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**CITY OF NORWALK
BOARD OF ESTIMATE AND TAXATION
BUDGET DELIBERATION
VIA TELECONFERENCE
MARCH 18, 2024**

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

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

Mr. Abrams called the meeting to order at 6:30 p.m.

Ms. Dixon called the Roll as indicated above.

DELIBERATION - OPEN ITEMS

Mr. Abrams invited Mayor Rilling to make opening remarks. He asked the members of the Board of Estimate and Taxation to carefully consider their decisions; he added that their decision will have an impact on the residents. He added that he is looking forward to hearing from the public on Wednesday.

Mr. Ellis shared his screen and said there were about 15 open items. The open items were presented and discussed. Business expenses were taken down by \$3,000. Conference fees for Accounting and Treasury was reduced to \$5,000 and if more funding is needed throughout the year, the department could come back for additional funding.

Under Cybersecurity, Mr. Ellis said he recalled that Ms. Liu had a list of what was needed. In addition, there are a lot of Common Council members who agree with the recommendation in the Efficiency Study to do all they can to fund Cybersecurity. The recommended budget amount was \$541,000. Mr. Abrams asked for details for Wednesday's public hearing. He added that he was looking for clarity and not to reduce the amount.

Mr. Ellis reviewed the request for \$165,000 for the Library security system. Part of the increase is due to the living wage increase for the Oiran personnel. The remainder is for actual security equipment. Mr. Abrams noted that the actual to date numbers are so far below these numbers and suggested cutting the numbers in half. The Board agreed. He added that the Library could come back to the Board if there was an issue. He also asked if all third party contracts were reviewed. Mr. Ellis explained that Ms. Harris, Library Director was hopeful about finding another vendor, but he did not believe she was successful. He said the actuals only show one month of the living wage rated. The amount requested was brought down to \$145,000.00. The security systems were also reduced at each branch.

The request by TMP for training and education was reduced to \$6,200. The Board agreed if they needed additional funding they could come back to the Board with that request. The request for traffic signals was taken down to \$40,000.

Sewer fee payments for all City buildings was discussed. Mr. Ellis said these fees go back to the City, but he will discuss this with Mr. Gorman, the Tax Assessor.

Under Public Works, the Board discussed the request to purchase road salt. Following a discussion, the Board agreed to leave the request at \$225,000.

Mr. Ellis explained that Recreation and Parks was requesting an increase of \$40,000 to fund a full time position to work on the Active Net program. Mayor Rilling said it appears that Mr. Stowers, the Director of Recreation and Parks has the money to fund this position and will not need \$40,000.

The Board members reviewed the grant requests starting with the Transit District. The Board discussed reducing the amount to \$610,000.

Mayor Rilling noted that Probate, Harbor Management and Fair Housing requests are consistently the same each year and said he found it hard to understand that they need the same amount each year.

The Board members discussed the request from Probate for \$30,413. Mr. Abrams asked if Probate could come back and ask for funding out of the Contingency during the year. Mr. Ellis said he could look into it. Ms. Yang said she recollected the request was for office supplies and

suggested approving \$10,000 and then seeing if Probate could cover the rest out of their own budget. Mr. Camacho suggested asking the Probate Judge for more details on what is needed. Mr. Ellis said they are invited every year, but do not attend. The Board suggested taking the amount down to \$15,000.

The Board discussed the request from the Harbor Commission and agreed to reduce the amount by \$5,000 based on the fact the Harbor Commission expects to increase their revenue due to an increase in moorings.

A discussion took place around the request from the Fair Housing office. Ms. Yang suggested eliminating this office after Ms. Suib retires. Mayor Rilling explained that the Consent Decree requires the City to have a Fair Housing Office. Any changes would have to go through the courts. He added that the Fair Housing Officer plays an important role in the City. The requested amount remained unchanged.

The Board members completed their review of open items and Mr. Ellis said at this point, they made about \$245,000 in cuts.

Mr. Jellerette said these are tough times and decisions have to be made. He said a lot was done tonight but they will not make a big difference. He said he would like to open a discussion where the city and Board of Education take a 5% cut which comes to 23 to \$24 million. He said it will be painful. He said wants to bring this down to an amount that residents can live with. Mr. Abrams said the purpose of this exercise is to review the cuts they could make and feels there may be other ways to do this. Mr. Jellerette added that 36% is an unbelievable tax increase.

Mr. Abrams said the revaluation will shock everyone and will ask Mr. Ellis and Mayor Rilling to take a corporate view on this, but noted the impact on services.

Ms. Yang said she applauded Mr. Jellerette's commentary. She said that a 3 – 4% increase is not unreasonable, but the issue is disparity between residential and commercial properties. She suggested creating a separate commercial and separate residential mill rate. She noted that if her taxes go up 30% she may have to move.

Mr. Abrams said that was an interesting idea, but was not in their purview. Mayor Rilling said the only city in Connecticut doing this is Hartford. He said there are two very large office buildings in Norwalk that are pretty empty. He agreed this is a horrible time. He added that they are waiting for an opinion on this question from the Corporation Counsel to be sure they make an informed decision. Mr. Abrams reiterated that this is something that is not addressable by this Board or under their purview.

Ms. Yang said that as the Board of Estimate and Taxation, the most important thing they do is set the mill rate. Mr. Abrams said Ms. Yang's suggestion should be explored, but it would not be resolved in time for this budget.

Mr. Jellerette noted that there is now a shift from commercial to residential taking on most of the burden. He said he is recommending a 5% reduction on the \$440 million budget. He added that he knows this is not easy.

Mayor Rilling said it is within the power of the Board of Estimate and Taxation to cut the budget by 5%, but cautioned that reduction could result in layoffs of Police, Fire and teachers.

Mr. Camacho asked about the average tax increase by taxing district. Ms. Yang said the First Taxing District would increase by 8.3%; Second by 11.9%; Third by 29.8%; Fourth by 6.8%; Fifth by 28% and Sixth by 34.7%. Mr. Ellis said the last revised number from the Sixth Taxing District Treasurer's median tax bill was First, 26%; Second 32%; Third, 21%; Fourth 12%; Fifth 6% and Sixth 14%.

Mr. Abrams asked the Board members to consider Mr. Jellerette's challenge and listen with an open mind at the public hearing. He said they can prepare during executive session and then listen during the public hearing.

Mayor Rilling said there are discussions about rental units being built, and said they count on the commercial side. He noted that all things need to be considered. Mr. Ellis added that the apartments bring in 500 new residents and their vehicles get added to the tax rolls, which helps.

Mr. Abrams asked Mr. Ellis to provide a view on the variable expenses by department so they can understand the numbers. Mr. Ellis said that besides salaries, some of the biggest increases are from debt service, health care and pension costs.

Mr. Jellerette said the debt service is one of the biggest lines. Mayor Rilling explained that for the new Norwalk High School, they have the option to have a one time reimbursement of 80%. If they do not take advantage of this the costs will go up and the reimbursement will not be 80%. Mr. Jellerette said the good news is there are a lot of new projects coming on line that will help the City. Mayor Rilling said covid knocked the wind out of commercial properties.

Mr. Abrams suggested they spend time thinking about Mr. Jellerette's challenge and listen to comments from the public at the public hearing.

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

There was no further business, and the meeting was unanimously adjourned at 7:58 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services