FINANCE/CLAIMS COMMITTEE MEETING
Thursday April 10, 2014 7:00P.M.

CITY HALL
Common Council Chambers
125 East Avenue
Norwalk, Connecticut
AGENDA

1. Approve the Minutes of the following Finance Committee Meeting:
   February 20, 2014

2. Claims Committee: receive the monthly Claims report; review and approve claims as required for Claims Report dated:
   April 10, 2014

3. Narrative on Tax Collections dated April 10, 2014- Receive Report and discuss.

4. Monthly Tax Collector's Reports - Receive Reports and discuss:
   March 31, 2014

5. City June 30, 2013 Audit Report – Presentation and Discussion

6. Resolution, authorizing a Special Capital Appropriation in the amount of $2,400,000 for Sate Share of Rowayton Elementary School Project (Account No. 09145010-5777-B0322).

7. Discussion on follow-up to Blum, Shapiro & Company, PC BOE focused operational audit Winter 2012-13 including what controls have been put in place and additional tools added to MUNIS financial management system.

8. Discussion on Tax Relief Programs for the elderly.

9. Discussion on Council Expenditure Budget

10. Receive Board of Estimate and Taxation Appropriations dated:
    April 7, 2014

CITY OF NORWALK
FINANCE – CLAIMS COMMITTEE
FEBRUARY 20, 2014

ATTENDANCE: Bruce Kimmel, Chairman; Douglas Hempstead, Jerry Petrini, John Igneri (8:55 pm); David McCarthy (8:45 pm); David Watts, Travis Simms.

STAFF: Fred Gilden, Comptroller;
OTHER: Thomas Hamilton, Finance Director;
Robert Barron, Director of Management & Budgets;
Gerald Foley, Purchasing Agent; Michael Stewart, Tax Assessor.
Common Council Members: Richard Bonenfant, Eloise Melendez, Shannon O'Toole-Giandurco, Glenn Iannaccone.

Call to Order

Mr. Kimmel called the meeting to order at 7:00 p.m. and noted that members were in attendance as indicated above, and there was a quorum present.

Public Participation

Mr. Kimmel asked members of the public who wished to comment to come forward and give their name and address for the record.

Diane Lauricella, 21 Blue Mountain Ridge Road, asked the Committee not to raise the cap and to limit the City's spending in response to requests from taxpayers. She asked the committee not to raise the expenditures cap above that which was recommended, and to look for savings in salaries and through economies of scale in departments. She spoke about her ongoing concerns with the website and asked that these problems be corrected. She spoke about the problems with staff at Planning & Zoning and asked the Committee to maintain protocol with need for transparency.

Mr. Kimmel asked if other members of the public wished to speak, and hearing none, closed the public participation portion of the meeting at 7:15 p.m.

Approval of Minutes: January 9, 2014 January 29, 2014

** **MR. PETRINI MOVED TO ACCEPT THE MINUTES FROM THE MEETING OF JANUARY 9, 2014 AS SUBITTED.**
** **MOTION PASSED UNANIMOUSLY.**

** **MR. PETRINI MOVED TO ACCEPT THE MINUTES FROM THE MEETING OF JANUARY 29, 2014 AS SUBITTED.**
** **MOTION PASSED UNANIMOUSLY.**

Claims Committee: Receive the Monthly Claims Report.
Review and approve claims as required for Claims Report dated: February 13, 2014.

Mr. Hempstead asked if claim returns affect tax projections. Mr. Hamilton replied they look at appeals and reductions, taking into account that it is a moving target, and figure it into the budget. He added that there is $1,250 put aside for this year.

Narrative on Tax Collections dated February 13, 2014- Receive report and discuss.

Ms. Lisa Biagiarelli, Tax Collector provided her report, key summary as follows:
It was highlighted that complete assessment will follow analysis month end figures for February.
7 mos. 2013-14 FYTD, collected 91.48% of current tax levy on 2012 grand list, > $258 million. 90.25% of current sewer use levy, +$11.9 million; 82.5% of IPP (Industrial Pretreatment Program) vs. YGO for current tax collections (-2.01%), sewer use collections (-2.32%). Collected approx. $2.5 million back taxes, interest, lien fees, other fees; approx $136M vs. prior fiscal year. Back tax collection figures are net, and reflect outlays that were made to taxpayers as a result of settlements reached in several large tax assessment appeal cases. With regard to the bi annual tax sale, preliminary mailing sent in early November 2013. Since that time, we have collected > $990,000 on those properties.
A definitive list of properties included is being compiled between now and the middle of March.

Monthly Tax Collector's Reports - Receive reports and discuss January 31, 2014.
Report summary, as submitted:

TAX COLLECTOR'S REPORT
JANUARY 31, 2014

FISCAL YEAR 2013-2014 (2012 GRAND LIST)	ORIGINAL LEVY	ADJ. TAX COLLECTIONS JUN 12 - JAN 14	COLLECTION %	CORRECTED LEVY'	COLLECTION %
AUTOMOBILE-REGULAR	$15,711,222.28	$13,907,038.26	88.52%	$15,437,774.39	90.08%
AUTOMOBILE-SUPPLEMENTAL	$2,359,065.70	$1,564,493.16	66.32%	$2,347,575.88	66.64%
PERSONAL PROPERTY	$15,339,628.48	$9,992,103.92	65.14%	$15,318,493.94	65.23%
REAL ESTATE	$249,768,582.86	$233,000,424.95	93.29%	$249,425,659.42	93.41%
TOTAL TAX	**$283,178,499.32**	**$258,464,060.29**	**91.27%**	**$282,529,503.63**	**91.48%**
SEWER USE	$13,257,264.00	$11,933,009.41	90.01%	$13,222,051.00	90.25%
IPP FEE	$230,750.00	$189,108.06	81.95%	$229,000.00	82.58%

Mr. Michael Stewart, Tax Assessor, reviewed the supporting documents and explained the background on the request for contract approval. He outlined the history on the City's business personal property audit program and the results of the RFP from vendors for auditing services. He explained Charles B. Feldman and Associates was the low bidder for the pilot program and as well as for the annual audits, and they have successfully performed personal property audits for Norwalk for the past ten years.

** **MR. PETRINI MOVED TO AUTHORIZE MAYOR, HARRY W. RILLING, TO EXECUTE A CONTRACT WITH THE CITY OF NORWALK AND CHARLES B. FELDMAN & ASSOCIATES TO PROVIDE AUDITS OF BUSINESS PERSONAL PROPERTY ACCOUNTS AS DETAILED IN RFP NO. 3308. AMOUNT NOT TO EXCEED $20,000 IN FISCAL YEAR 2013-14 AND NOT TO EXCEED $10,000 IN EACH OF THE SUBSEQUENT FOUR OPTIONAL YEARS (ACCT 011330-5253).**

** **MOTION PASSED UNANIMOUSLY.**

Committee Member Simms left the meeting at 8:15 p.m.

Authorize the Mayor, Harry W. Rifling, to execute a contract extension with D.B. & R. Consulting, LLC, to provide risk management consulting services for the period commencing January 1, 2014 and ending December 31, 2014, for an hourly rate of $195/hour, and not to exceed $75,000. Account #161343-5258.

Mr. Hamilton, Director of Finance referred to the supporting documents and explained the contract authorization is in lieu of the City hiring a full-time Risk Manager. He reviewed the scope of services including insurance procurement, remarketing, loss control and safety, claims reporting and handling, insurance budgeting, departmental cost allocation, and providing on-site services to City departments.

** **MR. PETRINI MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE A CONTRACT EXTENSION WITH DB& R CONSULTING, LLC, TO PROVIDE RISK MANAGEMENT CONSULTING SERVICES FOR THE PERIOD COMMENCING JANUARY 1, 2014 AND ENDING DECEMBER 31, 2014, FOR AN HOURLY RATE OF $195/HOUR, AND NOT TO EXCEED $75,000. ACCOUNT #161343-5258.**

** **MOTION PASSED UNANIMOUSLY.**

Authorize the Purchasing Agent to issue annual Blanket Purchase Orders for the purchase of miscellaneous office Supplies with W. B. Mason Co., Inc. for an annual amount not to exceed $100,000.00, commencing on or about March 1, 2014, for three (3) calendar years, with options to extend the issuance of blanket purchase orders for two (2) additional two (1) year periods.

Mr. Gerald Foley reviewed the supporting documents for Office Supplies and that explained that after evaluation, W. B. Mason Co. Inc. had provided the lowest overall costs and the best overall value to the City. Questions and comments were fielded relative to combined usage with the Board of Education.

Committee Member David McCarthy entered the meeting at 8:45 p.m.

Mr. Kimmel asked about the amount of copy paper used by the City in aggregate. Mr. Foley noted that he would research and provide this information to him by e-mail.

** **MR. KIMMEL MOVED TO AUTHORIZE THE PURCHASING AGENT TO ISSUE ANNUAL BLANKET PURCHASE ORDERS FOR THE PURCHASE OF MISCELLANEOUS OFFICE SUPPLIES WITH W B MASON CO., INC. FOR AN ANNUAL AMOUNT NOT TO EXCEED $100,000.00, COMMENCING ON OR ABOUT MARCH 1, 2014, FOR THREE (3) CALENDAR YEARS, WITH OPTIONS TO EXTEND THE ISSUANCE OF BLANKET PURCHASE ORDERS FOR TWO (2) ADDITIONAL TWO (1) YEAR PERIODS. ACCT NO.VARIOUS.**
** **MOTION PASSED UNANIMOUSLY.**

<u>Receive Board of Estimate and Taxation Appropriations dated: February 10, 2014:</u>

Mr. Barron referred to the supporting documents and explained that this $28,000 special appropriation is to cover health benefits for the new economic director, a request made necessary because former director had previously opted out from health benefits from the city.

Mr. Petrini asked if this appropriation was earmarked designated for benefits only or if it would not be used if the benefits are not necessary. Mr. Barron explained the funds would have to be used to support salary and benefits. He gave the example of a Fair Housing position where funds were not used and the surplus was used to lower the subsequent budget.

Committee Member John Igneri entered the meeting at 8:55 p.m.

Mr. Hempstead asked about the unexpended salary and where that would be in the remaining budget, and stated that he felt this was the cart before the horse. Mr. Hamilton suggested that if this appropriation was not required, they would go back to the RDA and discuss. Mr. Barron added that there was accrued sick time as part of the severance.

Mr. Hamilton further explained that the RDA did not want to take on the liability for the amount of benefits needed unless funds were in place.

Mr. Watts asked if this assumes the salary would be negotiated, and Mr. Hamilton noted that this is normally the case.

There was further discussion about benefits negotiated as part of the hiring process. Mr. Kimmel asked if this would hold up the hiring process, and Mr. Hamilton explained that approval would not circumvent the hiring of the position.

Mr. Hamilton added that the Mayor had requested that the City fill this position as soon as possible.

Mr. Hempstead added that while he is aware that this position is necessary to keep the current redevelopment projects moving, he would like to reach out to Tim Sheehan with the Redevelopment Agency for further discussion of this special appropriation.

Mr. Hamilton noted that the BET has approved this special appropriation, and theoretically it now moves on to the Council for approval. He added that it was agreed to approve the resolution as presented, and that the Mayor would evaluate the designation of the position as a City employee in the salary accounts, if there was significant savings in insurance and benefits.

Mr. Kimmel noted that this special appropriation item will be forwarded on to agenda for the Council approval and there may be discussion and comment on the Council floor.

Presentation of FY 2013-14 Operating Budget

Mr. Hamilton reviewed the supporting documents and presented the recommended operating budget. He explained that this budget presentation marks the starting point for the Board of Estimate to craft the city's 2014-15 operating budget. He reviewed the timeline of between February 24 and March 12, and noted that a public hearing has been scheduled for Wednesday, March 19, and the BET has until May 5 to adopt the final budget and set property tax rates.

Mr. Hamilton summarized the bottom line of $318,480,145 budget would increase overall expenditures by 2.9 percent. He stated that this is the lowest expenditure growth in three years, and it's an austere, conservative budge that represents being as responsible as we can to the taxpayers of the city. He explained that the budget would boost the annual property tax bill on the median single-family home in the city's 4th Taxing District by $74, or roughly 1.2 percent.

Mr. Hamilton outlined that the budget would provide a 2.9 increase for the Board of Education, a 19.3 percent increase for pension contributions, and a 1.8 percent increase for city departments excluding the pension fund. He explained that the budget would fully fund the school board except for a $1.2 million insurance reserve, deemed unnecessary in fiscal year 2014-15 due to the current and anticipated reserve balance in the city's insurance fund.

Mr. Hamilton outlined other major initiatives to include new vehicles for the Norwalk Police Department; restoring Sunday Library hours and literacy volunteers; and a Fire Cadet Program in the Norwalk Fire Department.

Mr. Hamilton outlined the assumptions, and noted that department revenues are projected to increase by $1 million annually, while state aid is anticipated to increase by $979,000.

He explained the expenditures cap of $302,316,248 reflects his recommended budget of $318.5 million less an anticipated $16.2 million in state aid and other intergovernmental revenues.

Mr. Watts expressed concern with limited funds budgeted for council supplies and asked to revisit the amount of money budgeted annually for the Common Council. He noted that after subtracting the $50 monthly stipends, approximately $900 is leftover for office supplies and other expenses, and that is not nearly enough. He added that he has forgone his stipend for the past few years and that money should remain in the supply budget. He further explained that despite waiving his stipend for the last two years, he must pay out of his pocket for mailing his constituents.

Mr. Hamilton replied that the number was based upon actual expenses last year along with input from the City Clerk's office. He added that he would gladly increase the supply budget for the Council, based on a request.

Mr. Hempstead noted that he has never been asked to provide input on what is needed for Council supplies. He added that when trying to schedule a goal setting session for last Saturday he was asked what account the security and secretarial services would be funded from, and there is no budget.

Mr. Barron then reviewed the spreadsheet outlining the tax impact of recommended expenditures cap and increases and reductions to various taxing districts throughout Norwalk. He explained that the $302.3 budget cap would boost the annual property tax bill on the median single-family home in Norwalk's 4th Taxing District by $74. He explained further the property tax impact on the median value home in each of the districts and showed a comparison versus to the prior revaluation.

Mr. Hempstead asked about the health of the city's rainy day fund. Mr. Hamilton replied that with favorable operating experience, we should stay above 8 percent level compared to the budget, even with the use of $1 million.

Mr. Hempstead asked for a breakdown of savings of the true costs of what we got vs. what was projected from the city outsourcing garbage collection. Mr. Hamilton noted that this would be provided.

Mr. Hempstead suggested that the Finance Department explore funding a portion of the Board of Education budget concerning Special Education of $162,000 with a special appropriation. He explained that he would like to begin with these areas now to get things in motion soon rather than waiting for the 2014-15 operating budget.

Mr. Hempstead noted that he would reach out to the Board Chair, Mike Lyons to determine if this can be done as a special appropriation this year, which would reduce that amount from the 2014-15 Operating Budget.

It was noted that the Capital Budget was presented to the BET and that all budget documents are posted on the City's website and the links are as follows:
http://www.norwalkct.org/DocumentCenter/View/4195
http://www.norwalkct.org/DocumentCenter/View/5727

Following the presentation, Mr. Hamilton and Mr. Barron fielded questions and comments from the Committee members. Mr. Barron referred to the e-mail from Mr. Kimmel and the responses to questions on the Operating Budget. (It was requested for this to be included in the minutes as an attachment -- see addendum pages 8-12).

Mr. Kimmel thanked Mr. Hamilton and Mr. Barron and stated this was one of the most comprehensive presentations he has seen, and the thoroughness with which they addressed the questions is commendable.

Mr. Barron noted that in addition to the presentation there is a nine-page summary in the budget book that provides further details that the members may find very helpful.

Mr. Kimmel stated he would forward the Finance Department's proposed 2014-15 Operating Budget along to the Council and the item would be on the agenda for next week for approval as recommended. He explained that there would be further discussion and debate on the council floor for the budget cap. He stated that any changes to the amount of cap would be determined, based on the corresponding chart of tax increases as provided by the Finance Department.

<u>Adjournment</u>

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

The meeting was adjourned at 10:25 p.m.

Attachments: Supplemental pages 8-12:
Detailed charts and narrative explanations in reply to questions from the Committee Chair.

Respectfully submitted,

Marilyn Knox;
Telesco Secretarial Services

Subject: Council Recommended Budget Questions
Attachments: FUND BALANCE PROJECTIONS - 14FEB14.pdf; WC 2015 Allocation.pdf

Dear Council Members,

Below are responses to Bruce Kimmel's forwarded email:

1) The preliminary 3 year budget projection is a starting point from which to solicit the Mayor's input at the beginning of the budget process in December. This forecast evolves and changes, sometimes significantly, by the time Tom makes his recommendation in February. Tom is reluctant to have such a preliminary forecast subject to debate before it is solidified into a recommendation from him. With this said, I have attached our 3-year fund balance projection, with the assumed increases by category of expense and revenue, to this email for your review.
2) Property Tax increase:
   a. If there was no change to the grand list from this year to next year's recommended budget, the recommended total current tax levy would be unchanged because we still would have to raise an additional $10,167,419 or a 3.6% increase to fund the $318.5 million budget request.
   b. Remember that we take the budget request of $318.5 million and subtract from it the non-tax revenues of $35.8 million and add to it the $8.7 million of total adjustments for uncollected taxes and tax relief programs to fully fund the operating budget request. So $318.5 - $35.8 + $8.7 = $291.4 that must be raised by current taxes which is $10.2 million more than the current year's approved budget.
   c. The increase in the taxes that are required to be raised by current taxes (the $10.2 million in answers a and b above) ***is not going up due to revaluation***. Taxes are increasing because of the $9.1 million more being spent year over year in the operating budget and the $1.1 million decrease in Non-Current Tax Revenue, as follows:

Increase in Operating Expenses	$	9,052,196
Increase in Current Taxes	$	10,167,419
Decrease in other Revenue	$	(1,115,223)

Increase in Other Revenue	$	1,180,356
Decrease in Back Taxes	$	(1,000,000)
Increase in Program Adjustments	$	(269,000)
Increase in Uncollectibles	$	(1,026,579)
Decrease in Non-Current Tax Revenue	$	(1,115,223)

3) The increase in taxes that some taxpayers will pay is ***due to the relative change in their assessment to their neighbors' and commercial properties*** and ***the increased funds that the City needs to raise for its upcoming year's budget***. The below chart shows the impact for the median assessed valued single family home, by district, assuming the recommended 3.6% increase to the total tax levy in a hypothetical no-revaluation year. The recommended change in taxes for the median assessed value home in each district in the first yellow highlighted row, the amount that's due to the increased budget is in the second yellow highlighted row, and the difference between the two which is the amount due to the revaluation in the third yellow highlighted row. To answer your question for the fourth district in a narrative form: "The recommended increase in taxes for the median valued home in the fourth district is $74 of which the recommended increase in the city's operating budget is responsible for an increase of $232 which is offset by a decrease due to revaluation of -158."

FY 2014-15 Recommendation

	1st Downtown Norwalk	2nd South Norwalk	3rd East Norwalk	4th Sewered Main Area	5th No Garbage Main Area	6th Rowayton
	AUTONOMOUS DISTRICTS					
SERVICE DISTRICTS						
Fifth	21.378	21.378	21.378	21.378	21.378	21.378
Fire	3.038	3.038	3.038	3.038	3.038	
Fourth-Garbage	0.695	0.695	0.695	0.695		
Street Lighting				0.059	0.059	
Sixth - Rowayton						1.070
RECOMMEND 2014-15	**25.111**	**25.111**	**25.111**	**25.170**	**24.475**	**22.448**
APPROVED 2013-14	**22.142**	**22.142**	**22.142**	**22.187**	**21.682**	**20.157**
% Increase Mill Rate	13.4%	13.4%	13.4%	13.4%	12.9%	11.4%
Median Assessed Value	$ 220,675	$ 201,079	$ 260,638	$ 257,600	$ 353,360	$ 677,331
FY 2014-15 Taxes	$ 5,541	$ 5,049	$ 6,545	$ 6,484	$ 8,649	$ 15,205
FY 2013-14 Taxes	$ 5,774	$ 5,826	$ 7,156	$ 6,410	$ 8,162	$ 14,054
Change Inc./(Dec.)	**$ (233)**	**$ (777)**	**$ (611)**	**$ 74**	**$ 486**	**$ 1,151**
% Change Taxes	-4.0%	-13.3%	-8.5%	1.2%	6.0%	8.2%

FY 2014-15 Hypothetical No Revaluation

	1st	2nd	3rd	4th	5th	6th
RECOMMEND 2014-15	**22.943**	**22.943**	**22.943**	**22.990**	**22.466**	**20.885**
APPROVED 2013-14	**22.142**	**22.142**	**22.142**	**22.187**	**21.682**	**20.157**
% Increase Mill Rate	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Median Assessed Value	$ 260,785	$ 263,130	$ 323,190	$ 288,890	$ 376,460	$ 697,235
FY 2014-15 Taxes	$ 5,983	$ 6,037	$ 7,415	$ 6,641	$ 8,457	$ 14,562
FY 2013-14 Taxes	$ 5,774	$ 5,826	$ 7,156	$ 6,410	$ 8,162	$ 14,054
Difference due to Increase in Budget	**$ 209**	**$ 211**	**$ 259**	**$ 232**	**$ 295**	**$ 508**
% Change Taxes	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Difference due to Revaluation	**$ (442)**	**$ (988)**	**$ (870)**	**$ (158)**	**$ 191**	**$ 643**
% Change Taxes	-7.7%	-17.0%	-12.2%	-2.5%	2.3%	4.6%

I've pasted the revenue section of our recommended operating budget below which highlights in yellow the various revenue calculations. The ones that you questioned in your below email are in the bolded text below:

a. ***The first number, $291,355,857; Is the Total Current Tax levy whose calculation is described in answer 2b above.***
b. The second number, $286,111,452; is the Total Current Tax levy net of the reserve for uncollectible taxes based on a 98.2% collection rate (1.8% uncollectible).
c. The third number, $282,692,452; is the Total Current Tax levy net of uncollectible taxes and tax relief programs.
d. ***The fourth number, $286,792,452; is the Net Total Tax Revenues.***
e. The fifth number, $31,687,693; is the Total Non-Tax Revenue.
f. The sixth number, $318,480,145 is the Total Revenue or the sum of Net Total Tax Revenues (item d) and Total Non-Tax Revenue (item e) and is equal to the recommended expenses in order to achieve a balanced budget.

		RECOMMENDED BUDGET 2014-15		$ VAR TO PRIOR YR. APPROVED	% VAR TO PRIOR YR. APPROVED
REVENUES					
CURRENT TAX REVENUES					
GRAND LIST		**$11,823,577,590**	**$**	**(981,939,957)**	**-7.7%**
Budgeted Mill Rate Increase		**12.2%**		**8.5%**	
AVERAGE MILL RATE		24.6419	$	2.6836	12.2%
Total Tax Levy	$	291,355,857	$	10,167,419	3.6%
Reserve for Uncollected Rate		**1.8%**		**0.3%**	
RESERVE FOR UNCOLLECTED	$	5,244,405	$	1,026,579	24.3%
Collection Rate		**98.2%**		**-0.3%**	-0.3%
Net Tax Levy	$	286,111,452	$	9,140,840	3.3%
LOCAL ELDERLY TAX RELIEF	$	1,313,000	$	13,000	1.0%
OTHER PROGRAMS	$	606,000	$	6,000	1.0%
TAX APPEALS	$	1,500,000	$	250,000	20.0%
Total Reductions	$	3,419,000	$	269,000	8.5%
Net Current Tax Revenues	**$**	**282,692,452**	**$**	**8,871,840**	**3.2%**
OTHER TAX REVENUES					
BACK TAX COLLECTIONS	$	2,000,000	$	(1,000,000)	-33.3%
SUPPLEMENTAL AUTOS	$	2,100,000	$	-	0.0%
Other Tax Revenues	**$**	**4,100,000**	**$**	**(1,000,000)**	**-33.3%**
NET TOTAL TAX REVENUES	**$**	**286,792,452**	**$**	**7,871,840**	**2.8%**
NON-TAX REVENUES					
INTEREST & PENALTIES	$	1,585,668	$	(337,851)	-17.6%
INTERGOVERNMENTAL REVENUE	$	16,163,897	$	979,495	6.5%
INVESTMENT INCOME	$	450,000	$	(262,000)	-36.8%
DEPARTMENTAL RECEIPTS	$	10,224,948	$	1,033,128	11.2%
MISCELLANEOUS	$	2,263,180	$	511,886	29.2%
TRANS FROM FUND BALANCE	$	1,000,000	$	(744,302)	-42.7%
Total Non-Tax Revenues	**$**	**31,687,693**	**$**	**1,180,356**	**3.9%**
TOTAL REVENUE	**$**	**318,480,145**	**$**	**9,052,196**	**2.9%**

5) The rating agencies look at both ratios; however, the unassigned fund balance carries more weight because it is the fund balance that represents "free" or uncommitted fund balance available for use in case of need. The audit for the most recently completed fiscal year 2012-13 reports the unassigned fund balance for the City as $29.8 million or 9.4% of GAAP revenues.

6) The recommended pension contribution for FY 2014-15 represents an increase over the current year's pension budget of $1.9 million or 19.3%. This increase for the upcoming year is the fifth of the 5-year smoothing of losses from 2008/09 that the pension investments experienced. As a consequence, in the most recent actuarial report the subsequent two years, FY 2015-16 and FY 2016-17, will remain relatively flat which should provide some budget relief in those years.

7) The BOE's forecast medical insurance surplus and favorable claims history ***this year*** are indeed part of the reasons for Tom's recommendation to eliminate the BOE reserve in the upcoming FY 2014-15 budget. In addition, the BOE had favorable claims experience ***last year*** and they used part of their FY 2012-13 budget surplus to make an additional contribution to the insurance fund.

8) The recommended debt service for FY 2014-15 represents a decrease over the current year's debt service budget of $372,130 or -1.4%. Tom recommends what we believe to be a "comfortable" level of debt in the future years which is detailed in Table 3 on page 5 of his Finance Director's Capital letter dated 1/31/2014 (included in your capital book).

9) The recommended $390,000 purchase of Police vehicles includes two used cars estimated at $15,000 each for Detective use, this is what brought down the average cost per vehicle. The remaining $360,000 is for eight fully outfitted vehicles which is a purchase price of $32K plus $13K for the equipment or $45K each.

10) The budgeted amount for Workers Compensation is prepared by the City's Risk Manager and the cost allocation plan by department is attached to this email for your review. The recommended increase for the upcoming FY 2014-15 is due primarily to claims history driving increases in the Board of Education and Fire Departments. The savings for contracting out of garbage collection will take a couple of years to be realized because of the lag time associated with Workers Compensation claims.

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11) The 27 position reduction from 2004-05 to 2014-15 is due primarily to the elimination of budgeted vacancies and positions vacated due to early retirements along with the move of employees to the newly created Fleet department, as follows:

YEAR	EE COUNT	DESCRIPTION
2004-05	114	2004-05 budgeted # of employees
2005-06	-9	Employees move to newly created Fleet department
	2	A Traffic Engineer and Maintainer II were added to the Engineering division
	107	2005-06 budgeted # of employees
2009-10		In FY 2009-10 due to the severe recession the City eliminated 24 positions or 8% of its non-public workforce. Of the 24 positions eliminated citywide, seven came from DPW, as follows:
	-3	Three vacant Maintainer positions were eliminated in Operations
	-1	One Assistant Superintendent of Operations was eliminated in Operations
	-1	An Adminstrative Support position was eliminated due to early retirement
	-1	A DPW Coordinator position was eliminated due to early retirement
	-1	An Assistant Civil Engineer was eliminated in Engineering as a result of early retirement
	100	2009-10 budgeted # of employees
2012-13	-8	Refuse Maintainers were moved to the Highway department
	-4	Four vacant Refuse Maintainer positions were eliminated due to contracting our garbage
	88	2012-13 budgeted # of employees
2013-14	88	2013-14 budgeted # of employees
	1	DPW requested an additional Assistant Civil Engineer
2014-15	89	DPW Requested FY 2014-15 budget
	-1	Finance recommends eliminating the additional Assistant Civil Engineer
	-1	Finance recommends (at DPW's subsequent request) to move a DPW driver to a Fleet Tool Mech Keeper position so no reduction in staff
2014-15	87	Finance recommended FY 2014-15 budget

2014-15 Operating Budget Presentation documents can be found on the City's website: http://www.norwalkct.org/DocumentCenter/View/5727

AGENDA APRIL 10, 2014

CLAIMS COMMITTEE MEETING

REFUNDS PROCESSED CLAIMS COMMITTEE		APPROVED BY TAX COLLECTOR		REPORTED TO CLAIMS COMMITTEE
BARRESE JAMES LOUIS		12-MV-303637	($96.41)	PRORATION
BUENO MATTHEW K		12-MV-401396	($138.03)	ABATEMENT
BURR MARY W		12-MV-307236	($277.75)	ABATEMENT
CANDELARIA LELI M		11-MV-308540	($12.81)	PRORATION
	($87.87)	12-MV-308658	($75.06)	ABATEMENT
CHASE AUTO FINANCE CORP		12-MV-310576	($208.82)	PRORATION
	($387.93)	12-MV-310577	($179.11)	PRORATION
DAIMLER TRUST		12-MV-314236	($566.98)	PRORATION
	($1,203.08)	12-MV-314254	($636.10)	PRORATION
DEMETRIADES KIRIAKI D		12-MV-315561	($489.92)	DUPLICATE PAYMENT TRHUR POINT & PAY
EAN HOLDINGS LLC		12-MV-318058	($24.52)	PRORATION
GILL ALLISON M		11-MV-405053	($50.46)	ABATEMENT
HAMMEL PATRICIA ANN		12-MV-326208	($84.87)	ABATEMENT
HONDA LEASE TRUST		12-MV-329205	($176.17)	PRORATION
	($222.48)	12-MV-405898	($46.31)	PRORATION
JED DISTINGUISHED LIMOUSINE LLC		10-MV-331254	($348.15)	ABATEMENT
JEFFERY PAUL M		11-MV-406639	($144.47)	ABATEMENT
MADERA LUIS A		12-MV-337424	($253.73)	PRORATION
MARIANO DANIEL F		12-MV-338260	($73.35)	PRORATION
TOYOTA MOTOR CREDIT CORP		12-MV-361844	($22.22)	PRORATION
TOYOTA MOTOR CREDIT CORP		12-MV-362109	($66.93)	PRORATION
TOYOTA MOTOR CREDIT CORP		12-MV-362030	($169.77)	PRORATION
VW CREDIT LEASING LTD		12-MV-413343	($546.56)	ABATEMENT

CLAIMS COMMITTEE MEETING

REFUNDS PROCESSED CLAIMS COMMITTEE		**APPROVED BY TAX COLLECTOR**		**REPORTED TO CLAIMS COMMITTEE**
DEZSO THEODORE A 50% INT		10-RE-107024	($836.00)	ADJ SEWER USE FEE PER WPCA
		11-RE-106986	($873.00)	ADJ SEWER USE FEE PER WPCA
	($2,709.00)	12-RE-107012	($1,000.00)	ADJ SEWER USE FEE PER WPCA

TAX COLLECTOR'S REPORT
MARCH 31, 2014

FISCAL YEAR 2013-2014 (2012 GRAND LIST)	ORIGINAL LEVY	ADJ. TAX COLLECTIONS JUN 12 - MAR 14	COLLECTION %	CORRECTED LEVY*	COLLECTION %
AUTOMOBILE-REGULAR	$15,711,222.28	$14,271,966.98	90.84%	$15,425,480.96	92.52%
AUTOMOBILE-SUPPLEMENTAL	$2,359,065.70	$1,885,273.42	79.92%	$2,333,072.14	80.81%
PERSONAL PROPERTY	$15,339,628.48	$14,647,784.79	95.49%	$15,320,714.96	95.61%
REAL ESTATE	$249,768,582.86	$245,199,871.89	98.17%	$249,409,931.15	98.31%
TOTAL TAX	**$283,178,499.32**	**$276,004,897.08**	**97.47%**	**$282,489,199.21**	**97.70%**
SEWER USE	$13,257,264.00	$12,869,022.81	97.07%	$13,221,051.00	97.34%
IPP FEE	$230,750.00	$192,733.65	83.52%	$229,000.00	84.16%

FISCAL YEAR 2012-2013 (2011 GRAND LIST)		JUN 12 - MAR 13			
AUTOMOBILE-REGULAR	$15,053,085.96	$13,677,764.84	90.86%	$14,735,316.00	92.82%
AUTOMOBILE-SUPPLEMENTAL	$2,221,140.61	$1,787,559.76	80.48%	$2,194,826.03	81.44%
PERSONAL PROPERTY	$14,792,059.96	$14,094,941.78	95.29%	$14,643,468.26	96.25%
REAL ESTATE	$240,532,073.44	$236,363,181.73	98.27%	$239,965,415.46	98.50%
TOTAL TAX	**$272,598,359.97**	**$265,923,448.11**	**97.55%**	**$271,539,025.75**	**97.93%**
SEWER USE	$13,356,387.00	$13,011,315.61	97.42%	$13,294,850.00	97.87%
IPP FEE	$250,000.00	$210,363.86	84.15%	$244,000.00	86.21%

TAX DIFFERENCE 2012 G.L. vs. 2011 G.L. INCREASE/(DECREASE)	$10,580,139.35	$10,081,448.97	-0.08%	$10,950,173.46	-0.23%
SEWER DIFFERENCE 2012 G.L. vs. 2011 G.L. INCREASE/(DECREASE)	($99,123.00)	($142,292.80)	-0.34%	($73,799.00)	-0.53%
IPP DIFFERENCE 2012 G.L. vs. 2011 G.L. INCREASE/(DECREASE)	($19,250.00)	($17,630.21)	-0.62%	($15,000.00)	-2.05%

BACK TAXES COLLECTED	FISCAL YR 2013-2014 (JUL 13 - MAR 14)	FISCAL YR 2012-2013 (JUL 12 - MAR 13)	CUR YR vs.PRIOR YR INC/(DEC)
PRIOR TAXES	$1,692,717.34	$1,886,893.35	($194,176.01)
PRIOR SEWER USE FEE	$111,564.00	$140,457.33	($28,893.33)
PRIOR IPP FEE	$13,174.89	$9,086.24	$4,088.65
TOTAL PRIOR TAX, SEWER & IPP	**$1,817,456.23**	**$2,036,436.92**	**($218,980.69)**
CURRENT INTEREST	$523,093.49	$521,053.75	$2,039.74
PRIOR INTEREST	$677,385.26	$560,760.66	$116,624.60
SEWER USE FEE INTEREST	$52,527.08	$53,133.75	($606.67)
IPP FEE INTEREST	$6,147.86	$5,498.46	$649.40
TOTAL INTEREST COLLECTED	**$1,259,153.69**	**$1,140,446.62**	**$118,707.07**
PRIOR LIEN FEE	$11,763.28	$11,476.92	$286.36
CURRENT LIEN FEE	$120.00	$216.00	($96.00)
TOTAL LIEN FEE COLLECTED	**$11,883.28**	**$11,692.92**	**$190.36**
MISC FEES COLLECTED**	**$54,399.98**	**$126,072.29**	**($71,672.31)**
TOTAL PRIOR TAX, ALL INTEREST & ALL FEES	**$3,142,893.18**	**$3,314,648.75**	**($171,755.57)**

* CORRECTED LEVY INCLUDING CERTIFICATES OF CORRECTION
** PRIOR FISCAL YEAR INCLUDES TAX SALE AND TITLE SEARCH FEES PROCESSED THRU MUNIS

NORWALK on the move

DEPARTMENT OF FINANCE
ACCOUNTING & TREASURY DIVISION

Date: **April 10, 2014**

To: **Members of the Finance Committee of the Common Council**

From: **Frederic J. Gilden, Comptroller** Frederic J Gilden

Subject: **Comprehensive Annual Financial Report-June 30, 2013**

Each year we have independent audit of our financial records. The audit was completed and we received an unmodified ("clean") opinion. Attached are selected pages of the report. The full reports are available at the following links:

http://www.norwalkct.org/ArchiveCenter/ViewFile/Item/7356

http://www.norwalkct.org/ArchiveCenter/ViewFile/Item/7355

CITY OF NORWALK, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

DEPARTMENT OF FINANCE
125 EAST AVENUE
NORWALK, CONNECTICUT

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norwalk

Connecticut

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

McGladrey

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of
the Common Council
City of Norwalk, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Norwalk, Connecticut (the "City") as of and for the fiscal year ended June 30, 2013, and the related notes thereto which collectively comprise the City's basic financial statements as listed in the table of content.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3–9, the schedules of funding progress and employers contributions on pages 57-61 and budgetary comparison information on pages 63-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McGladrey LLP

New Haven, Connecticut
December 30, 2013

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET POSITION
June 30, 2013

	Governmental Type Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 45,787,588	$ 4,588,282	$ 50,375,870
Investments	49,114,625	10,457,405	59,572,030
Receivables, net of allowances for collection losses:			
Property taxes, net	5,311,067	-	5,311,067
Charges, net	-	279,841	279,841
Accounts, net	1,710,450	30,287	1,740,737
Federal and state governments	3,229,681	-	3,229,681
Inventories and prepaids	556,407	-	556,407
Deferred charges	1,101,396	-	1,101,396
Net pension asset	75,886	-	75,886
Advances to taxing districts	11,941,262	-	11,941,262
Restricted cash	15,444,391	3,771,066	19,215,457
Capital assets, not being depreciated	36,298,686	4,838,762	41,137,448
Capital assets, net of accumulated depreciation	453,970,348	136,405,826	590,376,174
Total assets	624,541,787	160,371,469	784,913,256
Liabilities			
Accounts payable and accruals	31,913,495	2,104,317	34,017,812
Unearned revenue	17,169,713	467,685	17,637,398
Long-term liabilities:			
Advances to taxing districts	11,941,262	-	11,941,262
Due within one year	30,249,891	6,439,037	36,688,928
Due in more than one year	241,606,922	54,456,799	296,063,721
Total liabilities	332,881,283	63,467,838	396,349,121
Net Position			
Net investment in capital assets	284,791,646	84,119,818	368,911,464
Restricted:			
General government	183,827	-	183,827
Public safety	20,910	-	20,910
Health and welfare	24,112	-	24,112
Public works	68,692	-	68,692
Machine operations	8,992	-	8,992
Education	43,562	-	43,562
Community grants	2,637	-	2,637
Unrestricted	6,516,126	12,783,813	19,299,939
Total net position	$ 291,660,504	$ 96,903,631	$ 388,564,135

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ (13,757,729)	$ 7,938,230	$ 1,416,937	$ -	$ (4,402,562)	$ -	$ (4,402,562)
Education	(230,695,179)	1,280,001	48,034,073	-	(181,381,105)	-	(181,381,105)
Public Safety	(48,458,761)	479,840	-	-	(47,978,921)	-	(47,978,921)
Health and welfare	(4,001,391)	596,997	3,353,122	-	(51,272)	-	(51,272)
Public Works	(34,530,687)	12,621,674	-	7,514,541	(14,394,472)	-	(14,394,472)
Recreation, arts and cultural	(9,459,007)	862,294	-	-	(8,596,713)	-	(8,596,713)
Interest on debt	(9,355,588)	-	-	-	(9,355,588)	-	(9,355,588)
Total governmental activities	(350,258,342)	23,779,036	52,804,132	7,514,541	(266,160,633)	-	(266,160,633)
Business-type activities:							
Parking Authority	(5,592,846)	5,510,814	-	-	-	(82,032)	(82,032)
Water Pollution Control Authority	(11,374,179)	14,664,481	-	1,032,097	-	4,322,399	4,322,399
Total business-type activities	(16,967,025)	20,175,295	-	1,032,097	-	4,240,367	4,240,367
Total primary government	$ (367,225,367)	$ 43,954,331	$ 52,804,132	$ 8,546,638	(266,160,633)	4,240,367	(261,920,266)
General revenues:							
Property taxes					269,014,099	-	269,014,099
Grants and contributions not restricted to specific programs					7,391,392	-	7,391,392
Miscellaneous					1,883,677	-	1,883,677
Unrestricted investment earnings					580,202	-	580,202
Total general revenues					278,869,370	-	278,869,370
Change in net position					12,708,737	4,240,367	16,949,104
Net position - beginning					278,951,767	92,663,264	371,615,031
Net position - ending					$ 291,660,504	$ 96,903,631	$ 388,564,135

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	Major Funds			
	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 44,369,857	$ (4,835,840)	$ 2,149,117	$ 41,683,134
Restricted cash	-	15,444,391	-	15,444,391
Investments	23,304,372	12,805,325	2,404,270	38,513,967
Receivables (net of allowances for collection losses):				
Property taxes	5,272,640	38,427	-	5,311,067
Accounts receivable	13,480,885	-	83,048	13,563,933
State and federal governments	572,001	1,419,604	1,238,076	3,229,681
Inventories and prepaids	1,615	-	37,616	39,231
Total assets	$ 87,001,370	$ 24,871,907	$ 5,912,127	$ 117,785,404
Liabilities				
Accounts payable	$ 20,419,866	$ 4,751,848	$ 1,584,502	$ 26,756,216
Unearned revenues	14,323,394	880,669	1,965,650	17,169,713
Deferred revenues	6,882,796	38,427	-	6,921,223
Advances to taxing districts	11,941,262	-	-	11,941,262
Total liabilities	53,567,318	5,670,944	3,550,152	62,788,414
Fund balances				
Nonspendable	1,615	-	37,616	39,231
Restricted	-	15,444,391	353,055	15,797,446
Committed	-	3,756,572	1,135,445	4,892,017
Assigned	3,681,569	-	836,185	4,517,754
Unassigned	29,750,868	-	(326)	29,750,542
Total fund balances	33,434,052	19,200,963	2,361,975	54,996,990
Total liabilities and fund balances	$ 87,001,370	$ 24,871,907	$ 5,912,127	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the City as a whole.	490,269,034
Deferred charges	1,101,396
Net pension asset	75,886
Deferred revenues are not available and therefore not recognized in the funds.	6,921,223
Accrued interest is not reported in the funds	(4,634,171)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(1,052,111)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(256,017,743)
Net position of governmental activities	$ 291,660,504

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	Major Funds			
	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes, interest and liens	$ 267,975,776	$ 10,707	$ -	$ 267,986,483
Intergovernmental	19,941,776	7,412,541	21,572,957	48,927,274
State on-behalf payments	18,672,017	-	-	18,672,017
Licenses, permits, fees and other	12,145,910	102,000	13,525,577	25,773,487
Interest	206,249	8,487	-	214,736
Total revenues	318,941,728	7,533,735	35,098,534	361,573,997
EXPENDITURES				
Current:				
General government	8,628,445	-	349,377	8,977,822
Health and welfare	1,941,562	-	1,592,339	3,533,901
Education	174,748,185	-	21,628,769	196,376,954
Employee benefits	38,482,031	-	-	38,482,031
Public safety	40,305,277	-	5,799	40,311,076
Community grants	1,721,983	-	1,322,617	3,044,600
Public works	17,213,907	4,400,000	524,621	22,138,528
Recreation, arts and culture	7,956,793	-	322,358	8,279,151
Maritime Center operations	-	-	8,659,949	8,659,949
Capital outlay	-	28,690,439	-	28,690,439
Debt service:				
Principal	15,660,999	-	-	15,660,999
Interest	10,145,821	235,178	-	10,380,999
Total expenditures	316,805,003	33,325,617	34,405,829	384,536,449
Excess (deficiency) of revenues over expenditures	2,136,725	(25,791,882)	692,705	(22,962,452)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	24,000,000	-	24,000,000
Issuance of refunding debt	16,006,840	-	-	16,006,840
Premium on bond issuance	2,003,486	154,289	-	2,157,775
Payments to escrow	(17,859,449)	-	-	(17,859,449)
Total other financing sources (uses)	150,877	24,154,289	-	24,305,166
Net change in fund balances	2,287,602	(1,637,593)	692,705	1,342,714
FUND BALANCES, beginning	31,146,450	20,838,556	1,669,270	53,654,276
FUND BALANCES, ending	$ 33,434,052	$ 19,200,963	$ 2,361,975	$ 54,996,990

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUNDS
June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 4,471,593	$ 116,689	$ 4,588,282	$ 4,104,454
Charges receivable, net	279,841	-	279,841	-
Other receivables	28,513	1,774	30,287	87,779
Investments	9,774,676	682,729	10,457,405	10,600,658
Prepaids	-	-	-	517,176
Total current assets	14,554,623	801,192	15,355,815	15,310,067
Restricted cash	3,232,314	538,752	3,771,066	-
Capital assets, net	112,415,160	28,829,428	141,244,588	-
Total noncurrent assets	115,647,474	29,368,180	145,015,654	-
Total assets	130,202,097	30,169,372	160,371,469	15,310,067
LIABILITIES				
CURRENT LIABILITIES				
Current maturities of bonds and notes payable	5,681,050	757,987	6,439,037	-
Accounts payable and accrued liabilities	1,575,570	528,747	2,104,317	523,108
Claims payable	-	-	-	4,853,385
Unearned revenue	350,821	116,864	467,685	-
Total current liabilities	7,607,441	1,403,598	9,011,039	5,376,493
LONG-TERM LIABILITIES				
Bonds and notes payable	44,918,479	9,538,320	54,456,799	-
Claims payable	-	-	-	10,985,685
Total long-term liabilities	44,918,479	9,538,320	54,456,799	10,985,685
Total liabilities	52,525,920	10,941,918	63,467,838	16,362,178
NET POSITION (DEFICIT)				
Net investment in capital assets	65,047,945	19,071,873	84,119,818	-
Unrestricted (Deficit)	12,628,232	155,581	12,783,813	(1,052,111)
Total net position (Deficit)	$ 77,676,177	$ 19,227,454	$ 96,903,631	$ (1,052,111)

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) - PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
OPERATING REVENUES				
City and member's contributions	$ -	$ -	$ -	$ 48,694,408
Charges for services	14,664,481	5,510,814	20,175,295	-
Total operating revenues	14,664,481	5,510,814	20,175,295	48,694,408
OPERATING EXPENSES				
Administrative and operations	6,930,578	3,981,592	10,912,170	845,858
Depreciation	2,845,010	951,225	3,796,235	-
Salaries, benefits and claims	639,867	237,815	877,682	45,441,864
Total operating expenses	10,415,455	5,170,632	15,586,087	46,287,722
Operating income	4,249,026	340,182	4,589,208	2,406,686
NONOPERATING INCOME (EXPENSE)				
Investment income	(21,923)	1,828	(20,095)	365,466
Interest expense	(936,801)	(424,042)	(1,360,843)	-
Total nonoperating income (expense)	(958,724)	(422,214)	(1,380,938)	365,466
Net income (loss) before contributions	3,290,302	(82,032)	3,208,270	2,772,152
Capital contributions	1,032,097	-	1,032,097	-
Change in net position	4,322,399	(82,032)	4,240,367	2,772,152
FUND NET POSITION (DEFICIT), beginning	73,353,778	19,309,486	92,663,264	(3,824,263)
FUND NET POSITION (DEFICIT), ending	$ 77,676,177	$ 19,227,454	$ 96,903,631	$ (1,052,111)

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2013

	Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 8,700,640	$ 67,175	$ 1,576,235
Investments:			
U.S. Government Agency	1,255,223	-	10,173
Corporate bonds	15,750	-	-
Common stock	77,417,894	-	-
Hedge/alternative investments	98,987,739	-	-
Index Funds	50,231,738	-	-
Commingled funds	64,649,285	-	-
Mutual Funds	87,416,313	-	71
Certificates of Deposit	3,080,323	-	24,966
Total investments	383,054,265	-	35,210
Secured lending transactions	11,650,600	-	-
Accounts receivable	134,625	-	-
Prepaids	26,474	-	-
Total assets	403,566,604	67,175	1,611,445
LIABILITIES			
Secured lending transactions	11,650,600	-	-
Accounts payable	1,138,459	-	1,611,445
Total liabilities	12,789,059	-	1,611,445
Net Position Held in Trust	$ 390,777,545	$ 67,175	$ -

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Year Ended June 30, 2013

	Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
Employer	$ 23,464,140	$ -
Plan members	3,345,204	-
Other	379,201	3,700
Total contributions	27,188,545	3,700
Investment income:		
Interest and dividends	7,389,300	-
Net appreciation in fair value of investments	36,726,519	-
Investment expense	(795,788)	-
Net investment income	43,320,031	-
Securities lending transactions income	34,128	-
Securities lending transactions expense	(1,204)	-
Net investment income - securities lending	32,924	-
Deductions		
Benefits paid	34,103,917	-
General and administrative	1,637,206	21,372
Total deductions	35,741,123	21,372
Net increase (decrease)	34,800,377	(17,672)
Net Position Held in Trust		
Beginning of year	355,977,168	84,847
End of year	$ 390,777,545	$ 67,175

The notes to the financial statements are an integral part of this statement

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - ***unaudited***
POLICE BENEFIT FUND
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Benefit Fund						
July 1, 2007	87,569,890	91,603,735	4,033,845	95.6%	8,277,467	48.7%
July 1, 2008	94,636,631	97,873,967	3,237,336	96.7%	7,836,642	41.3%
July 1, 2009	94,249,586	103,712,578	9,462,992	90.9%	9,767,044	96.9%
July 1, 2010	92,593,831	107,525,222	14,931,391	86.1%	10,038,206	148.7%
July 1, 2011	92,709,077	114,305,654	21,596,577	81.1%	9,892,305	218.3%
July 1, 2012	90,854,816	121,114,987	30,260,171	75.0%	11,276,370	268.4%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 2,588,602	100.0%
2012	2,272,357	100.0%
2011	1,925,038	100.0%
2010	1,197,083	91.7%
2009	1,267,867	100.0%
2008	1,605,475	100.0%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - *unaudited*
FIREMEN'S BENEFIT FUND
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Firemen's Benefit Fund						
July 1, 2007	90,083,675	80,272,989	(9,810,686)	112.2%	7,336,833	(133.7)%
July 1, 2008	97,165,470	84,666,362	(12,499,108)	114.8%	7,848,842	(159.2)%
July 1, 2009	96,297,190	88,353,774	(7,943,416)	109.0%	8,669,948	(91.6)%
July 1, 2010	93,528,996	92,423,473	(1,105,523)	101.2%	8,907,133	(12.4)%
July 1, 2011	92,030,902	96,804,918	4,774,016	95.1%	9,411,149	50.7%
July 1, 2012	87,436,030	102,110,071	14,674,041	85.6%	9,462,914	155.1%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 1,455,860	100.0%
2012	898,283	100.0%
2011	335,135	100.0%
2010	-	0.0%
2009	62,744	100.0%
2008	391,779	100.0%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - *unaudited*
EMPLOYEES' PENSION PLAN
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Employees' Pension Plan						
July 1, 2007	170,882,599	151,182,524	(19,700,075)	113.0%	34,353,200	(57.3)%
July 1, 2008	184,115,610	164,871,892	(19,243,718)	111.7%	34,753,304	(55.4)%
July 1, 2009	182,692,735	172,664,238	(10,028,497)	105.8%	35,652,748	(28.1)%
July 1, 2010	177,700,315	177,964,459	264,144	99.9%	35,648,471	0.7%
July 1, 2011	175,719,300	184,739,161	9,019,861	95.1%	35,205,960	25.6%
July 1, 2012	168,978,808	191,985,282	23,006,474	88.0%	36,038,743	63.8%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 3,170,268	102.2%
2012	2,497,652	102.5%
2011	1,677,163	102.4%
2010	891,003	99.8%
2009	832,452	103.7%
2008	1,435,823	104.0%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - *unaudited*
FOOD SERVICE BENEFIT FUND
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Food Service						
July 1, 2007	1,417,238	1,617,325	200,087	87.6%	843,602	23.7%
July 1, 2008	1,579,233	2,025,521	446,288	78.0%	837,065	53.3%
July 1, 2009	1,612,820	1,930,122	317,302	83.6%	937,757	33.8%
July 1, 2010	1,648,073	2,030,852	382,779	81.2%	920,435	41.6%
July 1, 2011	1,712,480	2,228,282	515,802	76.9%	937,656	55.0%
July 1, 2012	1,708,220	2,442,179	733,959	69.9%	983,732	74.6%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	$ 88,214	100.0%
2012	89,102	100.0%
2011	89,530	100.0%
2010	89,102	100.0%
2009	74,182	100.0%
2008	67,085	100.0%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - *unaudited*
OPEB TRUST
June 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)		Accrued Liability (b)		Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2006	$	-	$	163,771,000	$	163,771,000	0%	N/A	N/A
July 1, 2007		-		187,892,000		187,892,000	0%	N/A	N/A
July 1, 2008		2,412,900		197,474,900		195,062,000	1.2%	N/A	N/A
July 1, 2009		7,819,000		222,571,000		214,752,000	3.5%	N/A	N/A
July 1, 2011		21,113,000		233,552,000		212,439,000	9.0%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30,		Annual Required Contribution	Percentage Contributed
2013	$	18,450,000	89.64%
2012		18,629,000	83.00%
2011		17,791,000	79.13%
2010		16,278,000	86.30%
2009		15,293,300	84.65%
2008		15,573,000	73.60%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMTARY INFORMATION - *unaudited*
SCHEDULE OF GENERAL FUND REVENUES - BUDGETARY BASIS -
BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
TAXES, INTEREST AND LIEN FEES				
Property Taxes	$ 267,923,251	$ 267,923,251	$ 266,542,517	$ (1,380,734)
Interest and liens	1,595,068	1,595,068	1,433,258	(161,810)
Total taxes, interest and lien fees	269,518,319	269,518,319	267,975,775	(1,542,544)
INTERGOVERNMENTAL				
State grants in aid - general	5,811,800	5,866,496	7,391,392	1,524,896
State grants in aid - Board of Education	10,344,902	10,344,902	10,294,664	(50,238)
Other grants	210,000	210,000	518,766	308,766
Total intergovernmental	16,366,702	16,421,398	18,204,822	1,783,424
LICENSES, PERMITS, FEES AND OTHER				
Building inspections and permits	2,181,500	2,181,500	3,008,376	826,876
Health Department inspection fees	317,000	317,000	345,178	28,178
Police Department permits	3,000	3,000	47,404	44,404
Public Works licenses, permits and service charges	339,135	339,135	685,727	346,592
Planning and zoning permits	233,550	233,550	267,622	34,072
Town Clerk fees and permits	3,102,980	3,102,980	3,692,042	589,062
Police Department service charges	357,700	413,575	432,436	18,861
Other service charges and fees	1,326,728	1,365,902	1,959,206	593,304
Rental income	153,353	153,353	184,213	30,860
Recreation and Parks Commission	1,004,900	1,004,900	862,294	(142,606)
Health Department nursing fees	225,500	225,500	251,819	26,319
Total licenses, permits, fees and other	9,245,346	9,340,395	11,736,317	2,395,922
INTEREST				
Interest on investments	712,000	712,000	201,248	(510,752)
Total interest	712,000	712,000	201,248	(510,752)
Total revenues	$ 295,842,367	$ 295,992,112	$ 298,118,162	$ 2,126,050

See Note to Required Supplementary Information.

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMTARY INFORMATION - *unaudited*
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
Mayor	$ 272,386	$ 273,506	$ 263,298	$ 10,208
City Clerk	329,553	338,448	332,543	5,905
Town Clerk	580,055	605,839	603,881	1,958
Legislative	12,450	10,230	9,380	850
Legal	944,067	971,835	873,548	98,287
Data Processing	1,415,414	1,500,259	1,407,976	92,283
Personnel & Labor Relations	557,062	570,143	566,629	3,514
Human Relations & Fair Rent	217,861	254,758	249,599	5,159
Youth Services	229,846	241,892	238,761	3,131
Registrar of Voters	446,990	404,789	383,293	21,496
Finance Director	194,280	248,578	224,627	23,951
Tax Assessor	760,740	796,984	792,436	4,548
Tax Assessor Revaluation	13,420	1,096,086	1,034,848	61,238
Tax Collector	788,781	800,789	762,754	38,035
Accounting and Treasury	663,223	610,408	604,657	5,751
Management and budgets	371,532	315,610	309,888	5,722
Purchasing	268,310	275,302	273,204	2,098
Central Services	88,459	71,886	61,835	10,051
Total general government	8,154,429	9,387,342	8,993,157	394,185
HEALTH AND WELFARE	1,951,904	1,999,624	1,941,564	58,060
COMMUNITY GRANTS				
Transit District	473,742	473,742	473,742	-
Probate Court	23,924	23,924	23,924	-
Elder House	9,682	9,682	9,682	-
Senior Center	326,291	326,291	326,291	-
Sexual Assault Crisis Center	16,480	16,480	16,480	-
CT Counseling Centers	2,060	2,060	2,060	-
Harbor Commission	11,368	11,368	11,368	-
Housing Site Development Agency	104,955	104,955	104,955	-
Redevelopment Agency	137,521	141,601	141,601	-
Mid-Fairfield Guidance Center	14,163	14,163	14,163	-
Neighborhood Improvement	67,783	67,783	67,783	-

See Note to Required Supplementary Information.

(Continued)

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMTARY INFORMATION - *unaudited*
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
COMMUNITY GRANTS, Continued				
Americare Free Clinic	20,600	20,600	20,600	-
Human Services Council	13,390	13,390	13,390	-
NEON Summer Camp	145,694	145,694	145,694	-
Domestic Violence Center	5,665	5,665	5,665	-
Family & Children's Aid	37,419	37,419	37,419	-
SW CT Mental Health Board	15,067	15,067	15,067	-
School Based Health Centers	19,055	19,055	19,055	-
Summer Youth Employment	75,000	75,000	75,000	-
Children's Connection	16,480	16,480	16,480	-
Other	177,299	182,314	181,564	750
Total community grants	1,713,638	1,722,733	1,721,983	750
EMPLOYEE BENEFITS				
Insurance	10,142,504	10,142,504	10,142,504	-
Social Security	2,169,978	2,169,978	2,113,735	56,243
Unemployment Compensation	125,000	125,000	103,689	21,311
Special Pensions	1,854	1,854	-	1,854
Police Pension	2,588,602	2,588,602	2,588,602	-
Fire Pension	1,455,860	1,455,860	1,455,860	-
City Pension	3,083,346	3,083,346	3,083,104	242
OPEB Contribution	13,846,636	13,846,636	13,846,636	-
Worker's Compensation Insurance	5,549,707	5,049,707	5,049,707	-
Total employee benefits	38,963,487	38,463,487	38,383,837	79,650
PROTECTION OF PERSONS AND PROPERTY				
Police Department	19,310,461	19,729,227	19,721,556	7,671
Fire Department	16,294,462	16,593,250	16,555,203	38,047
Planning and Zoning	1,054,095	1,086,703	1,072,494	14,209
Building Inspector	663,573	687,914	687,914	-
Dispatch and Emergency Mgmt Plan	2,130,402	2,275,524	2,271,712	3,812
Total protection of persons and property	39,452,993	40,372,618	40,308,879	63,739
PUBLIC WORKS				
Public Works	16,702,674	17,613,890	17,235,182	378,708

See Note to Required Supplementary Information.

(Continued)

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMTARY INFORMATION - *unaudited*
SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EDUCATION				
Public Schools	155,494,990	156,380,228	154,334,920	2,045,308
RECREATION, ARTS AND CULTURE				
Recreation and Parks	3,616,144	4,317,297	4,286,959	30,338
Golf Course	-	150,000	150,000	-
Library	3,280,785	3,323,668	3,279,800	43,868
Historical Commission	201,639	276,640	259,908	16,732
Total recreations, arts and culture	7,098,568	8,067,605	7,976,667	90,938
CONTINGENCY	1,532,686	442,980	-	442,980
DEBT SERVICE	25,678,273	25,678,273	25,655,943	22,330
ORGANIZATIONAL MEMBERSHIPS	98,725	98,725	98,194	531
Total Expenditures	$ 296,842,367	$ 300,227,505	$ 296,650,326	$ 3,577,179

See Note to Required Supplementary Information.

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GENERAL FUND
For the Year Ended June 30, 2013

			Lawful Corrections		
Grand List Year	Taxes Receivable July 1, 2012	Current Levy	Additions	Deletions	Abatement
2011	$ -	$ 271,222,692	$ 719,422	$ 13,324	$ 1,312,766
2010	3,502,515	-	106,486	75,067	812,369
2009	1,262,724	-	12,128	60,719	614,638
2008	615,759	-	9,075	282,140	525,750
2007	172,097	-	19,436	14,709	3,087
2006	3,043	-	15,927	7,289	5,311
2005	20,276	-	11,146	5,059	2,417
2004	18,025	-	9,003	3,512	3,689
2003	11,802	-	4,841	1,725	-
2002	10,798	-	2,673	764	-
2001	11,084	-	1,987	825	-
2000	4,402	-	1,743	752	-
1999	3,364	-	1,034	474	-
1998	1,657	-	2,563	697	-
1997	2,881	-	2,885	1,973	-
	$ 5,640,427	$ 271,222,692	$ 920,349	$ 469,029	$ 3,280,027

Balance to be Collected	Collections: Taxes	Collections: Interest	Collections: Fees	Collections: Total	Taxes Receivable June 30, 2013
$ 270,616,024	$ 266,442,259	$ 715,327	$ 7,077	$ 267,164,663	$ 4,173,765
2,721,565	1,383,699	364,323	9,341	1,757,363	1,337,866
599,495	(79,935)	147,685	2,208	69,958	679,430
(183,056)	(324,762)	58,930	720	(265,112)	141,706
173,737	47,063	34,058	384	81,505	126,674
6,370	14,628	15,240	24	29,892	(8,258)
23,946	8,673	11,330	24	20,027	15,273
19,827	5,427	10,985	24	16,436	14,400
14,918	5,439	6,659	24	12,122	9,479
12,707	3,799	4,549	24	8,372	8,908
12,246	1,368	5,585	-	6,953	10,878
5,393	1,188	2,440	-	3,628	4,205
3,924	707	1,597	-	2,304	3,217
3,523	1,803	4,509	-	6,312	1,720
3,793	3,793	4,892	-	8,685	-
$ 274,034,412	$ 267,515,149	$ 1,388,109	$ 19,850	$ 268,923,108	$ 6,519,263

MEMORANDUM

DATE: March 31, 2014

TO: The Members of the Board of Estimate and Taxation
The Members of the Planning Commission
The Members of the Common Council

FROM: Harry W. Rilling, Mayor Harry W. Rilling

RE: Special Capital Appropriation

Attached is a special capital appropriation from Alan Lo, the City's Building & Facilities Manager, in the amount of $2,400,000 for the Rowayton Elementary School Project.

This special appropriation represents the estimated State share of this project. As explained in the attached back up material, the City waits until school construction projects have been put out to bid prior to appropriating the State share because we are able to more accurately estimate the amount of State reimbursement at this time.

As indicated in the Finance Director's statement, this appropriation will be financed from anticipated State school construction grants. I recommend approval of this appropriation.

Cc: Dr. Manuel Rivera, Superintendent of Schools
Richard Rudl, CFO, Board of Education
Alan Lo, Building & Facilities Manager

NORWALK
on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

DATE: March 31, 2014

TO: Harry W. Rilling, Mayor
The Members of the Board of Estimate and Taxation
The Members of the Planning Commission
The Members of the Common Council

FROM: Thomas Hamilton, Director of Finance

RE: Special Capital Appropriation

Attached is a special capital appropriation request in the amount of $2,400,000 from Alan Lo, the City's Building and Facilities Manager. This appropriation represents the anticipated State share of the Rowayton Elementary School Improvement Project.

The City previously appropriated $5,548,398 in local funds for this project, and the recommended FY 2014-15 Capital Budget includes an additional $780,000 of local funds, bringing the total locally-funded appropriation for this project to $6,628,398. We deliberately do not appropriate the State-funded share of school construction projects until bidding is completed, because certain project elements are eligible for State reimbursement, while other elements are not reimbursable. We can more accurately estimate the amount of State reimbursement after bidding is completed.

At this time, bidding has been completed and construction work is set to commence shortly. Therefore, we need to appropriate the State-funded portion of this project so that Mayor Rilling can sign the necessary construction documents. The estimate State share of this project is $2,400,000. Additional information on this request is contained in the back up material from Alan Lo.

Finance recommends approval.

Cc: Harry W. Rilling, Mayor
Dr. Manuel Rivera, Superintendent of Schools
Richard Rudl, CFO, Board of Education
Alan Lo, Building and Facilities Manager

POST OFFICE BOX 5125 125 EAST AVENUE, NORWALK, CT 06856-5125, TELEPHONE 203-854-7870

NORWALK on the move!

DEPARTMENT OF PUBLIC WORKS

TO : TOM HAMILTON, FINANCE DIRECTOR

FROM: ALAN LO, BUILDINGS AND FACILITIES MANAGER

RE : ROWAYTON SCHOOL IMPROVEMENT PROJECT – STATE REIMBURSEMENT

DATE: MARCH 31, 2014

****

The City of Norwalk, in conjunction with Norwalk Public Schools, is proceeding with the implementation of the Rowayton School Improvement Project. The current project scope consists of the construction of a new 4 classroom building addition in the rear of the school near the tennis courts. The project also includes a new gymnasium with the ability to accommodate school assembly, music room, art room and various building code upgrades.

This project was delayed extensively through the State review process and EPA approval of the hazardous material remediation plan. On January 29, 2014, the City finally received authorization from the State to proceed with construction bidding. Based on the funding limitations and our construction estimates, we included the following 3 add alternate items in the bid package: Add Alternate #1 - renovation of three additional restrooms; Add Alternate #2 - replacement of asphalt shingle roof at the "B" Wing and Add Alternate #3 - hazardous material window abatement.

In terms of the project budget, the City allocated $5,848,398 in capital funds for the project. An additional amount of $780,000 has been included in the 2014-2015 Capital Budget requests to support hazardous materials remediation. As identified in the attached eligible vs. ineligible worksheet that was submitted to the State Bureau of School Facilities (BSF), the total eligible amount for Base Work was $7,446,137 (which excludes add alternates). The projected State reimbursement for the eligible base portion of the project at 32.14% is approximately $2,400,000. The total project budget is $9,028,398. The actual amount of reimbursement will NOT be determined until final audit which will happen about 2 years after the completion of the project.

125 East Avenue • Post Office Box 5125 • Norwalk, CT 06856-5125 • Telephone 203-854-7791 • Fax 203-857-0143

On March 25, 2014, the City received bids for the project. Attached is our initial summary of the bid results. We, the City and AP Construction as our Construction Manager, are in the process of bid tabulation and scope review with the various trade contractors. At the present time, the project cost is $8,993,781 without Add Alternate #1 and #2. The project team feels that most of the trade bids will "hold" but nevertheless, a final contract amount is not available at this time.

In moving forward, a **Special Capital Appropriation in the amount of $2,400,000** is required at this time as "bridge funds" to cover the State reimbursement share in order for the City to execute necessary contracts. The project, more importantly the hazardous material remediation, is scheduled to begin immediately after the end of 2014 spring semester. The entire project is scheduled for completion in September 2015.

Thank you for your consideration of this matter.

A. P. CONSTRUCTION COMPANY
707 Summer Street, Stamford, CT 06901 Phone: (203) 359-4704 Facsimile: (203) 359-0202

Prepared by:

Paul J. Shamas, CPE | Vice President of Estimating
A.P. Construction Company | www.ashforth.com
707 Summer Street, Stamford, CT 06901
v 203.388.1157 f 203.428.1129
pshamas@apconst.com

ROWAYTON SCHOOL

PROJECT ESTIMATE

April 30, 2013		BASE WORK			ADD ALTERNATE		ADD ALTERNATE		ADD ALTERNATE		BASE + ALTS
		ADDITION	RENOVATIONS	IN-ELIGIBLES	Windows Replacement @ 1968 Addition	IN-ELIGIBLES	"B-Wing" Roof Repairs	IN-ELIGIBLES	Bathrooms A103, A137, A138, B102, B104, B120 & B121	IN-ELIGIBLES	
CONSTRUCTION ESTIMATE		4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013	4/30/2013
TRADES ESTIMATE		$3,814,795	$1,831,877	$215,440	$582,243	$145,000	$132,970	$0	$186,832	$0	$6,909,156
ESTIMATING/DESIGN CONTINGENCY		$57,222	$27,478	$3,232	$8,734	$2,175	$1,995	$0	$2,802	$0	$103,637
CM CONSTRUCTION CONTINGENCY		$116,161	$55,781	$6,560	$17,729	$4,415	$4,049	$0	$5,689	$0	$210,384
CM GENERAL CONDITIONS		$340,185	$167,554	$5,000	$5,000	$0	$5,000	$0	$0	$0	$522,739
CM LIABILITY INSURANCE		$56,269	$27,075	$2,993	$7,978	$1,971	$1,872	$0	$2,539	$0	$100,697
PRECONSTRUCTION FEE		$15,000	$15,000	$0	$0	$0	$0	$0	$0	$0	$30,000
CM FEE		$87,693	$42,195	$4,664	$12,434	$3,071	$2,918	$0	$3,957	$0	$156,932
APC BOND		$44,873	$21,670	$2,379	$6,341	$1,566	$1,488	$0	$2,018	$0	$80,335
TOTAL CONSTRUCTION ESTIMATE		$4,532,197	$2,188,629	$240,268	$640,458	$158,198	$150,291	$0	$203,838	$0	$8,113,881
CITY OF NORWALK "SOFT" COSTS											
OWNER CONTINGENCY	5%	$226,610	$109,431	$12,013	$32,023	$7,910	$7,515	$0	$10,192	$0	$405,694
ARCHITECT FEE		$184,999	$89,338	$9,807	$26,143	$6,457	$6,135	$0	$8,320	$0	$331,200
ENVIRONMENTAL INVESTIGATION		$11,451	$5,530	$607	$1,618	$400	$380	$0	$515	$0	$20,500
ENVIRONMENTAL MONITORING		$25,136	$12,138	$1,333	$3,552	$877	$834	$0	$1,130	$0	$45,000
PERMIT FEE (assume 1.6%)	1.60%	$0	$0	$111,378	$0	$12,779	$0	$2,405	$0	$3,261	$129,822
SITE SURVEY		$2,500	$2,500	$1,000	$0	$0	$0	$0	$0	$0	$6,000
TESTING		$5,586	$2,697	$296	$789	$195	$185	$0	$251	$0	$10,000
SPECIAL INSPECTIONS		$2,793	$1,349	$148	$395	$97	$93	$0	$126	$0	$5,000
FF&E		$30,000	$0	$0	$0	$0	$0	$0	$0	$0	$30,000
AS-BUILT SURVEY		$1,676	$809	$89	$237	$58	$56	$0	$75	$0	$3,000
INSURANCE - BUILDERS RISK		$3,910	$1,888	$207	$553	$136	$130	$0	$176	$0	$7,000
PRE-OCCUPANCY CLEANING		$1,676	$809	$89	$237	$58	$56	$0	$75	$0	$3,000
PORTABLE CLASSROOMS		$0	$0	$400,000	$0	$0	$0	$0	$0	$0	$400,000
REMOVE EXISTING PORTABLE CLASSROOMS		$0	$0	$50,000	$0	$0	$0	$0	$0	$0	$50,000
PRINTING OF BID PACKAGES (ALLOWANCE)		$1,676	$809	$89	$237	$58	$56	$0	$75	$0	$3,000
TOTAL SOFT COST ESTIMATE		$498,012	$227,299	$587,056	$65,783	$29,027	$15,437	$2,405	$20,937	$3,261	$1,449,216
		$5,030,209	$2,415,928	$827,324	$706,241	$187,226	$165,728	$2,405	$224,774	$3,261	
TOTAL PROJECT ESTIMATE			~~$8,273,461~~		$893,467		$168,133		$228,036		$9,563,097

$7,446,137 x 32.14% = $ 2,393,188 - State reimbursement
$ 5,848,398 – City available funds.

3/31/2014

Rowayton Elementary School

Trade Package Value ALT 3 only for GMP

Trade Package	Base Bid	Alt 1 toilet	Alt 2 roof	Alt 3 window	Total Bid	Budget	Bid Alt 1	Bid Alt 2	Bid Alt 3	Tot. Budget
2.01 Haz-Mat / Demolition	$296,150			$33,548	$329,698	$283,763	$15,086		$380,500	$679,349
2.02 site	$998,000			$10,000	$1,008,000	$862,486				$862,486
3.01 concrete	$251,300				$251,300	$240,368	$8,271			$248,639
4.01 masonry	$690,000			$12,000	$702,000	$768,410	$24,174		$148,480	$941,064
5.01 metals	$481,500				$481,500	$500,243				$500,243
6.01 millwork	$132,854				$132,854	$258,935			$17,675	$276,610
7.01 roofing	$256,340				$256,340	$307,277		$132,970		$440,247
8.01 Alum. Storefront, windows	$559,440			$16,770	$576,210	$321,100			$177,500	$498,600
9.01 General Trades	$724,000			$61,000	$785,000	$348,543	$26,164		$3,088	$377,795
9.02 ceramic tile	$15,990				$15,990	$41,148	$17,952			$59,100
9.03 flooring	$149,840				$149,840	$141,825				$141,825
9.04 paint	$49,000			$900	$49,900	$56,925	$3,215			$60,140
21.01 Fire protection	$44,400				$44,400	$79,625	$1,400			$81,025
22.01 plumbing & HVAC	$1,225,000				$1,225,000	$1,007,800	$84,000			$1,091,800
23.01 HVAC	$0				$0	$0				$0
26.01 electrical	$311,800				$311,800	$448,910	$6,570			$455,480
Total	**$6,185,614**	**$0**	**$0**	**$134,218**	**$6,319,832**	**$5,667,358**	**$186,832**	**$132,970**	**$727,243**	**$6,714,403**
		Total incl Alts			**$6,319,832**					**$6,714,403**

$257,217 $111,045

ROWAYTON SCHOOL

ROWAYTON PROJECT ALT 3 ONLY GMP 3/31/2014

		GMP		
CONSTRUCTION BUDGET		**3/26/2014**		
GMP ESTIMATE FOR TRADES - INCLUDES ALTERNATE 3 ONLY		$6,319,832		
GENERAL TRADES ALLOWANCE		$79,525		
CM CONSTRUCTION CONTINGENCY 3%		$189,594		
CM GENERAL CONDITIONS		$679,553		
CM FEE 2%		$145,370		
TOTAL CONSTRUCTION BUDGET ALTERNATE 3 ONLY		**$7,413,874**		
CITY OF NORWALK "SOFT" COSTS				
OWNER CONTINGENCY		$405,604		
ARCHITECT FEE & REIMBURSABLES & AMMENDMENT #2		$359,981		
ENVIRONMENTAL MONITORING		$45,000		
PERMIT FEE (assume 1.6%)		$129,822		
TESTING		$15,000		
SPECIAL INSPECTIONS		incl above		
FF&E		$30,000		
AS-BUILT SURVEY		$3,000		
INSURANCE - BUILDERS RISK		$7,000		
PRE-OCCUPANCY CLEANING		$3,000		
PRINTING OF BID PACKAGES (ALLOWANCE)		$9,000		
PRECONSTRUCTION FEE		$22,500		
PORTABLE CLASSROOMS		$400,000		
REMOVE EXISTING PORTABLE CLASSROOMS		$50,000		
PLAYGROUND		$100,000		
TOTAL SOFT COSTS		**$1,579,907**		
TOTAL PROJECT BUDGET ALTERNATE 3 ONLY		**$8,993,781**		

NORWALK on the move!

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

MEMORANDUM

DATE: April 2, 2014

TO: Bruce Kimmel, Chairman, Finance Committee

FROM: Thomas Hamilton, Director of Finance

RE: Status Update – BlumShapiro Recommendations from BOE Operational Review

The Finance Committee asked for a status update on the recommendations made by BlumShapiro last year in their Focused Operational Review conducted on the Board of Education health insurance deficit and an analysis of certain financial aspects of the Board of Education's special education program.

Since there are some new members on the Finance Committee, I have attached a final copy of the BlumShapiro report for your information. I have also provided a status update relative to the health insurance recommendations, which is attached. The follow up on special education is outside my purview, so I have asked Richard Rudl to provide you with a status update on the recommendations relative to special education. Rich and I will also be in attendance at your meeting on April 10, 2014, to discuss these matters further.

Cc: Harry W. Rilling, Mayor
Dr. Manuel Rivera, Superintendent of Schools
Richard Rudl, CFO, Board of Education

Blumshapiro Recommendations: Health Insurance Analysis

BlumShapiro Recommendations	Status
A. NPS must fully fund health insurance for all employees: i. NPS should ensure that Insurance Fund contributions include all employees (current active employees, grant funded employees, school lunch employees and retired NPS employees). ii. Funds should support variations in other types of revenues (co-pays, COBRA, etc.)	Completed. City Finance Department reviews documentation provided by the Board of Education demonstrating that all health insurance expenses are fully budgeted.
B. NPS must build a reserve in the Insurance Fund to ensure there is a tolerance for variations in claims activity.	Completed. See attached status of Insurance Fund as of 6/30/2013.
C. Restructure the G/L accounts in the Insurance Fund: i. Create general ledger accounts to track all significant items related to insurance. ii. Accounts should include revenues and expenditures used to budget for insurance costs. iii. Create a separate balance sheet account to track NPS cash related to insurance iv. True-up cash balance on a periodic basis v. Create separate G/L accounts for life insurance and health insurance activity vi. Create new G/L accounts in Munis to support financial reporting directly out of Munis	Completed. See attached revenue and expenditures reports from Munis on the status of the Insurance Fund.
D. Eliminate combining of activity in the following funds (Insurance, OPEB Trust, General Fund, Educational Grants, and School Lunch): i. Create new G/L account to break out different types of employee benefits in the general fund, Educational Grants Fund, and the School Lunch Fund	Partially completed. The City breaks out different types of employee benefit expenses in the City budget, but the Board of Education still uses a single benefits account #212, but breaks out these expenses by fund.
E. Create administrative budgets in Insurance and OPEB Trust Funds to better track financial position and budget vs. actual: i. Utilize budgets in the NPS insurance funds to track all estimated revenues and expenditures ii. Monitor and maintain budgets based on actual activity and experience throughout the year iii. These budgets would be to memorialize the estimates made during the budget development process related to revenues and expenditures; they would not be formally adopted by the BET	Completed. See attached budget reports under recommendation "C" above.
F. Perform period review of the insurance funds: i. Monitor fund activity at least monthly ii. Ensure estimates for revenue and expenditures are accurate iii. Adjust budgets based on actual activity and experience	Completed. Revenue and expenses in the Insurance fund are monitored on a monthly basis and compared to budget

BlumShapiro Recommendations- Special Education	Status
A: The department head needs to review actual costs and develop a responsive budget figure related to SPED	Completed. When building a budget, we now look at the pool of Special Education students and the state approved agencies in which they are out placed. We factor in tuition increases that the agency will invoice us for on a year to year basis and look at trend rates of the increases/decreases of this student pool. At that point we build a budget based on the services by agency. Once the budget is fully adopted we encumber tuition by student and agency. Should our student pool increase or the mix of students change to students with higher needs and thus more expensive services we identify unencumbered funds and bring to the Board of Education a budget transfer to fully fund Special Education tuition.
B: Use electronic purchasing tools to track tuition costs	Completed. All Special Education Out of District tuition bills are encumbered each year by the Special Education Department based on the contract entered into during the PPT by SPED Supervisors. These encumbrances are done by student, so that if a student leaves early we can liquidate the encumbrance to show funds in the available balance. This also allows us to track the estimates for all students within MUNIS and provides an audit trail of approvals.
C: Utilize MUNIS Budget Monitoring Tools • Configure MUNIS to prevent purchase requisitions/orders from being processed if a line item's budget will be overspent.	Completed. Each month the Finance Department prepares monthly financial statements, which highlight every account actuals spent vs. budget including Special Education accounts. Any item that is above the "theoretical" rate is flagged and researched. If an account exceeds the "theoretical" rate due to a shortage of funding, a budget transfer is brought to the Board for corrective action. Completed. No Special Education tuition account can be over-ridden without the CFO approval. Should an account be short of funds a budget transfers is brought before the Board of Education.
D: Monitor and transfer budget amounts throughout the fiscal year	Completed. Each month during the monthly financial review, each object code is monitored. If a tuition account exceeds the "theoretical" rate due to an influx of students or a change in the population of students with higher needs, a budget transfer, as well as an explanation for the transfer, is brought before the Board for approval.

E: Develop policies and procedures to facilitate transaction processing	Completed. We have instituted a policy of encumbering tuition bills by student based on the contracts entered into by our SPED Supervisors. Before any purchase order is approved the contract and the requisition has to be approved, by a SPED Designee (Director or Assistant Director of SPED). At that point, the requisition is approved and converted into a purchase order for payment. All Special Education tuition bills are flagged by the Accounts Payable staff in the BOE Finance Department as a rush and made a priority for payment.
F: Formally adopt budget transfer procedures • Clearly identify what constitutes a category.	Completed. The Board has accepted the following policy that anything over $1,000 must go to the board for approval or any item that crosses ***object series*** must go to the board for approval. The Finance Committee of the Board of Education is reviewing the possibility of increasing this threshold of $1,000 to $10,000. Category was defined as object.
G: Do not put parent and/or student names in purchase orders	Completed. The Special Education Department blacks out all names on invoices before a purchase order is created.

INSURANCE FUND SUMMARY - Audited Actual as of 6-30-13

(with projection to 6-30-14 based on adopted FY 2014 budget and deficit reduction funding)

	CITY W/C & LAP	CITY MEDICAL	BOE WC & LAP	BOE MEDICAL	TOTAL
FY 2011-12					
Ending Cash 6/30/12	$ 9,927,599	$ 741,939	$ 1,028,764	$ (1,584,995)	$ 10,113,307
Run Out & IBNR - 6/30/12	$ (8,983,249)	$ (1,045,563)	$ (3,167,220)	$ (805,875)	$ (14,001,907)
Net Assets - Accrual Basis 6/30/12	**$ 944,350**	**$ (303,624)**	**$ (2,138,456)**	**$ (2,390,870)**	**$ (3,888,600)**
FY 2012-13					
CASH					
Deposits	$ 4,120,006	$ 12,606,566	$ 1,549,707	$ 30,840,486	$ 49,116,765
Disbursements	$ (4,315,229)	$ (12,079,796)	$ (1,673,527)	$ (26,422,200)	$ (44,490,752)
Total	$ (195,223)	$ 526,769	$ (123,820)	$ 4,418,287	$ 4,626,013
IBNR	$ (589,169)	$ (56,695)	$ (134,744)	$ (1,056,555)	$ (1,837,163)
TOTAL	**$ (784,392)**	**$ 470,074**	**$ (258,564)**	**$ 3,361,732**	**$ 2,788,850**
Ending Cash	**$ 9,732,376**	**$ 1,268,708**	**$ 904,944**	**$ 2,833,292**	**$ 14,739,320**
Ending IBNR	**$ (9,572,418)**	**$ (1,102,258)**	**$ (3,301,964)**	**$ (1,862,430)**	**$ (15,839,070)**
Net Assets - Accrual Basis 6/30/13	**$ 159,958**	**$ 166,450**	**$ (2,397,020)**	**$ 970,862**	**$ (1,099,750)**
FY 2013-14					
FY 2013-14 Insurance Deficit Reduction Funding	$ -	$ 151,812	$ 597,055	$ 995,435	$ 1,744,302
Projected Insurance Fund Net Assets - 6-30-2014	**$ 159,958**	**$ 318,262**	**$ (1,799,965)**	**$ 1,966,297**	**$ 644,552**

FOR 2014 99

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
16 INSURANCE FUND								
013 FINANCE								
13420 CITY MEDICAL								
161342 4802	NON GEN	0.00	-520,550.00	-520,550.00	-335,453.33	0.00	-185,096.67	64.4%
161342 4813	ADMIN	0.00	-732,800.00	-732,800.00	-732,800.00	0.00	0.00	100.0%
161342 4880	MED INS C	0.00	-10,643,873.00	-10,643,873.00	-10,795,685.00	0.00	151,812.00	101.4%
161342 4883	MED INS R	0.00	0.00	0.00	-5,546.91	0.00	5,546.91	100.0%
161342 4886	CO-PAY C	0.00	-1,603,859.00	-1,603,859.00	-1,091,991.28	0.00	-511,867.72	68.1%
161342 4892	125 PLAN	0.00	0.00	0.00	-133,941.15	0.00	133,941.15	100.0%
161342 4901	INV INCOME	0.00	0.00	0.00	-17,535.00	0.00	17,535.00	100.0%
TOTAL CITY MEDICAL		0.00	-13,501,082.00	-13,501,082.00	-13,112,952.67	0.00	-388,129.33	97.1%
13430 CITY LAP								
161343 4802	GRANT INS	0.00	-185,594.00	-185,594.00	-138,876.00	0.00	-46,718.00	74.8%
161343 4884	INS REIM C	0.00	0.00	0.00	-88,275.84	0.00	88,275.84	100.0%
161343 4885	INS PREM	0.00	-1,064,858.00	-1,064,858.00	-1,064,858.00	0.00	0.00	100.0%
TOTAL CITY LAP		0.00	-1,250,452.00	-1,250,452.00	-1,292,009.84	0.00	41,557.84	103.3%
13440 CITY WORKERS COMP								
161344 4802	GRANT INS	0.00	-96,170.00	-96,170.00	-2,366.32	0.00	-93,803.68	2.5%

FOR 2014 99

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
161344 4809	WC REIMB	0.00	0.00	0.00	-174,100.18	0.00	174,100.18	100.0%
161344 4885	INS PREM	0.00	-2,695,216.00	-2,695,216.00	-2,725,447.00	0.00	30,231.00	101.1%
161344 4950	GAIN\LOSS	0.00	0.00	0.00	-503,766.36	0.00	503,766.36	100.0%
161344 4951	DIV & INT	0.00	0.00	0.00	-207,360.29	0.00	207,360.29	100.0%
TOTAL CITY WORKERS COMP		0.00	-2,791,386.00	-2,791,386.00	-3,613,040.15	0.00	821,654.15	129.4%
TOTAL FINANCE		0.00	-17,542,920.00	-17,542,920.00	-18,018,002.66	0.00	475,082.66	102.7%

050 EDUCATION

50200 BOE MEDICAL

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165052 4802	GRANT INS	0.00	-966,000.00	-966,000.00	-1,216,148.51	0.00	250,148.51	125.9%
165052 4868	DEFICIT	0.00	0.00	0.00	-995,435.00	0.00	995,435.00	100.0%
165052 4871	MEDCO REBA	0.00	0.00	0.00	-379,357.00	0.00	379,357.00	100.0%
165052 4880	EMPLOYER	0.00	-28,365,889.00	-28,365,889.00	-29,741,937.16	0.00	1,376,048.16	104.9%
165052 4881	MED INS-S	0.00	0.00	0.00	20,777.20	0.00	-20,777.20	100.0%
165052 4887	CO-PAY SCH	0.00	-3,163,153.00	-3,163,153.00	-2,279,019.27	0.00	-884,133.73	72.0%
165052 4892	125 PLAN	0.00	0.00	0.00	-80,077.90	0.00	80,077.90	100.0%
165052 4897	COBRA-BOE	0.00	0.00	0.00	-121,031.50	0.00	121,031.50	100.0%
TOTAL BOE MEDICAL		0.00	-32,495,042.00	-32,495,042.00	-34,792,229.14	0.00	2,297,187.14	107.1%

50300 BOE LAP

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165053 4880	CITY	0.00	-708,549.00	-708,549.00	-708,549.00	0.00	0.00	100.0%

FOR 2014 99

	ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165053 4884 INS REIM B	0.00	0.00	0.00	-16,666.67	0.00	16,666.67	100.0%
TOTAL BOE LAP	0.00	-708,549.00	-708,549.00	-725,215.67	0.00	16,666.67	102.4%
50400 BOE WORKERS COMP							
165054 4880 CITY	0.00	-1,190,109.00	-1,190,109.00	-1,787,164.00	0.00	597,055.00	150.2%
TOTAL BOE WORKERS COMP	0.00	-1,190,109.00	-1,190,109.00	-1,787,164.00	0.00	597,055.00	150.2%
TOTAL EDUCATION	0.00	-34,393,700.00	-34,393,700.00	-37,304,608.81	0.00	2,910,908.81	108.5%
TOTAL INSURANCE FUND	0.00	-51,936,620.00	-51,936,620.00	-55,322,611.47	0.00	3,385,991.47	106.5%
TOTAL REVENUES	0.00	-51,936,620.00	-51,936,620.00	-55,322,611.47	0.00	3,385,991.47	
GRAND TOTAL	0.00	-51,936,620.00	-51,936,620.00	-55,322,611.47	0.00	3,385,991.47	106.5%

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FOR 2014 99

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
16 INSURANCE FUND								
013 FINANCE								
13420 CITY MEDICAL								
161342 5258	OTHER PROF	0.00	732,800.00	732,800.00	648,760.34	0.00	84,039.66	88.5%
161342 541A	CLAIMS	0.00	0.00	0.00	126,932.75	0.00	-126,932.75	100.0%
161342 541B	CIGNA	0.00	11,039,181.00	11,039,181.00	6,215,997.43	0.00	4,823,183.57	56.3%
161342 541D	MEDCO	0.00	1,526,900.00	1,526,900.00	1,621,728.81	0.00	-94,828.81	106.2%
161342 541E	HSA	0.00	0.00	0.00	1,001,348.00	0.00	-1,001,348.00	100.0%
161342 541H	LIFE	0.00	125,400.00	125,400.00	88,040.29	0.00	37,359.71	70.2%
161342 541Q	ACA	0.00	76,800.00	76,800.00	0.00	0.00	76,800.00	.0%
161342 541S	OTHER	0.00	0.00	0.00	8,848.00	0.00	-8,848.00	100.0%
161342 5457	EMPLORER	0.00	0.00	0.00	427,854.14	0.00	-427,854.14	100.0%
TOTAL CITY MEDICAL		0.00	13,501,081.00	13,501,081.00	10,139,509.76	0.00	3,361,571.24	75.1%
13430 CITY LAP								
161343 5258	OTHER PROF	0.00	55,075.00	55,075.00	58,548.75	0.00	-3,473.75	106.3%
161343 5411	AUTOMOBILE	0.00	0.00	0.00	48,475.41	0.00	-48,475.41	100.0%
161343 5414	PROPERTY	0.00	506,230.00	506,230.00	690,084.69	33,950.00	-217,804.69	143.0%
161343 5415	VANDALISM&	0.00	0.00	0.00	2,645.00	0.00	-2,645.00	100.0%

FOR 2014 99

	ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
161343 541N PREMIUM	0.00	701,818.00	701,818.00	586,363.23	0.00	115,454.77	83.5%
161343 5455 SMITH ST	0.00	0.00	0.00	0.00	7,500.00	-7,500.00	100.0%
TOTAL CITY LAP	0.00	1,263,123.00	1,263,123.00	1,386,117.08	41,450.00	-164,444.08	113.0%
13440 CITY WORKERS COMP							
161344 5258 OTHER PROF	0.00	108,750.00	108,750.00	48,240.00	0.00	60,510.00	44.4%
161344 5298 OTHER	0.00	81,435.00	81,435.00	124,459.89	0.00	-43,024.89	152.8%
161344 5418 CLAIMS	0.00	2,555,342.00	2,555,342.00	1,689,164.80	0.00	866,177.20	66.1%
161344 541N EXCESS	0.00	45,859.00	45,859.00	0.00	0.00	45,859.00	.0%
161344 5811 INVEST FEE	0.00	0.00	0.00	75,078.68	0.00	-75,078.68	100.0%
TOTAL CITY WORKERS COMP	0.00	2,791,386.00	2,791,386.00	1,936,943.37	0.00	854,442.63	69.4%
TOTAL FINANCE	0.00	17,555,590.00	17,555,590.00	13,462,570.21	41,450.00	4,051,569.79	76.9%
050 EDUCATION							
50200 BOE MEDICAL							
165052 5419 DELTA	0.00	1,930,000.00	1,930,000.00	1,249,635.88	0.00	680,364.12	64.7%
165052 541A CLAIMS	0.00	187,600.00	187,600.00	91,349.02	0.00	96,250.98	48.7%
165052 541C ANTHEM	0.00	25,157,842.00	25,157,842.00	13,362,620.73	0.00	11,795,221.27	53.1%
165052 541D MEDCO	0.00	1,325,000.00	1,325,000.00	1,131,939.30	0.00	193,060.70	85.4%

FOR 2014 99

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165052 541E	HSA	0.00	1,850,000.00	1,850,000.00	870,066.50	0.00	979,933.50	47.0%
165052 541H	AIG	0.00	300,600.00	300,600.00	259,817.46	0.00	40,782.54	86.4%
165052 541J	DELTA	0.00	85,000.00	85,000.00	61,196.10	0.00	23,803.90	72.0%
165052 541K	ANTHEM	0.00	24,000.00	24,000.00	21,899.00	0.00	2,101.00	91.2%
165052 541L	ANTHEM	0.00	1,515,000.00	1,515,000.00	1,677,094.55	0.00	-162,094.55	110.7%
165052 541Q	ACA	0.00	120,000.00	120,000.00	0.00	0.00	120,000.00	.0%
165052 541R	125 PLAN	0.00	0.00	0.00	83,552.83	0.00	-83,552.83	100.0%
165052 5456	EMPLOYER	0.00	0.00	0.00	117,253.90	0.00	-117,253.90	100.0%
TOTAL BOE MEDICAL		0.00	32,495,042.00	32,495,042.00	18,926,425.27	0.00	13,568,616.73	58.2%

50300 BOE LAP

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165053 5258	OTHER PROF	0.00	27,925.00	27,925.00	0.00	0.00	27,925.00	.0%
165053 5414	SELF	0.00	118,480.00	118,480.00	21,846.67	0.00	96,633.33	18.4%
165053 541N	PREMIUM	0.00	549,474.00	549,474.00	597,721.77	0.00	-48,247.77	108.8%
TOTAL BOE LAP		0.00	695,879.00	695,879.00	619,568.44	0.00	76,310.56	89.0%

50400 BOE WORKERS COMP

		ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165054 5258	OTHER PROF	0.00	41,250.00	41,250.00	39,355.00	0.00	1,895.00	95.4%
165054 5298	OTHER	0.00	36,394.00	36,394.00	46,033.13	0.00	-9,639.13	126.5%
165054 5418	INSURANCE	0.00	1,027,100.00	1,027,100.00	1,137,190.34	0.00	-110,090.34	110.7%

FOR 2014 99

	ORIGINAL APPROP	TRANS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
165054 541N PREMIUM	0.00	85,365.00	85,365.00	0.00	0.00	85,365.00	.0%
TOTAL BOE WORKERS COMP	0.00	1,190,109.00	1,190,109.00	1,222,578.47	0.00	-32,469.47	102.7%
TOTAL EDUCATION	0.00	34,381,030.00	34,381,030.00	20,768,572.18	0.00	13,612,457.82	60.4%
TOTAL INSURANCE FUND	0.00	51,936,620.00	51,936,620.00	34,231,142.39	41,450.00	17,664,027.61	66.0%
TOTAL EXPENSES	0.00	51,936,620.00	51,936,620.00	34,231,142.39	41,450.00	17,664,027.61	
GRAND TOTAL	0.00	51,936,620.00	51,936,620.00	34,231,142.39	41,450.00	17,664,027.61	66.0%

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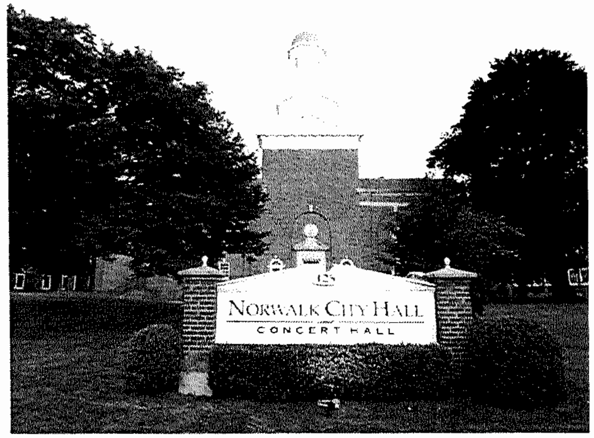


City of Norwalk

Focused Operational Review
Findings and Recommendations

Draft Version 1.0

February 2013

I. Project Overview
II. Health Insurance Analysis
III. Special Education Analysis
IV. Other Discussion Points

I. City of Norwalk – Project Overview

Project Overview

Blum Shapiro Consulting, LLC was engaged to perform a focused operational review of select areas of the Norwalk Public School (NPS) Operations. This review was focused on health insurance and special education costs. The goals of this engagement were to:

- Validate the amount of budget shortfalls in the health insurance and special education accounts for FY 2011-12.
- Determine the immediate and underlying causes of the Board of Education's FY 2011-12 budget shortfalls in the health insurance and special education accounts.
- Evaluate the processes and procedures which allowed these shortfalls to occur.
- Review transactions in the MUNIS financial management system.
- Provide findings and report conclusions.
- Recommend actions to correct deficiencies and address other findings.

Project Approach:

Our proposed approach was based on our experience and current methodology. We actively engaged and requested the involvement of staff and management of the affected departments. Our approach to performing this review was to meet and work with many of the professionals to fully understand their core processes, integration, and opportunities for change. Additionally, we downloaded financial transactions from the MUNIS financial system and analyzed the activity to determine how certain transactions were handled.

I. City of Norwalk – Project Overview

Individuals Interviewed:

The following individuals were directly involved in providing information for the City's Focused Operational Review. We wish to thank all participants for their time. We interviewed the following individuals:

	City		Norwalk Public Schools (NPS)
Robert Barron	Director of Management and Budget	Rita Galbo	Executive Secretary
Frederic Gilden	Comptroller	Elio Longo	Chief Operating Officer
Tom Hamilton	Director of Finance	Donna Patchen	Secretary Per Pupil Services
Salvatore Iannacone	Principal Accountant	Richard Rudl	Chief Financial Officer
		Pauline Smith	Director of Pupil Personnel -Special Education
Diane Barry	Risk Management Consultant	Bob Lindberg	Health Insurance Consultant

Commendations:

Although this report will identify a number of findings and recommendations related to health insurance and special education, there are a number of initiatives that had a positive impact on the overall operations within the School District. Outlined below are some of these initiatives:

1) All staff and management were timely, well prepared, and open to discussions for all interviews and follow-up questions during this project.
2) The current NPS Business Office has been proactive in recognizing and addressing issues.
3) All requested data and information was provided on a timely basis.
4) The School District's Business Office and the City's Finance Department have worked together to address issues.
5) Many corrective actions were implemented place prior to our Focused Operational Review.

II. City of Norwalk – Health Insurance Analysis

A. General Information

1. NPS health insurance is accounted for in several areas:
   a. NPS General Fund (MUNIS Fund 11)
      i. The budget for the NPS General Fund is formally approved by the City's Board of Estimate and Taxation
   b. Educational Grants Fund (MUNIS Fund 12)
      i. This fund has a budget for each individual grant
      ii. There are 60 grants in the Educational Grants Fund including State, Federal and Private grants.
   c. School Lunch Fund (MUNIS Fund 41) - This fund does not have a formal budget
   d. Insurance Fund (MUNIS Fund 16)
      i. This fund is used to account for the medical insurance of current employees of the City and NPS
      ii. This fund also accounts for NPS's general liability and workers compensation insurance
      iii. This fund does not have a formal budget
   e. OPEB Trust Fund (MUNIS Fund 71)
      i. This fund is used to account for the medical costs of qualifying retired employees of both City and NPS
      ii. This fund does not have a formal budget

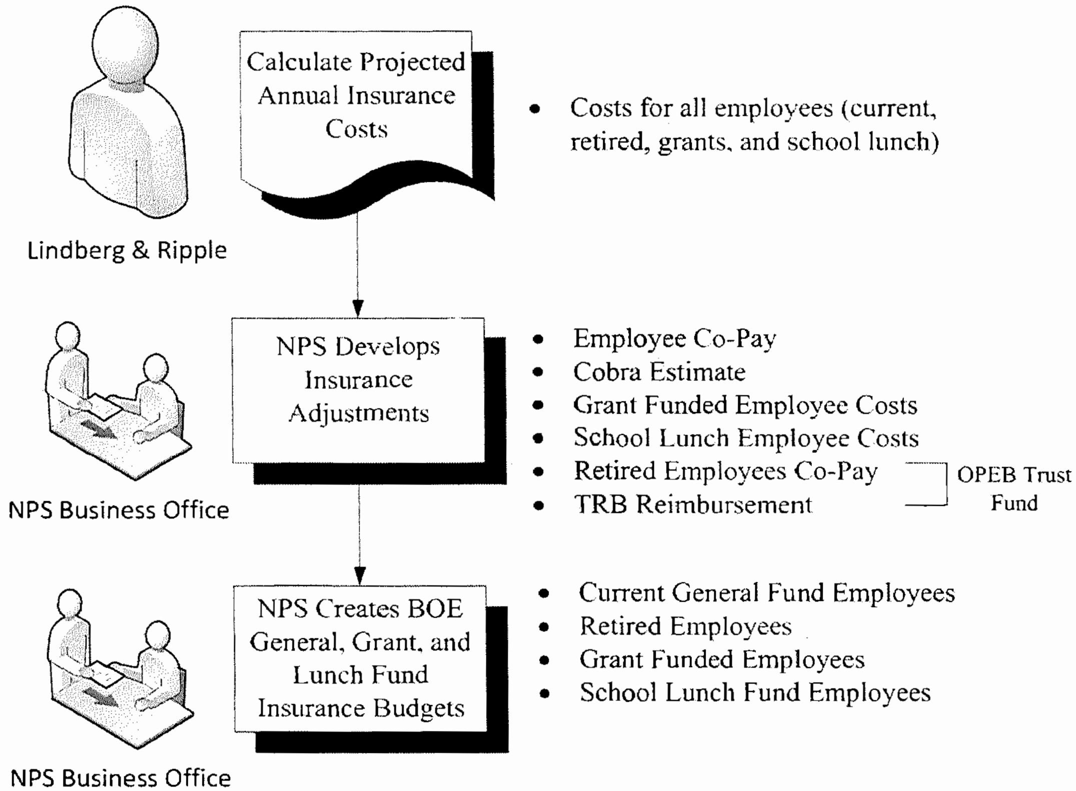
B. Health Insurance Budget Development

1. NPS develops the health insurance budget as follows;
   a. An insurance consultant creates a cost estimate for all NPS employees (current and retired)
   b. NPS develops the net budget including estimates of other revenue sources that will reduce the general fund health insurance costs. These sources are:
      i. Current Employee co-pays
      ii. Contribution for food services employees
      iii. COBRA contributions
      iv. Educational grants funding employee health insurance
      v. Teacher's Retirement Board (TRB) contribution (part of GASB offset)
      vi. Retiree copays (part of GASB offset)

II. City of Norwalk – Health Insurance Analysis

C. Health Insurance Budget Development WorkFlow

1. The graphic below depicts the budget development process for health insurance.

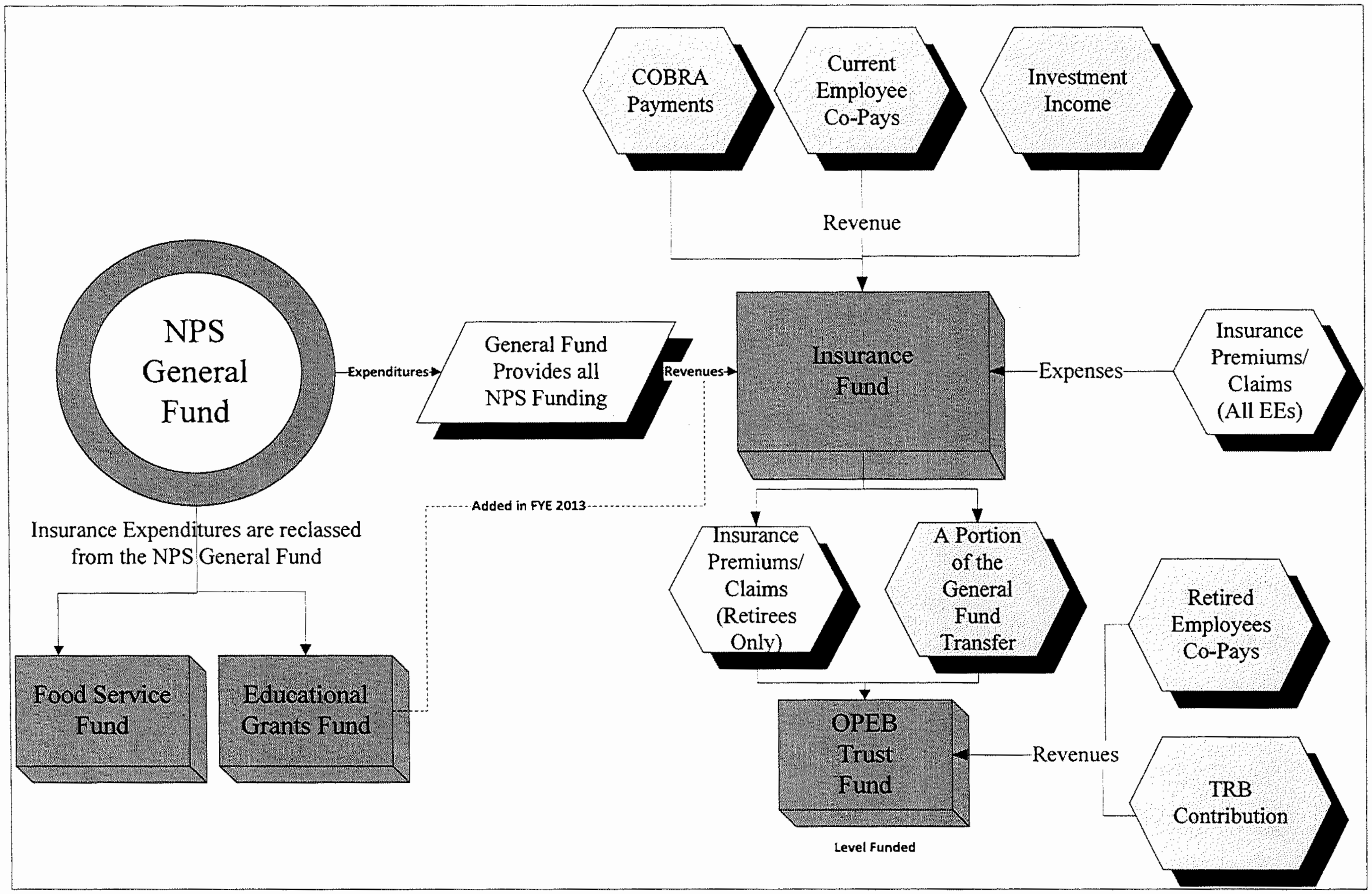


<u>Key Point(s):</u>

- NPS is responsible for budgeting for all NPS employees (Current, Retired, Grant, School Lunch, etc…).
- Insurance adjustments (CoPays, Cobra, TRB, Grant Employees) must be validated, calculated and analyzed.

D. Insurance Processing WorkFlow Diagram

1. The graphic below depicts the workflow processing for health insurance.



II. City of Norwalk – Health Insurance Analysis

Key Point(s):

- All health insurance expenses are initially paid out of the Insurance Fund.
- NPS retiree expenses are journalized to the OPEB Trust Fund.
- The NPS General Fund and Educational Grants Funds are the primary sources of direct NPS revenue, other revenues come from the employees' contributions, COBRA contributions and TRB contributions.
- The Insurance and OPEB Trust Funds service both City and NPS employees.
  - The Insurance Fund services current employees.
  - OPEB Trust Fund services retired employees.

Findings:

A. Health Insurance Cost Projections

1. Projected health insurance costs were sufficient for the last four years. The table below demonstrates the projected cost estimates and the actual health insurance expenditures

	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Projected Cost Estimate				
LRI Estimate	28,234,000	30,951,000	31,788,000	33,003,000
Insured Plans	681,000	710,000	710,000	500,000
Total Projected Cost	28,915,000	31,661,000	32,498,000	33,503,000
Actual Costs				
Insurance Fund	26,878,499	28,001,368	27,487,823	29,926,126
OPEB Fund	2,434,841	2,608,216	2,675,867	2,679,494
Total Actual Expenditures	29,313,340	30,609,584	30,163,690	32,605,620
Net Difference	(398,340)	1,051,416	2,334,310	897,380

Key Point(s):

- Projected costs for FYE 2009 were less than actual costs.
- Projected costs for FYEs 2010-2012 were greater than actual costs.

B. Health Insurance Budget History

1. The table below depicts the health insurance budget history document that was distributed.

		FYE 2009	FYE 2010	FYE 2011	FYE 2012
Projected Cost Estimate					
	LRI Estimate	28,234,000	30,951,000	31,788,000	33,003,000
	Insured Plans	681,000	710,000	710,000	500,000
Total Projected Cost		28,915,000	31,661,000	32,498,000	33,503,000
GASB Offset					
	OPEB Trust Fund	1,070,000	2,147,000	2,150,000	2,150,000
Adjusted Total		27,845,000	29,514,000	30,348,000	31,353,000
Other Revenue Sources					
	Employee Share	2,455,000	2,701,000	2,800,000	2,912,000
	TRB	259,000	274,000	290,000	407,000
	COBRA	173,000	183,000	208,000	230,000
	Grants	842,000	792,000	800,000	800,000
Combined		3,729,000	3,950,000	4,098,000	4,349,000
Net Value		24,116,000	25,564,000	26,250,000	27,004,000

Included $1.2 million margin

Assumed consistent budget offset for GASB Trust Fund

Key Finding(s):

- The GASB Offset represents health insurance costs for NPS retirees.
- The GASB Offset was used to reduce the net budget cost.
- There was confusion at the NPS as to who would fund the GASB Offset.
- NPS is responsible for funding NPS retirees' health insurance from the OPEB trust fund.

C. Health Insurance Budgets

1. Health insurance costs (on a cash basis) were under budgeted for FYE 2010-2012.

		FYE 2009	FYE 2010	FYE 2011	FYE 2012
Projected Cost Estimate					
	LRI Estimate	28,234,000	30,951,000	31,788,000	33,003,000
	Insured Plans	681,000	710,000	710,000	500,000
Total Projected Cost		28,915,000	31,661,000	32,498,000	33,503,000
Projected Revenue Adjustments					
	Active Employee CoPays	(2,455,000)	(2,701,000)	(2,800,000)	(2,912,000)
	COBRA	(173,000)	(183,000)	(208,000)	(230,000)
	* Retired Employee CoPays	(528,869)	(533,309)	(592,055)	(617,945)
	* TRB Reimbursement	(259,000)	(274,000)	(290,000)	(407,000)
Total Projected Adjustments		(3,415,869)	(3,691,309)	(3,890,055)	(4,166,945)
Required Budget Amount		25,499,131	27,969,691	28,607,945	29,336,055
Original Budgeted Amounts					
	General Fund	24,115,889	25,369,303	25,258,019	25,452,223
	Educational Grants	1,585,525	1,489,132	1,367,680	1,243,821
	School Lunch Fund	-	-	-	-
Total Original Budgeted Amounts		25,701,414	26,858,435	26,625,699	26,696,044
Required Amount - Original Budgeted Amount		202,283	(1,111,256)	(1,982,246)	(2,640,011)
Final Budgeted Amounts					
	General Fund	24,115,889	25,003,023	25,258,019	25,945,973
	Educational Grants	1,585,525	1,489,132	1,367,680	1,243,821
	School Lunch Fund	-	-	-	-
Total Budgeted Amounts		25,701,414	26,492,155	26,625,699	27,189,794
Required Amount - Final Budgeted Amount		202,283	(1,477,536)	(1,982,246)	(2,146,261)

* - Related to retired NPS employees

Key Finding(s):

- NPS did not budget enough for insurance for FYEs 2010-2012.
- The General Fund Health Insurance budget was reduced by $366,280 in FYE 2010.

D. Actual Health Insurance Costs – Cash Basis

1. NPS health insurance costs (on a cash basis) have been underfunded over the last four years. The table below demonstrates the underfunding by fiscal year.

	FYE 2009	FYE 2010	FYE 2011	FYE 2012	Total
Beginning Cash Balance	4,174,913	3,096,084	1,276,511	(69,564)	
Actual Expenditures					
Insurance Fund	26,878,499	28,001,368	27,487,823	29,926,126	112,293,816
OPEB Fund	2,434,841	2,608,216	2,675,867	2,679,494	10,398,418
Total Actual Expenditures	29,313,340	30,609,584	30,163,690	32,605,620	122,692,234
Actual Funding					
Insurance Fund	25,799,670	26,181,795	26,141,749	28,415,500	106,538,713
OPEB Fund	2,434,841	2,608,216	2,675,867	2,679,494	10,398,418
Total Actual Funding	28,234,511	28,790,011	28,817,616	31,094,994	116,937,131
Difference	(1,078,829)	(1,819,573)	(1,346,074)	(1,510,626)	(5,755,103)
Ending Cash Balance	3,096,084	1,276,511	(69,564)	(1,580,190)	

Key Point(s):

- NPS had almost a 4.2 million cash balance at the beginning of fiscal year 2009.
- NPS has not funded actual costs from fiscal years 2009-2012.
- NPS has underfunded the insurance funds by 5.8 million from fiscal years 2009-2012 (on a cash basis).
- NPS did not fund all current employees because some of the general fund revenues were transferred to the OPEB trust fund.
- Grant Employees were only funded in fiscal year 2012, where the general fund transferred more than the budget amount.
- School Lunch employees were funded through the general fund.
- The deficit on the accrual basis is larger due to IBNR expenses.

E. The Accounting Structure for the Health Insurance Does Not Adequately Support Monitoring the Fund

1. General Ledger accounts have combined activity.
    a. Munis Account 160000-4881 Ins Fund – Medical Insurance-Schools includes activity for both the general fund transfers to the Insurance Fund and employee co-pays for supplemental insurance.
    b. Activity related to the retirees is charged and removed from the same line general ledger accounts, essentially netting the activity in the fund.
2. Budgets are not recorded in the Insurance Fund and OPEB Trust Funds.
    a. This impacts monitoring of activity, neither the City nor the NPS can track budget vs. actual to see if there is an issue/problem.
3. Insurance activity is combined with other activities.
    a. Life Insurance and General Liability Insurance are processed through the same general fund account (object 212) as the health insurance.
    b. FICA and medicare costs are posted to the same object as health insurance in the Educational Grants Fund.

Key Point(s):

- The current structure clearly separates City and NPS accounts.
- The accounts in the insurance and OPEB Trust fund should be restructured to facilitate better recording.
- The original chart of accounts structure did not support adequate reporting out of the MUNIS financial management system.

Recommendation(s):

A. NPS Must Fully Fund Health Insurance For All Employees

1. NPS should ensure the Insurance Fund contributions include all employees (current active employees, grant funded employees, school lunch employees, and retired NPS employees).
2. Funds should support variations in other types of revenues (co-pays, COBRA, collections).

B. NPS Must Build A Reserve in the Insurance Fund to Ensure There is A Tolerance for Variations in Claims Activity

1. Since NPS is now fully self-insured, they may be subject to larger variations in claim activity.
2. A fund balance should be created to protect the NPS against unexpected claims
   a. Unexpected claims can be caused by unanticipated employment fluctuations
   b. Catastrophic claims.

Current Status: - As of FYE 2013, NPS has built-in a 1.2 million dollar reserve for health insurance into the general fund budget to replenish the cash balance and provide for variations in claims activity.

C. Restructure the G/L Accounts in the Insurance Funds

1. Create new G/L Accounts in MUNIS for all significant activity in the insurance funds (Insurance and OPEB Trust funds).
   a. Create general ledger accounts to track all significant items related to insurance.
   b. Accounts should include revenues and expenditures used to budget for the insurance cost.
   c. Create a separate balance sheet account to track NPS cash related to insurance.
      i. True-up cash balance on a periodic basis.
2. Create separate G/L accounts for life insurance and health insurance activity.
   a. This will provide transparency related to life insurance and health insurance activity.
3. Create new G/L accounts in MUNIS to support financial reporting directly out of MUNIS.

Current Status: - The City has added several new G/L accounts to improve transparency of the NPS health insurance transactions.

D. ELIMINATE COMBINING OF ACTIVITY IN THE FOLLOWING FUNDS (INSURANCE, OPEB TRUST, GENERAL FUND, EDUCATIONAL GRANTS, AND SCHOOL LUNCH)

1. Create new G/L Account to break out different types of employee benefits in the General Fund, Educational Grants Fund, and the School Lunch Fund.
   a. Health insurance, life insurance, pension, FICA, and medicare should all be posted to separate expenditure objects.

Current Status: - Educational Grants funding for health insurance will be funded directly out of the Educational Grants Fund beginning in FYE 2013.

E. CREATE ADMINISTRATIVE BUDGETS IN INSURANCE AND OPEB TRUST FUNDS TO BETTER TRACK FINANCIAL POSITION AND BUDGET VS. ACTUALS

1. Utilize budgets in the NPS insurance funds to track all estimated revenues and expenditures.
2. Monitor and maintain budgets based on actual activity and experience throughout the year.
3. These budgets would be to memorialize the estimates made during the budget development process related to revenues and expenditures; they would not be formally adopted by the Board of Estimate and Taxation.

F. PERFORM A PERIODIC REVIEW OF THE INSURANCE FUNDS

1. Monitor Fund activity at least monthly.
2. Ensure estimates for revenues and expenditures are accurate.
3. Adjust budgets based on actual activity and experience.

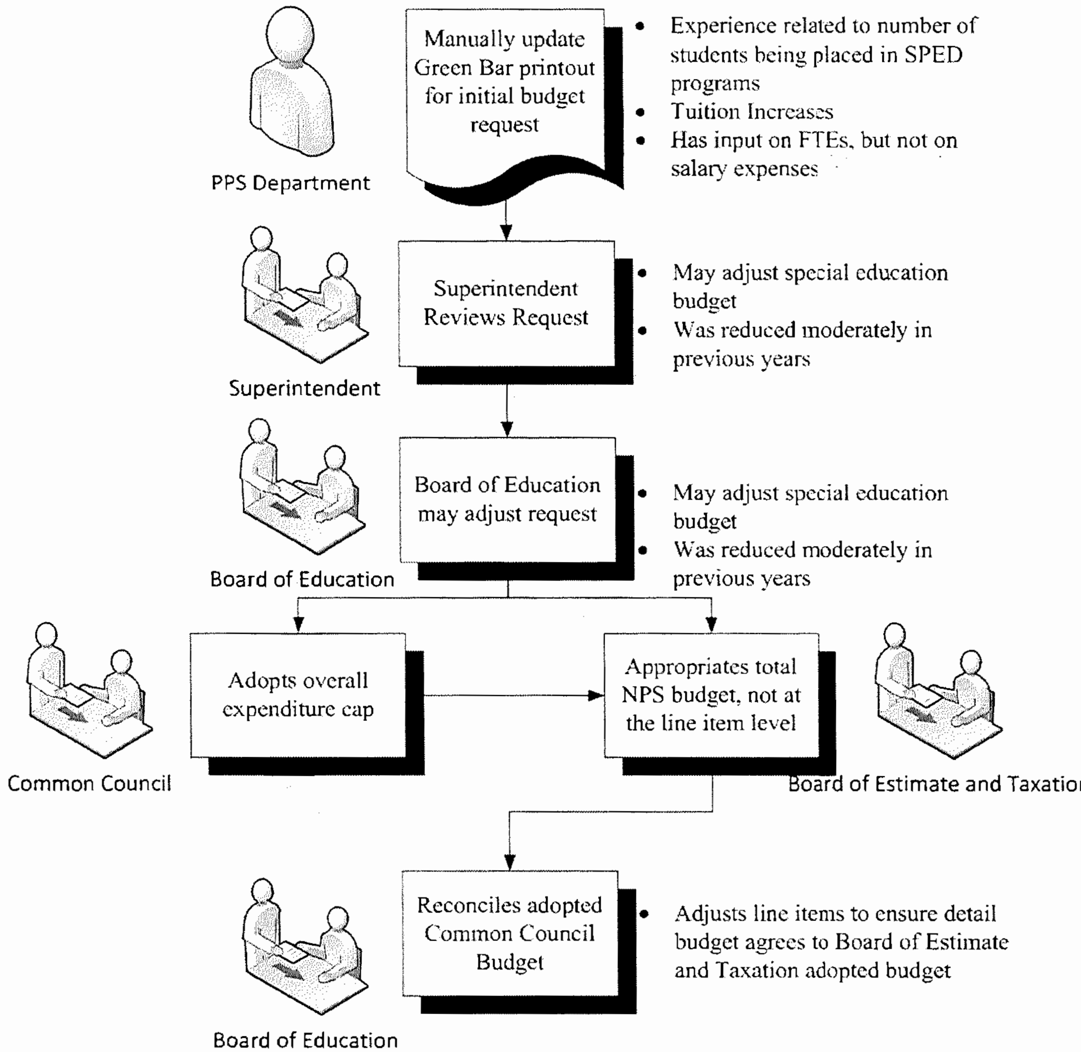
A. GENERAL INFORMATION

1. Special education (SPED) is accounted for in the NPS General Fund (MUNIS Fund 11).
    a. SPED is included in the Pupil Personnel Services department of the NPS general fund .
    b. The Pupil Personnel Services (department 56) also includes Guidance and Student Health, which support the entire school district, not just special needs students.
    c. Many of the SPED tuition costs are state mandated, they are not discretionary.

B. SPECIAL EDUCATION BUDGET DEVELOPMENT

1. The SPED budget is estimated using the past three years of data.
2. Approximately 16% of the budget is non-SPED (nurses, homebound tutors, juvenile detention, etc.) but is presented as "SPED".

3. Below is a summary of the SPED Budget Process:



Findings:

A. Budget Request Amounts Have Not Been Altered Significantly In The Budget Process

1. The Tuition Account budget requests have not been reduced significantly over for the last four fiscal years.

	Org 15612900 Project 56 Object 562 TUITION OTHER LEAs				Org 15612900 Project 56 Object 563-SPEC ED OOD TUIT/EC/SAP			
	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Department Head Request	1,254,300	1,392,015	1,531,220	1,500,000	3,824,390	4,003,110	4,403,425	4,500,000
Superintendent Request	1,254,300	1,292,015	1,431,220	1,450,000	3,724,390	3,903,110	4,203,425	4,500,000
Supt Request - Dept Head Request	-	(100,000)	(100,000)	(50,000)	(100,000)	(100,000)	(200,000)	-
Original Budget	1,254,300	1,292,015	1,411,220	1,592,530	3,724,390	3,903,110	4,162,947	4,868,786
Original Budget - Supt Request	-	-	(20,000)	142,530	-	-	(40,478)	368,786
Revised Budget	1,254,300	1,292,015	1,411,220	1,876,280	3,724,390	3,890,810	4,162,947	5,219,360
Revised Budget - Supt Request	-	-	-	283,750	-	(12,300)	-	350,574

Combined	**FYE 2009**	**FYE 2010**	**FYE 2011**	**FYE 2012**
Department Head Request	5,078,690	5,395,125	5,934,645	6,000,000
Superintendent Request	4,978,690	5,195,125	5,634,645	5,950,000
Supt Request - Dept Head Request	(100,000)	(200,000)	(300,000)	(50,000)
Original Budget	4,978,690	5,195,125	5,574,167	6,461,316
Original Budget - Supt Request	-	-	(60,478)	511,316
Revised Budget	4,978,690	5,182,825	5,574,167	7,095,640
Revised Budget - Supt Request	-	(12,300)	-	634,324

III. City of Norwalk – Special Education Analysis

Key Point(s):

- Department Head budget requests for SPED special tuition were insufficient to cover actual costs.
- The Superintendent reduced the Department Head budget requests by a total of $100,000 in FYE 2009.
- The Superintendent reduced the Department Head budget requests by a total of $200,000 in FYE 2010.
- The Superintendent reduced the Department Head budget requests by a total of $300,000 in FYE 2011.
- The Superintendent reduced the Department Head budget requests by a total of $50,000 in FYE 2012.
- The NPS Adopted Budget did not reduce the Superintendents' request in FYE 2009 and FYE 2010.
- The NPS Adopted Budget reduced the Superintendents' request in FYE 2011 by $60,478.
- The NPS Adopted Budget increased the Superintendents' request in FYE 2012 by over $634,324.

B. The SPED Tuition Accounts Have Been Overspent

1. The Tuition Account budget has been overspent for the last four fiscal years.

Org 15612900 Project 56

	Object-562 TUITION OTHER LEAs				Object-563-SPEC ED OOD TUIT/EC/SAP			
	FYE 2009	**FYE 2010**	**FYE 2011**	**FYE 2012**	**FYE 2009**	**FYE 2010**	**FYE 2011**	**FYE 2012**
Budget								
Original Budget	1,254,300	1,292,015	1,411,220	1,592,530	3,724,390	3,903,110	4,162,947	4,868,786
Net Budget Transfers	-	-	-	283,750	-	(12,300)	-	350,574
Revised Budget	1,254,300	1,292,015	1,411,220	1,876,280	3,724,390	3,890,810	4,162,947	5,219,360
Actual Expenditures	1,521,411	1,396,632	1,784,253	1,876,280	3,909,866	4,469,512	4,841,124	5,249,160
Net Difference	(267,111)	(104,617)	(373,033)	-	(185,476)	(578,702)	(678,177)	(29,800)

Combined

	FYE 2009	**FYE 2010**	**FYE 2011**	**FYE 2012**
Budget				
Original Budget	4,978,690	5,195,125	5,574,167	6,461,316
Net Budget Transfers	-	(12,300)	-	634,324
Revised Budget	4,978,690	5,182,825	5,574,167	7,095,640
Actual Expenditures	5,431,277	5,866,144	6,625,377	7,125,440
Net Difference	(452,587)	(683,319)	(1,051,210)	(29,800)

Key Point(s):

- The tuition account has been overspent from FYE 2009-2012.
- NPS did not transfer any funds into the SPED Tuition account in FYEs 2009 and 2011.
- NPS transferred budget money from the SPED Tuition account to another account in FYE 2010 even though it was overspent.

C. Purchase Orders are not Utilized Appropriately

1. Many purchase orders have been used to facilitate payment rather than to encumber funds.
   a. Purchase orders were used after the services were received.
      i. PO 1600368 for $121,644 was created on 8/2/11 and an invoice was posted on 8/2/11 for the goods and services.
      ii. PO 1601477 for $55,700 on 10/5/11 and an invoice was posted on 10/11/11.

2. Purchase Orders do not include enough detail.
   a. PO 1600368 for $121,644.
      i. Does not include how many children, time frame, etc…

3. Some purchase orders for legal settlements include individual names.
   a. Special needs children may be identified through this process.

Key Point(s):

- Purchase Orders are not utilized to help manage the budget, since they are often created "after-the-fact."
- Key features of the financial management system are not being utilized:
  - Electronic requisitions
  - On-line approvals
  - Budget edit checks

D. Budget Transfers Are Not Utilized Adequately

1. Budget transfers did not occur in FYE 2009 or FYE 2010.
2. A budget transfer was made to reduce the budget in Tuition account even though the account was over budget in FYE 2011.
3. Budget transfers occurred at the end of the FYE 2012; however, NPS has been more proactively monitoring transfers during the current fiscal year.

Key Point(s):

- The SPED budget was not monitored proactively, impacting the ability to analyze data.
- Not processing budget transfers impacts the ability to estimate the next years need since the budget amount in MUNIS does not include an accurate budget based on actual activity.

E. The Current Formal Budget Policy is Ambiguous and Outdated

1. "Transfer of Funds Between Categories – The Board of Education may transfer any unexpended or uncontracted for portion of any appropriation for school purposes to any item of such itemized estimate, but expenditures shall not exceed the appropriation made by the fiscal authority combined with such money as may be received from other sources for school purposes."
2. Policy was adopted on 8/29/85 and reviewed on 6/6/96.

F. Revenues are processed in the Pupil Personnel Services (PPS) Department for Medicaid Reimbursement and Other State Funds

1. NPS receives revenues in the PPS Department.
   a. Below is a summary of the revenues processed in the department:

	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Medicaid Reimbursments (330)	405,338	451,038	225,994	164,006
State Special Ed Reimb (564)	3,358,193	1,483,070	2,004,462	1,846,569
Total Revenue	3,763,531	1,934,108	2,230,456	2,010,575

Key Point(s):

- The PPS Department receives significant revenues related to their budgeted costs.
- NPS must determine if and how these revenues can offset costs.
- Object 330 had revenues and expenditures netted together.
- Object 564 was used to record revenues only; they were not netted against expenditures.

Recommendation(s):

A. THE DEPARTMENT HEAD NEEDS TO REVIEW ACTUAL COSTS AND DEVELOP A RESPONSIVE BUDGET FIGURE RELATED TO SPED

1. Based on our review of department requests related to certain special education accounts, the initial request was not enough to support the subsequent actual costs.

B. USE ELECTRONIC PURCHASING TOOLS TO TRACK TUITION COSTS

1. Utilize Requisitions and Purchase Orders (POs) to encumber funds for estimated tuition costs prior to incurring costs.
    a. These will help provide costs estimates for out-of-district tuition and can be automatically updated in the MUNIS financial system through the accounts payable process.
    b. POs provide an electronic audit trail of approvals authorizing the expenditures.

C. UTILIZE MUNIS BUDGET MONITORING TOOLS

1. MUNIS provides the ability to check budgets when processing purchase requisitions and purchase orders.
2. Configure MUNIS to prevent purchase requisitions/orders from being processed if a line item's budget will be overspent.
    a. Helps alert users to over budget line items.
    b. This can provide earlier awareness to budget deficits and allow the NPS to react more proactively.

D. MONITOR AND TRANSFER BUDGET AMOUNTS THROUGHOUT THE FISCAL YEAR

1. Monitor the financial activity in the special education accounts and Monitor the Budget throughout the Fiscal Year.
    a. This will provide the NPS with information earlier as to when accounts will be overspent and require budget increases, or when accounts will be underspent.

E. Develop Policies and Procedures to Facilitate Transaction Processing

1. Clearly define the level of budget control related to the chart of accounts structure.
2. Identify how NPS revenue is recorded and whether or not it allows certain lines to be overspent based on the amount of revenue received.
3. Record all revenues using their own general ledger accounts; do not "net" them against expenditures.

Current Status: - As of FYE 2013, SPED revenues were no longer being netted against expenditures.

F. Formally Adopt Budget Transfer Procedures

1. Current budget transfer practice is:
   a. Budget transfers less than $1,000 within the same category do not need authorization.
   b. Budget transfers greater than $1,000 in the same category or any transfer between categories requires formal authorization.
2. Clearly identify what constitutes a "category."
   a. Does this mean within the same Org and Object, or
   b. Does this mean within a MUNIS department code?

Current Status: - NPS has a new informal budget transfer practice that is similar to item F. above.

G. Do Not Put Parent and/or Student Names in Purchase Orders - *** BlumShapiro Did Not Note Any Student Names On Purchase Orders

1. To protect identities do not use student and/or parent names on purchase orders, instead obfuscate the individuals with a code.
   a. This helps protect private information related to students.

Findings:

A. WORKER'S COMPENSATION INSURANCE

1. Based on our review, BlumShapiro believes the worker's compensation costs are trending similar to the health insurance.
2. We recommend a more detailed analysis of the worker's compensation accounts.

B. THE MUNIS FINANCIAL MANAGEMENT SYSTEM

1. The MUNIS system appears to be underutilized.
2. Many features related to decentralized processing and automated workflow do not appear to be used.
3. We recommend performing a MUNIS "Check-up" to verify and validate the features and functionality required by the NPS, the capabilities of MUNIS to provide those features, and the determination of whether or not those features are being utilized.

SECTION A

RESOLVED **SPECIAL APPROPRIATIONS – APRIL 7, 2014**
BOARD OF ESTIMATE AND TAXATION

ADVERTISED ITEM:

FISCAL YEAR 2013-14:

1. RESOLVED, that a sum not to exceed $12,000 be and the same is hereby transferred from Contingency to the Code Enforcement Department to cover expenses related to the Blight Ordinance. (Account #01-3410-5650).

2. RESOLVED, that a sum not to exceed $510,000 be and the same is hereby transferred from Contingency to the Fire (Account # Various)

3. RESOLVED, that a sum not to exceed $51,815 be and the same is hereby transferred from Contingency to Various Departments to cover Ordinance Employees Wage Increases (Account #Various)

4. RESOLVED, that a sum not to exceed $70,748 be and the same is hereby transferred from Contingency to the Building Management Department to cover Operating Expenses at Benjamin Franklin and Nathaniel Ely Centers. (Account #Various)

NORWALK on the move!

DEPARTMENT OF FINANCE

OFFICE OF MANAGEMENT & BUDGETS

MEMORANDUM

DATE: April 7, 2014

TO: Members of the Board of Estimate and Taxation

FROM: Robert Barron, Director of Management & Budgets

RE: Special Appropriation

ADVERTISED ITEMS: - FY 2013-14:

Item 1:
$12,000 from Contingency to the Code Enforcement Department to cover expenses associates with the Blight Ordinance.

This appropriation is to cover the cost of implementing the Blight Ordinance through June 30, 2014.

After reviewing this request, Finance has determined that a special appropriation is not necessary at this time. The Blight Ordinance requires that any fees or fines collected must be segregated in a special revenue fund and used for purposes of enforcing the ordinance. It is anticipated that over time sufficient revenues will be collected to cover the cost of these enforcement expenses. While there may be a timing issue with respect to when the special revenue fund will actually start collecting revenues, we believe there is a reasonable basis to assume that these expenses will be covered through fees and fines. We will monitor the status of this fund, and if this assumption does not appear to be accurate, then we will bring the matter back before the Board of Estimate and Taxation for further action.

Finance recommends that this item either be rejected or tabled at this time.

Item 2:
$510,000 from Contingency to the Fire Department to cover contract wage settlement.

This appropriation is to cover the projected deficit in the Fire Department union wage accounts. The main reason for the deficit is the wage increases as a result of the fire contract that was settled in August which included 2.5% and 2.0% increases for last year and this year, respectively. The total wage deficit for the Fire Department is actually $646,155. When surpluses due to vacancies, reduced wages as a result of employees on injury leave, and increases for Ordinance and the Chiefs are taken into consideration, only the $510,000 shown on the attached sheet is actually needed. This amount includes $163,978 for two new Lieutenants added as part of the contract settlement and $88,235 for DROP and other severance payments and $257,787 for settled contract wages and an increase in overtime hours. Per the Fire contract, every absence must be filled with an overtime shift. The two new positions have increased the base number of overtime hours the department will have in a year. In addition, they have experienced higher than average sick and injury hours caused by long-term illnesses and absences. The monthly projections for the rest of the year have been reviewed and approved by the Chief and the hope is that savings in other divisions will help bring down the overall deficit.

Finance recommends approval.

Item 3:
$51,815 from Contingency to Various Departments to cover Ordinance Employees wage increases

This appropriation is to cover projected deficits as a result of Ordinance Employees wage increases which were previously approved for FY 2013-14.

These increases are in line with the Ordinance Pay Plan as approved by the Council in February 2013. The attached spreadsheet breaks down the amount needed by Department and includes $11,237 for the Fire Chiefs, whose wage increases are included in the Ordinance amount. Due to vacancies, not all departments need an appropriation.

Finance recommends approval.

Item 4:
$ 70,748 from Contingency to the Building Management Department to cover expenses associated with Operating Expenses at Benjamin Franklin and Nathaniel Ely Centers.

As explained in the back up memorandum, the City has assumed responsibility for utility and other building expenses at Ben Franklin Center. This building is owned by the City, but has multiple tenants. Previously, NEON was the building's primary tenant, and they paid the utility bills and received reimbursement from the other users of the building (including the City). Recent events have lead the City to conclude that it would be preferable for the utilities to all be in the name of the City, and the City will bill the various tenants for their proportionate share of the utility costs. However, we need to adjust the City budget to accommodate these additional expenses, and therefore, a special appropriation of $68,848 is needed for the Ben Franklin Center.

A small appropriation of $1,900 is also needed for the Nathaniel Ely Center to cover the costs of elevator maintenance and hot water heater inspections, which was identified after the Norwalk Housing Authority assumed responsibility for the Head Start program from NEON.

Finance recommends approval.

NORWALK on the move!
DEPARTMENT OF
CODE ENFORCEMENT

Tom, I am requesting a $12,000.00 appropriation to fund the Blight Account that was approved by Council and went into effect January 1,2014. At this time we have 18 properties under violation and 6 under citation, with the $100.00 per day fine in effect. The reason for the request is that I am depleting my operating budget to operate this account, the funding is to be re-paid back to the City and operate on it's own as the fines are collected by the City of Norwalk. Below is the breakdown of the operating costs for the first six months of operation and is what is needed to replenish my accounts and continue successful blight operations. The collection of the fines would be conducted by the Corporation Council right now they are at $4800.00 and increasing daily.

Thank you,

William Ireland
Chief Building Official & Anti – Blight Officer

Operation from January 1, 2014 – June 30, 2014

033470-5110 Regular Wages	$6000.00
033470-5120 Overtime	1800.00
033470-5211 Postage	600.00
033470-5221 Printing & Duplication	225.00
033470-5234 Publications	500.00
033470-5252 Legal Services	1000.00
033470-5258 Other Prof. Services	500.00
033470-5272 Training	250.00
033470-5295 Seminar & Conference	300.00
033470-5311 Office Supplies	625.00
033470-5331 Automotive Fuel	200.00
033470-5741 IT Hardware	Not needed at this time

Respectfully Submitted,
William Ireland
William Ireland

125 East Avenue • Post Office Box 5125 • Norwalk, CT 06856-5125 • Telephone 203-854-7755 • Fax 203-854-7970

Fire Department Regular Wages for 2013-14 - By Division

	Actual	Projected	Original Budget	Revised Budget	Variance	
10	$261,569	$376,164	$364,837	$364,837	($11,327)	Settled contract
20*	6,626,973	9,482,122	9,129,891	9,129,891	(352,231)	Settled contract, two Lieutenants added, DROP Participants, injury leave
30	368,603	522,425	575,408	575,408	52,983	Settled contract, vacancy
40	81,283	116,129	111,075	111,075	(5,054)	Settled contract
52	75,033	103,924	161,863	161,863	57,939	Settled contract, DROP Participant, vacancy
60	53,572	75,494	72,298	72,298	(3,196)	Wage increase
	$7,467,033	**$10,676,257**	**$10,415,372**	**$10,415,372**	**($260,885)**	

* Budget includes salary adjustment of $321,396 for 6 vacant firefighters

Fire Department Overtime for 2013-14 - By Division

	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Projected Total	Original Budget	Revised Budget	Variance
10	$ -	$ -	$ -	$ 1,843	$ (1,665)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 178	$1,000	$1,000	$822
20	201,344	473,655	330,850	398,138	359,319	370,103	267,010	225,956	247,578	230,070	308,140	365,204	3,777,368	3,523,851	3,523,851	(253,517)
30	2,357	6,825	3,421	6,752	2,812	5,430	887	2,505	2,200	1,715	1,893	955	37,752	25,000	25,000	(12,752)
40	-	418	1,114	487	-	313	-	418	139	133	133	533	3,687	13,575	13,575	9,888
52	1,191	3,405	3,299	4,159	2,603	3,480	2,498	3,171	1,825	619	895	934	28,078	20,000	20,000	(8,078)
													$3,847,063	**$3,583,426**	**$3,583,426**	**($263,637)**

The shaded area is estimated.

Projected deficit in regular wages and overtime:	**$ (524,522)**
Less Chiefs and Ordinance Wages	$ 14,523
Total Apropriation Request	**$ (510,000)**

Appropriation Request Breakdown:

Total in Contingency	$ 739,123
DROP/Severance	$ 88,235
New Positions	$ 163,978
Settled Wages/Increase in OT hours	$ 257,787
Total Needed From Contingency	**$ 510,000**

4/2/2014

Fire Department Overtime for 2012-13 - By Division

	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Projected Total	Original Budget	Revised Budget	Variance
10	$ -	$ -	$ -	$ 468	$ 660	$ 937	$ -	$ -	$ 46	$ -	$ -	$ -	$ 2,112	$1,000	$2,112	$0
20	216,062	458,831	313,010	289,744	403,895	337,813	306,257	239,793	208,019	220,163	294,867	349,297	3,637,748	3,523,851	3,637,748	0
30	429	3,029	1,202	6,208	7,901	3,693	1,930	601	2,015	1,715	1,893	955	31,572	25,000	31,572	0
40	-	399	399	1,365	533	1,498	133	333	1,331	133	133	533	6,790	13,575	6,790	0
52	430	524	1,021	2,549	3,263	1,656	1,546	3,616	1,463	619	895	934	18,516	20,000	18,516	0
													$3,696,737	**$3,583,426**	**$3,696,738**	**$0**

Ordinance Wage Settlement - By Department

Regular Wages

	Actual	Projected	Original Budget	Revised Budget	Variance Revised/Proj.		Appropriation Amount	
0150	$67,735	$95,546	$93,637	$93,637	($1,909)		1,909	
03	502,423	709,328	796,569	796,569	87,241		0	covered through vacancy
04	222,443	316,190	299,766	299,766	(16,424)		16,424	
07	359,801	478,375	464,969	464,969	(13,406)		7,415	rest of deficit due to severance
1310	102,563	144,675	141,785	141,785	(2,890)		2,890	
1350	246,475	353,880	364,728	362,338	8,457		0	covered through vacancy
2011	161,346	227,597	223,455	223,455	(4,142)		4,142	
3110	261,569	376,164	364,837	364,837	(11,327)		11,327	
3160	53,572	75,494	72,298	72,298	(3,196)		3,196	
4010	232,027	333,804	331,879	331,879	(1,925)		1,925	
6010	224,553	316,789	314,203	314,203	(2,586)		2,586	
Total	**$2,434,507**	**$3,427,843**	**$3,468,126**	**$3,465,736**	**$37,893**		**$51,815**	

Total Appropriation **$51,815**

NORWALK on the move!

DEPARTMENT OF PUBLIC WORKS

TO : TOM HAMILTON, FINANCE DIRECTOR

FROM: ALAN LO, BUILDINGS AND FACILITIES MANAGER AL

RE : BEN FRANKLIN/NATHANIEL ELY CENTERS – SPECIAL APPROPRIATION FOR OPERATING EXPENSES

DATE: MARCH 31, 2014

****

With recent changes to the childcare programs at Ben Franklin Center and Nathaniel Ely Center, a special operating appropriation is needed in order to cover operating expenses for the two buildings through June 30, 2014.

Ben Franklin Center is a mixed use municipal building. At the present time, there are four user groups in the building: Crystal Theatre (auditorium), Recreation and Parks Department (gymnasium), Norwalk Housing Authority (first floor childcare center) and N.E.O.N. (second and third floor classrooms). Previously, N.E.O.N. Inc. was the largest tenant in the building and therefore, was responsible for making utility payments while the other user groups made payments to N.E.O.N. for their share of the utilities. With N.E.O.N. transferring the management of the childcare center to Norwalk Housing Authority and N.E.O.N. failure to make recent payments, the City has taken over the responsibility of making utility payments in order to avoid any discontinuation of utility services. It is our intention to require each tenant to reimburse the City for their proportion of the utility costs as we negotiate the corresponding leases.

From February 1, 2014 to June 30, 2014, the projected operating cost is $43,818.96. In addition, there are prior payments owed for electrical services ($8,866.04) and for gas services ($16,163.00) for a total special operating appropriation request in the amount of **$68,848**.

Nathaniel Ely Center : In 1992, the City and N.E.O.N. entered into an agreement for N.E.O.N. to take over the Headstart program from the Board of Education and the City agreed to provide Nathaniel Ely Center and to cover the operating and capital expenses for the building.

Recently, N.E.O.N. transferred the management of the childcare program at Nathaniel Ely Center to Norwalk Housing Authority. The City's financial commitment to the Headstart childcare program is anticipated to continue unchanged except that the City would take on two additional building systems: elevator maintenance services and hot water heater inspection. The total increase to the Office of Building Management operating costs from February 1, 2014 to June 20, 2014 is projected to be **$1,900**.

Special Appropriation Request
BUILDING MANAGEMENT
014074 - BEN FRANKLIN CENTER

	February 1 - June 30, 2014
Utilities	
5241 Electrical**	$ 36,225
5242 Water*	$ 3,624
5244 Gas***	$ 26,000
General Maintenance & Service Contracts	
5266 Buildings	
Guardian Maintenance Contract	
Guardian Janitorial Contract	
Building Janitor	
Night Maintenance Staff	
5267 Plumbing, Heating & Electrical Repairs	
Annual Chiller Start Up*	$ 1,800
Plumbing	
Electrical	
HVAC Automation & Controls	
Boiler Cleaning & Burner Tuning	
Chimney Cleaning	
Boiler System Water Treatment	
Annual State Boiler Inspection	
Annual Testing & Calibration of Pneumatic Controls	
Fan Coil Unit Annual Maint. Contract	
Infrared Scanning of all Electrical Equipment	
Belts, Filters and Motor & Pump Replacements	
5269 Other - Repairs	
Elevator Services*	$ 1,000
Landscaping	$ -
Exterminating	$ -
Roof Repairs	
Gym Floor Maintenance	

Bathroom & Corridor Repairs	
Life Safety - Fire Alarm Monitoring	$ -
Fire Extinguisher Annual Service*	$ 200
Trash Removal	$ -
Snow Removal****	$ -
Grease Trap	$ -
Kitchen Equipment	$ -
5324 Household & Janitorial Supplies	
5329 Other Operating Supplies	
Light Bulb Replacement	$ -
Air Filter Replacement	$ -
	$ 68,848

Footnotes

Past due balances w/service contractors unknown

**Line Items that require additional funding*

***Numbers include past due electric utility balance (SNEW) $8,866.04*

****Includes past due gas utility balance (Yankee Gas) $5,871.27*

**** Includes past due gas utility balance (Direct Energy) $10,291.73*

*****Snow removal in the parking lots continues to be the responsibility of DPW and N.E.O.N. has continued snow removal of walkways after February 1, 2014*

Special Appropriation Request
BUILDING MANAGEMENT
014072 - NATHANIEL ELY CENTER

	February 1 - June 30, 2014
Electrical	
Water	
Gas	
Buildings	
Guardian Maintenance Contract	
Building Janitor	
Night Maintenance Staff	
Plumbing, Heating & Electrical	
Belts	
Chimney Cleaning	
Boiler Cleaning & Burner Tuning	
Boiler Water Treatment	
Annual State Boiler Inspection	
Hot Water Heater Inspection*	$ 900
Plumbing	
Electrical	
Boiler Discharge Testing	
Inspect & Repair leaks in steam pipe system	
Clean Drains (2 times per year)	
Infrared Scanning of all Electrical Equipment	
Back Flow Inspection & Repairs	
Grease Trap	$ -
Other - Maintenance	
Light Bulb Disposal	
Window Repairs	
Air Quality Testing	
Fire Extinguisher Annual Service	

OTHER CONTRACTED SERVICES	
Kitchen Equipment	
Elevator Services*	$ 1,000
Life Safety - Fire Alarm Monitoring / Smoke & Heat Detector Inspections / R&M	$ -
Fire Extinguisher Annual Service	$ -
Trash Disposal	
Exterminating	$ -
Snow Removal**	$ -
HVAC automation/ controls repairs & maintenance	
HVAC Contract Roof Top Units	
Household & Janitorial Supplies	
Other Operating Supplies	
Light Bulb Replacement	
	$ 1,900

Footnotes

**Line items that require additional funding*

***Snow removal in the parking lots continues to be the responsibility of DPW*

Past due balances with service contractors unknown