To allow public access, anyone may access a meeting by telephone and/or Zoom, or a recording in the City of Norwalk YouTube channel. Specific instructions and links can be found at norwalkct.gov/meetings.

Members of the public may call in to participate. Callers will not be able to see the meeting participants. All participants will be muted upon entering the meeting. To speak, dial *9 on the phone and you will be called on by the host of the meeting during the public comment section. All speakers must state their name and address. Comments must be on a topic on the agenda, and are limited to three minutes. Anyone disrupting the orderly conduct of the meeting, including by using threatening, hateful, or sexually-explicit language, will be removed. Please find the information using the link above.

Members of the public who wish to provide "live comments" may also use the Zoom meeting platform. All participants will be muted upon entering the meeting. To speak, click the "raise your hand indicator" and you will be called by the host of the meeting during the public comment section. All speakers must state their name and address. Comments must be on a topic on the agenda, and are limited to three minutes. Anyone disrupting the orderly conduct of the meeting, including by using threatening, hateful, or sexually-explicit language, will be removed.

Please find the information using the link above. Members of the public who wish to provide public comment are encouraged to submit those via email in advance of the meeting. For these comments to be included into the record, they must be submitted by 12:00 p.m. the day of the meeting. Please email Tom Ellis at tellis@norwalkct.gov with the subject line "Public Comment" to provide written public comment prior to the meeting.

CITY OF NORWALK
BOARD OF ESTIMATE AND TAXATION
SPECIAL MEETING
VIA ZOOM
MARCH 3, 2025

ATTENDANCE: Ed Abrams, Chair; Kendrick Constant; Troy Jellerette; Anne Yang

STAFF: Irene Dixon, City Clerk; Thomas Ellis, Director of Management and Budgets; Ken Hughes, Superintendent of Parks & Public Property; Thomas Livingston, Chief of Staff; Alan Lo, Building and Facilities Manager; Jared Schmitt, Chief Financial Officer

OTHERS: Allen Dutton, Oak Hills Park Authority; James Giuliano, Construction Solutions Group

I. CALL TO ORDER

Mr. Abrams called the meeting to order at 6:32 p.m.

II. ROLL CALL

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

Mr. Abrams asked for a motion to take the agenda out of order to allow Oak Hills Park Authority to give their presentation before the capital budget discussion.

**** MR. JELLERETTE MOVED TO TAKE THE AGENDA OUT OF ORDER**
**** MOTION PASSED UNANIMOUSLY**

III. ACCEPTANCE OF MINUTES

A. Regular Meeting: February10, 2025

The following corrections were made to the minutes:

Page 3 – correct the following sentence: Ms. Yang said it is owned by 6 Butler Properties LLC and that the property is assessed at $400,000 and was purchased by 6 Butler Properties in 2019 for $322,000 to read: Ms. Yang said it is owned by 6 Butler Properties LLC and that the property is assessed at $400,000 and was purchased by 6 Butler Properties in 2019 for $392,000.

Coty should be corrected to City

Page 7 – correct the following sentence: He said the uncertainty from the State and Feds is very concerning. He said as they go into year two of the phase it to: He said the uncertainty from the State and Feds is very concerning. He said as they go into year two of the phase in.

**** MR. JELLERETTE MOVED TO ACCEPT THE MINUTES AS AMENDED**
**** MOTION PASSED UNANIMOUSLY**

IV. SPECIAL APPROPRIATION AGENDA

A. Section A - None

V. <u>TRANSFER AGENDA</u>

A. Section B

1. Transfer Agenda

** **MR. JELLERETTE MOVED THE REQUEST FOR $70,000 FROM CONTINGENCY TO BUILDING AND RENOVATIONS**

Mr. Ellis introduced the request for $70,000 for buildings and renovations.

Mr. Livingston described the project. Mr. Jellerette asked for the square footage of the project.

Mr. Abrams explained that without the details, it was difficult to know if $70,000 was the right cost. He asked for basic line items and square footage and said they could revisit this request at their next meeting. He added that it would be irresponsible to approve this request without the details.

** **MR. JELLERETTE MOVED TO TABLE THIS ITEM TO THE NEXT MEETING WHEN THEY WILL HAVE MORE DETAILS**
** **MOTION PASSED UNANIMOUSLY**

** **MR. JELLERETTE MOVED THE REQUEST FOR $70,824 FROM RECREATION AND PARKS**

Mr. Ellis introduced the request, and Mr. Hughes presented the request.

** **MOTION PASSED UNANIMOUSLY**

CITY OF NORWALK TRANSFERS 2024-25
BOARD OF ESTIMATE AND TAXATION

FISCAL YEAR 2024-25:

OPERATIONS & PUBLIC WORKS/BUILDING MGMT.:

From		To		Amount
01-9600-5900	Contingency	01-4071-5561	Buildings & Renovations	$70,000

This transfer is to cover Construction and Remodeling for new office space and conference room updates.

Finance recommends approval.

RECREATION AND PARKS:

From		To		Amount
01-4109-5140	Wages & Salary Part-Time	01-4165-5130	Wages & Salary – Temporary	$18,000
01-4173-5130	Wages & Salary – Temp.	01-4165-5130	Wages & Salary – Temporary	14,412
01-4172-5130	Wages & Salary – Temp.	01-4165-5130	Wages & Salary – Temporary	14,412
01-4171-5130	Wages & Salary – Temp.	01-4165-5130	Wages & Salary – Temporary	30,000
				$70,824

This transfer is to cover Seasonal employers prior to the start of the season..

Finance recommends approval.

VII. ADDITIONAL INFORMATION

A. Financial Reports

1. Oak Hills Park Authority Monthly Financial Statements for January 2025

Mr. Dutton reviewed his report as follows:

Oak Hills Park Authority
January 2025 Financial Commentary

Operations Updates:

- Golf revenue rounds and cart rounds performed above budget for the first seven months of FY25 but dropped significantly in December/January due to poor weather. Discount ID Card sales are very slightly under-budget.
- We are in our fourth year (of five) in our cart fleet lease and are seeing some expected wear and tear and more electricity usage than expected. However, the lithium batteries are holding up better than the standard batteries in previous leases.
- On December 8, we went live with a new POS system "foreUP" which includes our Tee Sheet, making reservations, and checking players in when they arrive. Overall, the process went very smoothly and our customers' reactions have been very positive.

YTD Financial Highlights:

- FY25 YTD net operating income was over budget by $110k and we ended January with a $628k cash balance which includes $61k in the capital reserve bank account.
  - Revenue was over-budget by $138k thanks to strong golf rounds.
  - Expenses were over-budget by $28k.
- OHPA made $106k in repayments to the City for the first seven months of the fiscal year, including our annual 1% of golf revenue.
- OHPA is investing in several capital improvements throughout the course of the year with a focus on bunker refurbishment and rebuilding.

Other:

- As part of our initiative of investing and diversifying excess cash, we continue to have money spread out among three banks in various types of interest-bearing accounts.

Mr. Jellerette asked for an update on the restaurant. Mr. Dutton explained they negotiated a different deal with them. Business has not been what they thought it would be, but there are no issues. He said they were 100% happy with the new restaurant vendor. He said the food is very good and the vendor is hiring bands for the weekends.

Mr. Jellerette asked about the rates and stated if there are increases, they should favor the residents over nonresidents. Mr. Dutton agreed.

Mr. Dutton discussed recent staff changes due to salary and benefits. He said he reached out to the CT Coalition about joining them to provide better benefits to their staff. He also said he may ask Senator Duff for assistance. Mr. Jellerette suggested trying to join the City's benefits.

VI. OTHER BUSINESS

A. Section C

1. Special Capital Appropriation

** **MR. JELLERETTE MOVED THE SPECIAL APPROPRIATION REQUEST FROM THE BUILDING MANAGEMENT DEPARTMENT FOR INTERIM FUNDUS FOR NORWALK PUBLIC SCHOOL HVAC PROJECTS**

Mr. Schmitt introduced the request. He said the State share has to be appropriated by the Board of Estimate and Taxation. He said this action authorizes the Board of Estimate to spend the State's share of the project. Mr. Abrams asked if the grant from the State is locked in and if there is any risk of the State reneging on their commitment. Mr. Schmitt said this was as locked in as any State grant could be. Mr. Lo added that the approval was done by a special legislative action and the State approved these projects. These are committed funds for six different projects.

Mr. Lo introduced Mr. Giuliano and asked for his input. Mr. Giuliano explained that the funding has been approved and they provided a commitment letter that was forwarded to the Board of Education for their signatures.

Mr. Lo described the reimbursement rates and the State reimbursement process. He said that typically HVAC projects are not reimbursable, by the State and they set up this grant, so they are reimbursable.

Mr. Lo explained that each of the six projects has its own dollar amount of State reimbursement. The total project cost is just under $36 million, and the State reimburses at 60%.

Ms. Yang asked where the funds are coming from. Mr. Schmitt explained they bonded a small piece of this during the last bond issuance. The rest of the City's portion will be issued in July or August of this year. He said they may need to use a small portion of City cash until they get the bond proceeds. Ms. Yang asked where the $21 million the City is fronting the State coming from. Mr. Schmitt said that will come from State cash to the extend the City does not have the boding proceeds at that point. Mr. Ellis explained that it is similar to the schools where they submit progress report and then get reimbursed from the State.

Mr. Schmitt said that over the next one to two years, the City will exhaust the bond proceeds and the state share. The City will have to cover the 5% that the State will retain. They will make a decision at that time about how to do that. Right now, they will float City cash for it.

In response to Ms. Yang's question, Mr. Lo explained that if a bid come in higher, he would have to come back to the Board of Estimate and Taxation and the Common Council for approval for the overage.

** **MOTION PASSED UNANIMOUSLY**

2. Contingency Tracker

Mr. Ellis reported there were no changes from last month and no contingency items in February. He said they are holding steady at $2.15 million vs. a budget of $2.6 million in anticipation of contract negotiations.

2. NPS School Construction - Monthly Update

Mr. Lo reported both school projects are on time and on budget. When they went out to bid for Norwalk High School, they did not bid out the demolition of the existing building. They are in the process of biding out the demolition and anticipate needing additional funds for that. In addition, they are scheduled to request 5% more beyond the $239 million to cover that work. He said the deviation could be substantial because demolishing concrete can be very tough.

Mr. Lo reported there is financial space in the $76 million project to include the cost of $2.2 million for the South Norwalk School project for demolition at the surrounding property. He said he and Mr. Giuliano went to the State to request approval to incorporate the construction costs of the Oxford Street property as part of this $76 million. He said doing this made the $2.2 million eligible for reimbursement.

Mr. Jellerette asked for an update on the monthly reimbursables. Mr. Giuliano said they are currently being paid on a monthly payment process. Mr. Lo added that Norwalk High School is 80% reimbursable.

Ms. Yang asked for clarification of the cash flow in Mr. Lo's memo. Mr. Lo explained it is the cash flow covering the State's share of the funding. Following a discussion about reimbursements, Ms. Yang asked Mr. Giuliano to provide a cash flow of what has been received and what the outlay is and the actual numbers.

3. Recommended Capital Budget FY 2026

** **MR. JELLERETTE MOVED THE RECOMMENDED CAPITAL BUDGET FY 2026**

Mr. Ellis reminded the members of the Board of Estimate and Taxation that the capital budget works opposite the operating budget in that the Board of Estimate and Taxation. He said the job of the Board of Estimate and Taxation is to determine if the recommended cap is appropriate.

Mr. Ellis reviewed the budget calendar and the meeting package that included the transmittal letter. He reviewed the budget numbers.

Ms. Yang asked Mr. Schmitt and Mr. Ellis how they can turn $155 million of authorized and unissued to $75 million given that there is $21 million of authorized but unissued capital projects prior to 2020. She said that last year, the capital spending was $35.8 million and now they are talking about $55 million. Ms. Yang expressed concern that they are close to the debt ceiling, budgetary uncertainty and that the City has committed to spending $400 million on two schools over the next three years.

Ms. Yang explained that based on Mr. Schmitt's analysis, the City's share is going to be $100 million. She said the City should be tightening its belts as much as possible and to even have a flat capital budget from last year. She said they are spending $100 million of taxpayer money on these two schools because they have to finish constructing the schools. She said other things can be delayed and they should look at a flat capital budget for next year; not $54 million, but $35 million. Ms. Yang said she does not know where to cut, but they met the budget last year at $35 million and that is needed again this year.

Mr. Abrams said that what he believes Ms. Yang is advocating for is on the City side to take the cap down from $55 million to $35.8 million. Ms. Yang confirmed his comment. Ms. Yang said her argument is that the City committed to spending $100 million over the next couple of years. She said she believes the City is obligated to tighten their belts elsewhere. She shared concerns over the municipal bond market. She said they are looking at a great deal of uncertainty and they have to be conservative. She said that if $36 million was ok last year, it should be ok this year.

Mr. Jellerette said he listened to the Common Council meeting last week when they set the cap and heard the word "crisis" from the residents and even from the Mayor. He said it would have been helpful in this tight budget if they knew this before approving the $1.1 million request last month.

Mr. Jellerette said the Board of Education was asked to make cuts and feels the City needs to take a cut in the capital budget. He said they definitely need savings on the capital budget this year. They have to be prudent and suggested taking a pause and getting the schools done. He said he was comfortable with using the numbers from last year and that he is not comfortable with the capital budget being presented tonight.

Mr. Schmitt said he will get the numbers from Mr. Lindsay. Ms. Yang said she wants to know where they started and where they are going to end relative to the $650 million. She said the new capital budget shows they are $20 million shy of $650 million, which is too close for comfort. Mr. Schmitt said he can have the municipal financial advisor update last year's report. Mr. Schmitt said he understands they need to do some trimming and feels the plan is within the limits.

Mr. Abrams said he shared Ms. Yang's concern that they are getting very close to the top end of the dept ceiling and shares her concern that they are kicking the can down the road another year and making it someone else's problem. He said he did not believe they were in a position to continue to do that.

Mr. Abrams proposed reducing the capital budget cap by $20 million to $54,662,646 which will make the budget flat year to year. The sense of the Board members was they agreed with Mr. Abrams' proposal.

** **MR. ABRAMS MOVED TO SET THE CAPITAL BUDGET CAP FOR FY 2026 AT $54,662,646**
** **MOTION PASSED UNANIMOUSLY**

Mr. Abrams asked Mr. Ellis to re-craft the letter and told Mr. Schmitt he would be happy to stand beside him as he needs to talk to the people in the City about the need to tighten their belts further. Ms. Yang said this cap makes sure the two capital school projects are completed with enough funding.

VII. <u>ADDITIONAL INFORMATION</u>

The remainder of the agenda is for informational purposes.

A. Financial Reports

2. Narrative on Tax Collections dated January 2025

3. Monthly Tax Collector's Reports dated January 2025

4. Year-to-date Capital Budget Report - FY 2024-2025

5. Year-to-date- Operating Expenditure Report - FY 2024-25

6. Year-to-date Operating Revenue Report - FY 2024-2025

7. Police Wages - FY 2024-2025

8. Fire Wages - FY 2024-2025

9. Public Works Wages - FY 2024-2025

10. Year-to-date BOE Operating Expenditure Report - FY 2024-2025

11. Year-to-date Budget Expenditure Report by Division - FY 2024-2025

Mr. Jellerette expressed his thanks to Mayor Rilling for his 12 years of service as Mayor. He said he has been a pleasure to work with and he has been good for the City of Norwalk. He wished him the best in his retirement.

IV. **ADJOURNMENT**

**** MS. YANG MOVED TO ADJOURN**
**** MOTION PASSED UNANIMOUSLY**

There was no further discussion, and the meeting was unanimously adjourned at 8:13 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services