of June, 2012, we had collected 98.74% of our current tax levy on the 2010 grand list, more than S259.4 million. In addition, we had collected 98.72% of our current sewer use levy, an additional $12.9 million. We also collected nearly 91% of the PP (Industrial Pretreatment Program)fee. We ended June 2012 slightly ahead of last year in both current tax collections

(0.23%), and in sewer use collections (.89%). We should achieve our budgeted collection goals. Through the end of June 2012, we also collected an additional $4.2 million in back taxes, interest, lien fees and other fees, approximately $272,000 ahead of what was collected last year, due to the July 2012 tax sale. ...We collected $4.9 million on properties scheduled for sale, the sale was a success in terms of organization, but it did not generate as much revenue as we had anticipated, for several reasons. This sale, our fifth since 2003, was our largest sale. .. overall the sale was a success in terms of how many properties paid off prior to the sale itself - more than200. Those properties would not have paid in full were it not for their inclusion in the tax sale. Tax sale remains our most effective means of collection enforcement, and a contributing factor to our high current and past due tax collection rates.

KEY REVENUE DRIVERS - HISTORICAL COMPARISON and FY 2011-12 RESULTS

Mr. Hamilton referred to the following five year trend comparison of the key revenue drivers:

GENERAL FUND

FULL FISCAL YEAR		FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12				FY 2011-12 OVER FY 2010-11	
ORG OBJ	DESCRIPTION	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	$ VAR	% VAR	$ VAR	% VAR
010500 4478	REAL ESTATE CONVEYANCE TAX	$ 2,074,345	$ 2,293,295	$ 2,313,089	$ 2,217,496	$ 2,350,000	$ (132,504)	-5.6%	$ (95,594)	-4.1%
013410 4401	BUILDING PERMITS	$ 1,871,715	$ 1,510,100	$ 1,528,891	$ 1,736,208	$ 1,630,000	$ 106,208	6.5%	$ 207,318	13.6%
011340 4901	INVESTMENT INCOME	$ 2,943,077	$ 1,398,170	$ 963,050	$ 1,004,262	$ 1,000,000	$ 4,262	0.4%	$ 41,212	4.3%
010500 4535	RECORDING FEES	$ 360,483	$ 323,992	$ 390,511	$ 374,434	$ 375,000	$ (566)	-0.2%	$ (16,077)	-4.1%
		$ 7,249,620	$ 5,525,557	$ 5,195,541	$ 5,332,400	$ 5,355,000	$ (22,600)	-0.4%	$ 136,859	2.6%

Mr. Wilms stated that in view of the economy, a .4% variance is a strong accomplishment.

The following remaining reports were contained in the packet for additional information:

Summary of Special Appropriations — FY 2011-12

Status of Contingency — FY 2011-12 - Status of Contingency — FY 2012-13

Financial Reports:

Year-to-date Capital Budget Report (FY 2011-12) - (FY 2012-13)

Year-to-date Operating Budget Report (FY 2011-12) - (FY 2012-13)

Board of Education Budget Report (FY 2011-12) (FY 2012-13)

Tax Collector's Report — May 2012 – June 2012 Tax Collector's Narrative — May – June 2012

Key Revenue Report — FY 20 11-12 Salary Accounts

Fire Overtime - Dispatch Overtime - Police Overtime

Adjournment

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

The meeting was adjourned at 8:45 p.m.
Respectfully submitted,
Marilyn Knox,
Telesco Secretarial Services