CITY OF NORWALK
FINANCE AND CLAIMS COMMITTEE
APRIL 11, 2024
BY ZOOM VIRTUAL TELECONFERENCE

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ATTENDANCE:	Gregory Burnett, Chair; Heather Dunn; James Frayer; Melissa Murray; Douglas Sutton; Johan Lopez (7:05 p.m.); Dajuan Wiggins (7:28 p.m.)
STAFF:	Lisa Biagiarelli, Tax Collector; Sharon Connor, Purchasing Agent; AnaVivian Estrella , Director of Human Services; Paul Gorman, Tax Assessor: Chitsamay Lam, Comptroller; Jared Schmitt, Chief Financial Officer
OTHERS:	Denise Brown, Oak Hills Park Authority; David Hopp, NPS Director of Technology; Matt Pentz, CEO, Norwalk Transit District

1. **CALL TO ORDER**

Mr. Burnett called the meeting to order at 7:01 p.m.

2. **ROLL CALL**

Mr. Burnett called the Roll as indicated above,

3. **PUBLIC PARTICIPATION**

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

4. **APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETINGS**:

March 14, 2024-Regular Finance and Claims Committee Meeting

** **MS. MURRAY MOVED AT APPROVE THE MINUTES AS PRESENTED**
** **MOTION PASSED UNANIMOUSLY**

6. **CLAIMS COMMITTEE REPORT**: April 2024.

7. **NARRATIVE ON TAX COLLECTIONS DATED APRIL 2024** – Receive Report and discuss.

8. **MONTHLY TAX COLLECTOR'S REPORTS DATED MARCH 2024** – Receive Report and discuss.

Ms. Biagiarelli presented her report as follows:

> As of the end of March 2024, having concluded nine months, or three fourths, of the fiscal year, we collected more than $370 million against what is now our $379.4 million adjusted levy. The cumulative net adjusted levy remains significantly reduced from the original budgeted levy by nearly $3.9 million, primarily due to credits resulting from stipulated judgments in property tax appeal cases. As of the end of March 2024, our current collection rate was 97.61%. We also collected 98.41% of our sewer use levy, more than $18 million, and 86.01% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year, we ended March 2024 very slightly ahead of last year for collection of taxes (.01%); sewer use (.18%), and for the IPP fee (1.32%).

Regarding prior years' collections, through the end of March, we continue to see the effects of transferred payments from prior years taxes to current taxes, in accordance with court stipulated judgments in property tax appeal cases, as noted above. I have addressed this issue in greater detail in prior narratives. Please note that the figures we report are net of refunds and credits. We sent delinquent notices for past due real estate and business personal property taxes and sewer use charges in February, and for motor vehicles in March. Our delinquent notices take the form of what is called a Demand for Payment of back taxes. This is a statutory term and is not meant to imply rudeness. We filed lien continuing certificates for accounts with balances due on the 2022 grand list in the town clerk's office on April 2, and expect to resume our normal schedule of filing liens in mid-March next year.

Our third-party collection agency continues to bill on our behalf for suspended motor vehicle accounts. We began working with this agency in late 2022. Through the end of February 2024, in conjunction with their efforts, we have collected more than $912,000 in past due motor vehicle taxes and interest due directly to the City, as well as more than $137,000 in fees due to the agency. The 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. This has been a successful endeavor, and we will continue to work with the agency going forward. We continue working on the tax sale, scheduled for Monday, September 9, 2024. Our targeted collection for this sale is approximately $4.5 million. We started work on the sale in November 2023, and mailed preliminary letters to owners of about 100 properties scheduled to be included. We subsequently added more properties, and sent another set of letters in early 2024. As of this writing, we have already collected nearly $2.4 million on sale properties since November 2023. Our year-to-date collections of back taxes and interest through the end of March 2024 are already $1.9 million more than what we collected during the same time period of the prior fiscal year.

The purpose of the tax sale is to enforce collection of past due taxes. I provided some information on what a tax sale involves and why we do them in the January 2024 narrative and will continue to share information on the sale as we progress toward September 2024. The 2024 tax sale will be our 10th sale since 2003.

We have collected a cumulative total of more than $43 million on properties directly included in tax sales; this figure does not include ancillary collections on properties not included in the sales that were nonetheless brought current due to publicity surrounding the sale initiatives. Usually 90 – 95% of the properties originally slated for sale are removed from the sale when the back taxes are paid. Tax sale is our principal means of addressing past due real estate tax collections. More effective tax collections and higher current and back collection rates allow the rate makers (Board of Estimate and Taxation) to set lower mill rates, as they will require a smaller allowance for uncollectible taxes. Conversely, lower tax collection rates require higher mill rates to be set, because not everybody pays on time, and the funds nonetheless are being allocated for spending, so the on-time taxpayers make up the difference. Lower mill rates allow for more stable budgeting, contribute to higher bond ratings, and serve as de facto tax relief for every taxpayer. Looking forward to next month, we are moving quickly to the end of our fiscal year in June.

There are numerous reports and tasks that need to be completed prior to, or immediately after, June 30.

With regard to the upcoming billing of our 2023 grand list, the Board of Estimate and Taxation has authorized implementation of a phase-in of the 2023 real estate revaluation, meaning the values for 2023 grand list real estate will be phased in over a four-year period, rather than being implemented all at once in the new fiscal year. We will be working with the Assessor's Office to try to get our billing files to our printer as soon as possible with a target date of the last week of May. This would enable us to get bills in the mail to taxpayers by the second week of June. This is optimal, as it extends the collection period over six to seven weeks, rather than condensing it to only the weeks of the month of July, which is what occurs when we mail bills late in the month of June.

Our division is entirely dependent upon the Assessors for billing and assessment information. They are responsible for real estate and business personal property assessment data; for data they receive from the Department of Motor Vehicles for our vehicle tax bills; and for property transfers, which also affect our billing. They also receive, analyze, and process the property tax relief applications submitted by the the 1,300+ households that receive city or state property tax relief. The billing cannot move forward until the Assessors have completed all their tasks and released their information to us. Further, we are dependent on our software vendor to process the data, so we can then release it to our third-party printing and mailing vendor. This will be our third major billing using our QDS software, following the June 2023 and January 2024 tax billings, and we anticipate being more familiar with the process this year.

I will continue to keep all stakeholders advised of our progress, and am available to respond to any questions, issues or concerns.

Ms. Biagiarelli reported there were two items in excess of $10,000.

** **MS. MURRAY MOVED TO APPROVE THE CLAIMS REPORT AS PRESENTED**
** **MOTION PASSED UNANIMOUSLY AND MOVED TO THE APRIL 23, 2024 MEETING OF THE COMMON COUNCIL**

In response to Mr. Lopez' question, he was told that allowances are made in the budget to account for tax appeals and court settlements.

5. <u>TAX ASSESSOR REPORT</u>

Mr. Gorman reported they are getting ready to implement the phase in. In addition, they are in the middle of the application process for the senior and disabled tax relief program. He described the program and said the information is on the website. M. Biagiarelli added that a pamphlet describing the program was included in the December tax bill.

Mr. Gorman reported they received 747 applications for tax appeals.

9. <u>RECEIVED OAK HILLS PARK AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR FEBRUARY 2024</u>.

Ms. Brown reviewed the Oak Hills Park financials as included in the meeting packet. She explained that the restaurant has been slightly delayed and they anticipate it will open in May. They are waiting for the finalization of the liquor permit.

The tennis center received a grant for $23,750. An additional $23,750 was also raised. The funds will be used for fencing and gates around the courts.

Ms. Brown offered an update on the naming of the Tennis Center after Mr. Goldblatt and said they hope to hold a memorial in late May.

Mr. Wiggins joined the meeting at 7:28 p.m.

**** MR. LOPEZ MOVED TO APPROVE THE FOLLOWING ITEM**

10. AUTHORIZE THE MAYOR, HARRY W. RILLING TO EXECUTE THE GRANT ASSIGNMENT CERTIFICATION, SFY 2024 ASSIGNING STATE OF CONNECTICUT 13B-38BB ELDERLY AND DISABLED DEMAND RESPONSIVE MUNICIPAL GRANT PROGRAM APPORTIONED FUNDS TO OPERATION OF TRANSPORTATION SERVICES COORDINATING ENTITY, NORWALK TRANSIT DISTRICT. CITY MATCH $390,000 ACCOUNT 012010-A0620.

Ms. Estrella and Mr. Pentz were present to review the item. This is an annual process and the grant funds transportation for the disabled and elderly.

**** MOTION TO APPROVE PASSED UNANIMOUSLY AND THIS ITEM WAS MOVED TO THE APRIL 23, 2024 MEETING OF THE COMMON COUNCIL**

11.**<u>PURCHASING AGENT REPORT ON APPROVED CONTRACTS LISTING</u>**.

Ms. Connors provided an update to the Committee members. Mr. Burnett explained that this process was put in place in January with the goal of a quarterly update. This is the first update and the backup information is included in the meeting packet.

Mr. Lopez pointed out the cost for computers for the Board of Education were suspiciously close to the threshold. Ms. Connors explained that the quote from the vendor is included in the backup. Ms. Murray agreed that the amount was suspicious. Mr. Hopp explained that this was a request for 200 computers for the elementary school teachers.

The purchasing agent report will be presented on a quarterly basis.

** **MR. SUTTON MOVED TO APPROVE THE FOLLOWING ITEM**

12. AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SUBMIT AN APPLICATION TO THE STATE OF CONNECTICUT FOR GRANT FUNDS PROVIDED UNDER THE STATE OF CONNECTICUT'S LOCAL CAPITAL IMPROVEMENT FUND FOR LOCAL CAPITAL IMPROVEMENT PROGRAM ($847,944.96 –2024 GRANT).

Mr. Burnett explained that this is a grant the City receives every year. Mr. Schmitt added that the amount received by the City is fairly consistent. Mr. Burnett said that in then past, the funds were used for paving and infrastructure improvements.

** MR. FRAYER MOVED TO APPROVE THE FOLLOWING ITEM

13. Authorize the Norwalk Public School Purchasing Agent to issue purchase orders in accordance with City Procurement Guidelines for hardware plus Forticare premium for an amount not to exceed $122,208.98 account 09110600-5777-C0375 (09235010-5777-C0112 AND 09245010-5777-C0112).

Mr. Hopp reviewed the request. Mr. Burnett noted a discrepancy in the requested amount. Mr. Hopp explained that the difference was the implementation cost. He was here to request funding for the hardware and software only.

Mr. Frayer asked if this software was consistent with the software used by the City. Mr. Hopp said this is a different vendor than the City uses. He added that the Norwalk public school's firewall is older than the City's but he does not know specifics. The reason Norwalk public schools is moving from this vendor is due to a cost increase of 25%.

Mr. Frayer said he was reluctant to move ahead without a discussion with Ms. Liu, the City's Director of Information Technology. Both IT departments should be talking and asked if voting on this item could be held off for a month. Mr. Hopp said je would be happy to talk to Ms. Liu, but was reluctant to push this too far out.

Ms. Murray said she understood the time burden but asked if there would be an opportunity for a volume discount by partnering with Norwalk public schools. She said it was worth following up. Mr. Frayer suggested that Mr. Hopp and Ms. Liu meet prior to the next Common Council meeting, so they can provide information. He offered to attend the meeting with Mr. Hopp and Ms. Liu. Mr. Hopp said he would reach out to her in the morning and will provide a narrative of their discussion to the members of the Common Council.

** **MOTION TO APPROVE PASSED UNANIMOUSLY AND THIS ITEM WAS MOVED TO THE APRIL 23, 2024 MEETING OF THE COMMON COUNCIL**

** **MR. BURNETT MOVED TO APPROVE THE FOLLOWING ITEM**

14. **APPOINTMENT OF AUDITORS TO AUDIT FISCAL YEAR 2024**.

Mr. Burnett reviewed the item. Mr. Schmitt added that this is the last year of their contract with Clifford Larson, LLP and they will likely be going out to bid in the fall because the contract will be ending.

** **MOTION TO APPROVE PASSED UNANIMOUSLY AND THIS ITEM WAS MOVED TO THE APRIL 23, 2024 MEETING OF THE COMMON COUNCIL**

15. **ADJOURNMENT**.

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

There was no further business, and the meeting was unanimously adjourned at 8:05 PM

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services