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 Chitsamay Lam at clam@norwalkct.gov with the subject line “Public Comment” to provide written public comment prior to the meeting.

CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULAR MEETING
VIA TELECONFERENCE
DECEMBER 12, 2024

ATTENDANCE: Gregory Burnett, Chair; Heather Dunn; James Frayer; Douglas Sutton; Dajuan Wiggins; Anne Winnerstrand; Johan Lopez (7:09 p.m.)

STAFF: Lisa Biagiarelli, Tax Collector; Sharon Connors, Purchasing; Paul Gorman, Tax Assessor; Chitsamay Lam, Comptroller; Jared Schmitt, Chief Financial Officer

OTHERS: Alan Dutton, Oak Hills Park Authority

I. **CALL TO ORDER**

Mr. Burnett called the meeting to order at 7:02 p.m.

II. **ROLL CALL**

Mr. Burnett called the Roll as indicated above.

III. **ACCEPTANCE OF MINUTES**

A. Regular Meeting:

November 14, 2024

The following corrections were made to the minutes:

Correct the spelling of Ms. Biagiarelli's name throughout.

Page 2 – remove the following sentence: She indicated the claims could be found on page 41 of the special request.

Page 3: comment was made by Ms. Biagiarelli and not Ms. Smyth and in section 9 under Oak Hills, the comment was made by Ms. Brown

**** MR. FRAYER MOVED TO ACCEPT THE MINUTES AS CORRECTED**
**** MOTION PASSED UNANIMOUSLY**

IV. **PUBLIC PARTICIPATION**

There were no members of the public who wished to comment this evening.

V. **REPORTS**

A. Oak Hills Park Authority Monthly Financial Statements for October 2024 and June 30, 2024 Auditors' Report

Mr. Dutton highlighted the Monthly Financial Statements and the June 30, 2024 Auditors' Report as included in the meeting packet.

Mr. Dutton also reviewed his report as follows:

Oak Hills Park Authority
October 2024 Financial Commentary

Operations Updates:

- Golf revenue rounds, cart rounds, and Discount ID cards performed above budget for the first four months of FY25.
- Tee Time utilization remained high even through October due to fair, dry weather, with above average golf cart rentals due to high number of rounds and high temperatures in July-Aug.
- 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.

YTD Financial Highlights:

- FY25 YTD net operating income was over budget by $141k and we ended August with a $975k cash balance which includes $59k in the capital reserve bank account.
  - Revenue was over-budget by $152k thanks to strong golf rounds.
  - Expenses were over-budget by $10k.
- OHPA made $64k in repayments to the City for the first four months of the fiscal year.
- OHPA is in the process of making substantial capital improvements to our bunkers in FY25, as well as equipment and some improvements to structures.

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.
- We have received our annual Audit Report. Our annual 1% of golf revenue debt payment will be made in November.

Mr. Dutton reported that the Oak Hills Park Authority had a successful year.

Mr. Lopez joined the meeting at 7:09 p.m.

Mr. Burnett asked if there were any recommendations from a financial standpoint in the audit report. Mr. Dutton said he did not see any mentions to his knowledge; it was essentially a clean audit. He noted their revenues went up this year, which resulted in labor expense increases. He added that the Authority reviews the variances on a monthly basis. He said they are forming a Long Range Planning Committee to look at ways to bring in more revenue. Mr. Dutton said he will keep this Committee updated on their progress.

Mr. Dutton reported that they are going into their slow period, but will remain open. In addition, the restaurant will remain open Wednesday – Sunday from 11:00 a.m. – 8:00 p.m.

Mr. Dutton reported they will not need to apply to their credit line this winter. He added that they have not had to use their credit line in the past three years.

B. Tax Assessor Report

Mr. Gorman reported that the Common Council approved a contract for municipal tax services for the City of Norwalk. They also approved a contract to work with Tyler Technologies for commercial consultants.

Mr. Gorman reported that he has been working with the Law Department on 14 cases that were filed with the Superior Court to be sure the field cards are accurate.

Mr. Burnett asked Mr. Gorman if his office received an overflow of residents calling about unregistered cars. Mr. Gorman said he has not; however, people call because they see an out of state car. The majority of those cars are registered to people who moved to Norwalk and have not yet updated their registration.

Mr. Gorman reviewed the procedure for issuing a bill.

C. Narrative on Tax Collections dated December 2024

D. Monthly Tax Collector's Reports dated November 2024

E. Claims Committee Report dated December 2024

Ms. Biagiarelli reported there are two special requests by virtue of the dollar amount. Both are in excess of $10,000.

** **MS. DUNN MOVED TO APPROVE TWO CLAIMS AS FOLLOWS:**

VAULT TRUST	23-MV-SEE ATTACHED $13,801.22	PRORATION
VW CREDIT LEASING LTD	22/23-MV-SEE ATTACHED $10,789.19	PRORTNS/ABTMNT

** **MOTION PASSED UNANIMOUSLY TO MOVE TO THE FULL COMMON COUNCIL MEETING ON JANUARY 14, 2025**

Ms. Biagiarelli highlighted her reports as follows:

As of the end of November 2024, five months into our fiscal year, we collected more than $201 million against our $367 million adjusted levy. The net adjusted levy is significantly reduced from the original budgeted levy by more than $2 million, primarily due to credits resulting from stipulated judgments in adjudicated property tax appeal cases related to the 2018 (prior) revaluation.

As of the end of November 2024, our current collection rate was 54.82%. We also collected 53.53% of our sewer use levy, more than $10.1 million, and 73.21% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year, we ended November 2024 slightly behind last year for collection of taxes (-0.39%), slightly ahead for sewer use (0.3%), and behind for the IPP fee (-4.29%). We also had collected nearly $4.8 million in past due taxes, interest and fees during the first five months of the fiscal year. This amount is (net) more than $4 million more than what had been collected in back taxes during the same period last fiscal year. The increase is due to the activity involved in the tax sale held on September 9, 2024. All these figures are net of refunds and credits; in both the current and in the prior fiscal year, a sizeable portion of our past due collections were basically consumed by credits, as noted above.

At this writing, we are in the process of issuing bills for the second installment on the 2023 grand list, due January 1, 2025, and payable without interest by Monday, February 3, 2025. Our billing cycle for the second installment remains dependent to a degree upon the Assessor's office and their workload. Although most motor vehicle taxes are billed in July, supplemental motor vehicle tax bills are being issued for motor vehicles newly registered between October 2, 2023 and July 31, 2024. Bills for those vehicles are due January 1, 2025, payable by February 3, 2025.

The Assessors provided us everything we needed to bill those vehicles in a timely manner; those bills are now at the printer. Real estate bills have been at the printer since before the Thanksgiving break; business personal property bills are still being worked on. If all goes well, we hope to have all our December tax bills in the mail by the second or third week of the month. Real estate bills will be mailed first; followed by motor vehicle bills, and finally, by business personal property bills. Past due motor vehicle payment notices are also at the printer now, and are being mailed this month. Delinquent notices for real estate, business personal property and sewer use charges were mailed in late October. Our delinquent tax collector continues working with the Department of Health to identify establishments with past due taxes than will need to be brought current before a new health permit is issued in January 2025 and has been filing Uniform Commercial Code (UCC-1) liens with the office of the Secretary of the State of Connecticut to secure payment of past due business personal property taxes.

Our third-party collection agency continues to bill on our behalf for suspended motor vehicle accounts. Through the end of November 2024, in conjunction with their efforts, we have collected a total of $1,173,484.57 in past due motor vehicle taxes and interest due to the City.

This agency's fees are charged in addition to the taxes and interest due to the City, and are paid by the taxpayers who owe the past due bills; we collect what is due to us in full, and do not sacrifice any of what is due to the City. We began working with this agency in December 2022, and December 2024 will mark the two year anniversary of this endeavor.

We are still engaged with work subsequent to our September tax sale. Our targeted collection for that sale was originally $4.5 million, but we collected more than $6.5 million directly on tax sale properties. Out of the original 225 properties included in the sale, 212 paid in full prior to the day of the sale. On the day of the sale, we were left with 7 properties. The tax sale website remains up: https://storymaps.arcgis.com/stories/00d984cac70d4ae49f41a8936c0c638f and this site is also reachable from the tax collector's home page. Owners of the sold properties have six months from the date of the sale to redeem their properties by paying off the bidders. The owners retain all rights to their property for six months from the date of the sale. The last day to redeem is Monday, March 10, 2025.

As noted last month, beginning in June 2024, the tax collector's office assumed responsibility for billing and for collecting a monthly municipal tax on gross receipts from cannabis sales within Norwalk. We receive information monthly from the Connecticut Department of Revenue Services on what the gross sales were, and how much tax is owed to the city. The tax rate is 3% of gross sales. We presently have three dispensaries in Norwalk. The tax is paid by all cannabis retailers, hybrid retailers and micro cultivators. I bill according to the amounts provided by the state; they pay by the 10th of the following month. From April 2024 through the end of the month of November 2024, we have collected more than $144,000 in municipal cannabis tax.

These funds are turned over to the Comptroller's office for processing. We are now including these collections in a one-line notation at the bottom of our monthly spreadsheets going forward.

As the City gets deeper into the FYE 2026 budget process, it is important to recognize that in the City of Norwalk, approximately 86% – 90% of our operating revenue will be generated by property taxes. Maintaining a high current and back tax collection rate allows the budget making authority to set lower mill rates, as there can be less of an allowance for "uncollectible" taxes, taxes are not timely paid when billed. Conversely, a lower collection rate and less efficient tax collection would require higher mill rates, and a correspondingly higher tax levy to be borne by all taxpayers. A lower collection rate requires a higher allowance to be made to compensate for a greater number of taxpayers who will not timely pay their taxes. This principle inspires all our collection enforcement activities, and requires our persistent and consistent collection efforts at all times, and in all circumstances.

I will continue to keep all stakeholders advised of our progress.

Mr. Burnett asked about the new software. Ms. Biagiarelli described the challenges they face using the new software. She noted they were not provided with a comprehensive manual for the system and she wants the bills to be right. There are no problems with the data; it is a problem with the system.

Ms. Biagiarelli said they have a five year contract and she is doing her best to work with the vendor. She said they are still having problems, but they are dealing with those problems. She added that she is trying to create a manual. Ms. Biagiarelli said she is committed to doing her best with the system.

Mr. Burnett said it is frustrating to pay for a service they are not getting. Ms. Biagiarelli said that in fairness to the vendor, they are working with a challenging system and then the State changed the way they assess motor vehicles. They are very involved with the Connecticut assessment collection.

Ms. Biagarelli said she complained about not having a manual and was provided with one that was incomplete. She emphasized there is no problem with the data.

VI. **OLD BUSINESS**

A. Update on the 2025 Fiscal Year Budget Cycle process

Mr. Schmitt provided an overview of the budget cycle process. He said they are deep into the budget process and have been holding meetings with department heads. They will get the final proposal from the Board of Education in January. A month later they will prepare and submit the recommended operating budget to the Board of Estimate and Taxation. The proposed budget will be submitted to the Common Council a week later.

Mr. Schmitt reviewed the time line and said the budget will be finalized in early May. He said the dates come from the City Charter.

B. January 9th Special Joint Finance and Claims and Board of Education Finance Committee Meeting

Mr. Burnett said the Committee will get more details in January. He said the public will have an opportunity to share their thoughts as it relates to the budget on January 9th. They will not have specific numbers at that time, but will have an idea of the basic requests.

Mr. Lopez asked if a big deviation from what was proposed at last night's meeting with the Board of Education was expected. Mr. Burnett explained that the Board of Education will vote on their official request on January 14th. Between now and then there could be a lot of discussions and modifications on what was shared last night.

VII. NEW BUSINESS

Ms. Connors reviewed the following request. She said they will realize a savings of $2,900 per month.

** **MS. DUNN MOVED TO AUTHORIZE THE MAYOR TO EXECUTE ANY AND ALL AGREEMENTS, DOCUMENTS, INSTRUMENTS, OR AMENDMENTS AS MAY BE NECESSARY IN ACCORDANCE WITH THE PENNSYLVANIA EDUCATION PURCHASING PROGRAM FOR MICROCOMPUTERS (PEPPM) CONTRACT # 533902-165 WITH CONNECTICUT BUSINESS SYSTEMS, LLC FOR A SIXTY (60) MONTH LEASE, A TOTAL AMOUNT NOT TO EXCEED $500,000.00. ACCOUNT: VARIOUS DEPARTMENT ORGS-5294**

** **MOTION PASSED UNANIMOUSLY**

VIII. ADJOURNMENT

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

There was no further business, and the meeting was unanimously adjourned at 8:23 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services