CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE MEETING
MARCH 9, 2023
BY ZOOM VIRTUAL TELECONFERENCE

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ATTENDANCE: Gregory Burnett, Chair; Nora Niedzielski Eichner; John Kydes; Bryan Meek; Ed Camacho (7:20 p.m.); Diana Revolus (7:20 p.m.)

STAFF: Henry Dachowitz, Chief Financial Officer; Lisa Biagiarelli, Tax Collector; Darin Callahan, Corporation Counsel; Chitsamay Lam, Controller; Joyce Liu, IT Director; Jessica Vonashek, Chief Economic and Community Development

OTHERS: Joseph Andrasko, Chair, Oak Hills Park Authority; Brian Bidoli, Executive Director, Norwalk Redevelopment Agency

1. **CALL TO ORDER**

Mr. Burnett called the meeting to order at 7:05 p.m.

2. **ROLL CALL**

Mr. Burnett called the Roll as indicated above. A Quorum was present.

3. **PUBLIC PARTICIPATION**

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

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

February 9, 2023- Regular Meeting

The following correction was made to the minutes.

Correct the spelling of Assessor

** **MS. NIEDZIELSKI EICHNER MOVED TO APPROVE THE MINUTES AS CORRECTED**
** **MOTION PASSED WITH ONE (1) ABSTENTION (MR. MEEK)**

February 23, 2023– Public Hearing and Special Meeting

** **MS. NIEDZIELSKI EICHNER MOVED TO APPROVE THE MINUTES AS SUBMITTED**
** **MOTION PASSED UNANIMOUSLY**

5. **CLAIMS COMMITTEE**: March 2023

Ms. Biagiarelli reported there were no claims this month that needed to be voted on.

6. **NARRATIVE ON TAX COLLECTIONS DATED MARCH 2023** – Receive Report and discuss.

7. **MONTHLY TAX COLLECTOR'S REPORTS DATED FEBRUARY 2023**– Receive Report and discuss.

Ms. Biagiarelli highlighted her reports as follows:

> As of the end of February 2023, having concluded the first eight months of the fiscal year, we had collected nearly $353 million against our $365 million adjusted levy, or 96.54%. We also collected 97.24% of our sewer use levy, an additional $17 million, and 84.07% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year (February 2022) we are behind relative to taxes (-1.33%), slightly ahead relative to sewer use (.62%); and behind relative to the IPP fee (-5.75%). Due to the extended due date of the motor vehicle supplemental billing, payable by April 1, 2023, we did anticipate a drop in the February 2023 collection numbers as compared with the prior fiscal year, when that billing was payable by February 1 rather than April 1.
>
> With regard to prior years' collections, court stipulated tax credits and other adjustments beyond our control continue to erode prior years' collections. From July 2022 through the month of February 2023, note that we show a net loss of $985,239.91 in principal. As has been the case throughout this fiscal year, tax credits granted in adjudicated property tax appeal cases continue to affect our net year to date collection of revenue from prior years. We do show a net gain of $560,456.05 fiscal year to date in prior years' combined principal, interest and fee collections, as opposed to the net loss when looking only at principal.
>
> In 2022, the Common Council approved the use of a third party collection agency to bill past due motor vehicle taxes for which we had no valid address. In November 2022, this agency sent its first mailing to approximately 7,800 taxpayers on our behalf. Between December, January and now February, we have collected more than $517,000 in past due motor vehicle taxes and interest as a result of the collection agency's billing on our behalf.
>
> Please note that these collections are made directly to the City, and payments are processed by the tax collector's office, not the collection agency.
> Tax bills for approximately $4.5 million in supplemental motor vehicle taxes were mailed the week of February 20. These bills were for newly registered vehicles that are added to the tax rolls subsequent to the "grand list" date of October 1, 2021 - first time registration, not registration renewed. Under normal circumstances, these bills would

have been due January 1, payable by February 1, the same as second installment bills. A two month extended due date and payment period were granted under CGS 12-142 to accommodate the delayed mailing of these bills. They are due March 1, 2023, payable without interest by April 1, 2023. This extension affects only the 2021 grand list supplemental motor vehicle bills.

On March 1, the Norwalk Assessor's and Tax Collector's offices underwent a software conversion to move our assessment and collection administrative systems off Munis entirely and onto Quality Data Services LLC (QDS) software. The city's financials, budgeting, accounting and other systems are still operating on Munis; only the assessment and tax collection modules have moved away.

In the tax collector's office, this conversion affects our billing; payment entry and payment processing; reporting, including receiving and providing reports to agencies such as the town clerk's office, the DMV, tax services and escrow agents, etc.; our IVR and online payment portals and E Tax Bill lookup; our financial reporting interface; all our recordkeeping, including fifteen years of payment and other history; and other areas as well.

The conversion went as well as could be expected. QDS staff members have been on site in Norwalk for the better part of the past several weeks. Our staff has received excellent training from their staff, and the back office employees at QDS who are responsible for making things work have been helpful. Speaking for myself, as a user of (now) seven different tax administrative systems over the course of 39 years in tax collection, it is going to take some time to learn the system's features and how best to use it. Norwalk's former tax billing and collection systems were driven by a permanent "customer identification number" (CID number) for decades, even before the use of Munis software. QDS does not operate this way, and there are other differences as well. We are adapting, and will continue to appreciate our taxpayers' patience as we navigate the changes.

The timing of the software conversion, and our delayed supplemental motor vehicle billing, have both necessitated changes to our regular spring schedule, including when we send past due notices, and when we file lien continuing certificates in the land records. We were not able to issue delinquent notices as we normally do in February. Those notices are at the printer now, and we expect them to go out later in March. Liens are normally filed by the second week of March, but this year, because the past due notices are being mailed later, we will file our liens after April 1. The lien continuing certificate filing processes will be done on the new software. I do not expect this change in timing to have a significant effect on our collection rate this year. Going forward in subsequent years, we expect to revert to the old schedule.

> Our division remains short staffed due to two vacancies out of our eight person staff. We are anxious to fill those vacancies, but have not been able to move forward as quickly as we had hoped due to these other issues.

Mr. Burnett asked Ms. Biagiarelli when she expected to see a catch up in the collection rate. She said she will have a better idea by the end of March.

8. **TAX ASSESSOR UPDATE ON THE REVALUATION PROCESS**.

Mr. Burnett presented the Tax Assessor's revaluation report dated March 3, 2023. A total of 3,500 homes were visited. Of those homes, 543 residents were home and 147 residents allowed the inspector to enter their home; 396 residents provided information at the door. People cited covid as the reason for not wanting anyone to come inside.

At this point the revaluation will focus on visiting condominiums. Letters will be sent to the property owners who were not home when the inspector went to their property and they will be able to schedule the visit. All residents will receive a data verification Mailer that allows the property owner to verify or correct the data on file.

Mr. Camacho joined the meeting at 7:20 p.m.
Ms. Revolus joined the meeting at 7:20 p.m.

9. **RECEIVED OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR JANUARY 2023**.

Mr. Andrasko reviewed his report as follows:

ITEM #9

Oak Hills Park Authority
January 2023 Financial Commentary

Operations Updates:

- Golf rounds are nearly 5% over budget for the first seven months of FY23. Dry weather and the current popularity of golf helped push rounds so high.
- OHPA is performing additional capital improvements currently in the off-season.
- 2023 memberships (both Discount ID Cards and Annual Passes) began selling in January.
- Discount ID card sales are off to a slow start this calendar year but we expect them to be made up in the coming months.

YTD Financial Highlights:

- FY23 YTD net operating income was over budget by $158k and we ended January with a $468k cash balance which includes $24k in the capital reserve bank account.
  - Revenue was over-budget by $100k thanks to strong golf and cart rounds.
  - Expenses were $57k lower than budget due to lower than expected wages as a result of being understaffed; offset by very high water expense due to the dry, hot conditions.
- OHPA made $89k in repayments to the City for the first six months of this fiscal year. The annual 1% of gross golf revenue additional debt payment was made in November.

Other:

- Work will begin next month on our FY2023 fiscal budget.

Mr. Andrasko reported that they are close to a final answer with their contract negotiations for their food and beverage service. The draft will be forwarded to the Mayor's office for review. They anticipate a soft opening on St. Patrick's Day. He said they plan to hire a General Manager.

****	MR. KYDES MOVED THE FOLLOWING:**

10. RESOLUTION: REQUESTING FOR ECONOMIC AND COMMUNITY DEVELOPMENT ARPA PROJECTS IN THE AGGREGATE AMOUNT OF $260,000 FROM THE ARPA (AMERICAN RESCUE PLAN ACT) FUND. ACCOUNTS: $180,000 133710-5796-AEC24 ECONOMIC AND FINANCIAL IMPACT ANALYSIS AND $80,000 133710-5796-AEC25 URBAN LAND INSTITUTE-ADVISORY SERVICES PROGRAM.

Mr. Bidoli reviewed the item. Ms. Niedzielski Eichner asked about capacity. Mr. Bidoli said they have the capacity. It is important to have multiple sets of eyes on projects like these.

Ms. Vonashek shared her screen and said they are requesting $80,000 to hold a three day workshop hosted by the Urban Land Institute. She reviewed the focus of the workshop.

****	MOTION PASSED WITH ONE (1) VOTE IN OPPOSITION (MR. MEEK)**

This item was moved to the full Common Council meeting on March 14, 2023.

****	MR. CAMACHO MOVED THE FOLLOWING:**

11. AUTHORIZE THE MAYOR HARRY W. RILLING TO EXECUTE ANY ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY TO TRANSITION FROM ITS CURRENT LEGAL DOCUMENT MANAGEMENT PROVIDER, WORLDOX TO ACQUIRING COMPANY, NETDOCUMENTS. YEAR 1, $7,900.92; YEAR 2, $6,581.47; YEAR 3, $8,814.96 ACCOUNT NO. 011370-5742.

Ms. Liu reviewed the request. Mr. Callahan reviewed the costs. Mr. Meek asked why this was not a shared service with other departments. Mr. Callahan said that may be a viable solution City wide and has been in discussions with Ms. Liu. He said he has also been in discussions with the Chief of Public Works who is looking into bringing in a more robust management system. Ms. Lie said this may require more vetting with the management team.

****	MOTION PASSED WITH ONE (1) VOTE IN OPPOSITION (MR. MEEK)**

This item was moved to the full Common Council meeting on March 14, 2023.

****	MR. CAMACHO MOVED THE FOLLOWING:**

12. AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE AN AMENDMENT AGREEMENT WITH TYLER TECHNOLOGIES, FOR TYLER HOSTING AND SOFTWARE AS A SERVICE FOR THE MUNIS FINANCIALS, HUMAN CAPITAL MANAGEMENT, REVENUE, AND PRODUCTIVITY MODULES, FOR THE CITY AND BOARD OF EDUCATION, FOR A THREE-YEAR RENEWAL TERM FOR AMOUNTS AS FOLLOWS: YEAR 1, $323,144.85; YEAR 2, $323,144.85; YEAR 3, $323,144.85. ACCOUNT 011370-5742 IT SOFTWARE.

Mr. Dachowitz described the MUNIS system. Mr. Meek asked how this line up with the previous contract. Ms. Liu explained that it is a 5% increase and will be a year by year subscription. Mr. Meek asked if there was any recompense for how Tyler botched up the 2018 revaluation. Mr. Dachowitz explained they are two different divisions in a big corporation. It is hard to penalize the software side if they had a problem with the revaluation side.

Mr. Camacho asked if MUNIS will be phased out. Mr. Dachowitz explained that they will be phasing out one module – the Tax Collector and Tax Assessor. Norwalk is the last city in Connecticut using MUNIS for collection and assessment.

Mr. Meek said he is opposed to what Tyler did to the City five years ago and will vote no. Mr. Dachowitz said he was not here five years ago when the City had the contract with Tyler.

****	MOTION PASSED WITH ONE (1) VOTE IN OPPOSITION (MR. MEEK)**

This item was moved to the full Common Council meeting on March 14, 2023.

13. <u>ADJOURNMENT</u>

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

There was no further business, and the meeting was unanimously adjourned at 8:25 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services