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

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

Members of the public who wish to provide "live comments" may also use the Zoom meeting platform. All participants will be muted upon entering the meeting. To speak, click the “raise your hand indicator” and you will be called by the host of the meeting during the public comment section.

All speakers must state their name and address. Comments must be on a topic on the agenda, and are limited to three minutes. Anyone disrupting the orderly conduct of the meeting, including by using threatening, hateful, or sexually-explicit language, will be removed. Please find the information using the link above.

Members of the public who wish to provide public comment are encouraged to submit those via email in advance of the meeting. For these comments to be included into the record, they must be submitted by 12:00 p.m. the day of the meeting. Please email Chitsamay Lam at clam@norwalkct.gov with the subject line “Public Comment” to provide written public comment prior to the meeting.

CITY OF NORWALK
FINANCE CLAIMS COMMITTEE
REGULAR MEETING
VIA TELECONFERENCE
JANUARY 9, 2025

ATTENDANCE: Gregory Burnett, Chair; Heather Dunn; James Frayer; Johan Lopez; Douglas Sutton; Anne Wennerstrand; Dajuan Wiggins

STAFF: Lisa Biagiarelli, Tax Collector; Sharon Conners, Purchasing Agent; Paul Gorman, Tax Assessor; Chitsamay Lam, Controller; Joyce Liu, IT Director; Alan Lo, Building and Facilities Manager; Robert Sowers, Director Recreation and Parks; Jared Schmitt, Chief Financial Officer

OTHERS: Denise Brown, Oak Hills Park Authority

I. **CALL TO ORDER**

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

II. **ROLL CALL**

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

III. **ACCEPTANCE OF MINUTES**

A. Regular Meeting: 12-12-24

The following corrections were made to the minutes.

Correct the spelling of Ms. Conners' and Ms. Wennerstrand's names throughout.

Page 4 - Mr. Gorman reported that the Common Council approved a contract for municipal tax services for the City of Norwalk. They also approved a contract to work with Tyler Technologies for commercial consultants should be corrected as follows:

Mr. Gorman reported that the Common Council approved a contract for Municipal Tax Services for the City of Norwalk. They also approved a contract to work with Tyler Technologies for Commercial Consultants

Page 7 – omit the following sentence: They are very involved with the Connecticut assessment collection.

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

IV. <u>PUBLIC PARTICIPATION</u>

Public participation comments are not verbatim and represent a summarization of statements unless otherwise noted. Speakers are Norwalk residents unless otherwise noted.

Ms. Diane Lauricella wished everyone a happy new year. She expressed concern about items 7a1 and 7a2 related to the transfer of funds from the free balance in the Cranbury Elementary School to the new Norwalk Community Center. She suggested this committee request a lot more details as to why $2,450,000.00 should be used for the Community Center. Ms. Lauricella said she supported that project.

Ms. Lauricella noted that some departments do not have enough staff. She said that more clarity is needed about this request.

Ms. Lauricella said the usual excuse for not having solar on public buildings has to stop. She asked the Committee members to vote no on this item and suggested the extra funds go back to the General Fund and the Recreation Center could do with less.

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

V. <u>REPORTS</u>

A. Oak Hills Park Authority Monthly Financial Statements for November 2024

Ms. Brown highlighted her report as follows:

Oak Hills Park Authority
November 2024 Financial Commentary

Operations Updates:

- Golf revenue rounds, cart rounds, and Discount ID cards performed above budget for the first five months of FY25.
- Tee Time utilization remained high even through October due to fair, dry weather, with above avera golf cart rentals due to high number of rounds and high temperatures in July-Aug.
- We are in our fourth year (of five) in our cart fleet lease and are seeing some expected wear and tea and more electricity usage than expected. However, the lithium batteries are holding up better than the standard batteries in previous leases.
- On December 8, we went live with a new POS system "foreUP" which includes our Tee Sheet, makin reservations, and checking players in when they arrive.

YTD Financial Highlights:

- FY25 YTD net operating income was over budget by $153k and we ended November with a $843k ca balance which includes $59k in the capital reserve bank account.
    - Revenue was over-budget by $170k thanks to strong golf rounds.
    - Expenses were over-budget by $17k.
- OHPA made $99k in repayments to the City for the first five months of the fiscal year, including our annual 1% of golf revenue.
- OHPA is in the process of making substantial capital improvements in FY25, including bunkers as wel as equipment and structures.

Other:

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

In response to Mr. Frayer's questions, Ms. Brown explained the golf course is open during the winter, but it is weather dependent. Regarding advertising the new restaurant, Mr. Burnett said he noticed an ad on social media. Ms. Brown said it is advertised through the Oak Hills website.

Mr. Burnett asked about making capital improvements during the winter months. Ms. Brown said they may do some interior improvements. It is difficult to do anything outdoors because the ground is too hard.

B. Tax Assessor Report

Mr. Gormam reported they are working toward the end of month. He said Ms. Biagiarelli and her team issued supplemental bills. They are getting the car portion of the Grand List ready.

Mr. Gorman said letters and applications will be sent to residents for the Senior Tax credit. He said he anticipates a brisk February for the Board of Assessments sign ups. Mr. Frayer asked if there was a breakdown between commercial and residential. Mr. Gorman explained he will not have that information until they receive the income and expense statements.

Mr. Frayer asked about Tax Abatements. Mr. Gorman described the properties in the Abatement program. He said he believes the Grand List will grow this year. He described the tax deferment due to the phase in. Mr. Frayer asked if commercial properties will start to assume a greater portion of the tax burden this year. Mr. Gorman said the commercial base will have a greater commercial construction value increase. He added that it will lean more toward commercial rather than residential, but he believed it will not be a true relief.

Mr. Burnett asked if the tax assessment for motor vehicles will result in an increase in motor vehicle taxes. Mr. Gorman said it is too early to tell; however, he added that thee may be a 10 or so point drop in tax bills. Using the MSRP (manufacturers suggested retail price) will impact people in a positive way.

E. Claims Committee Report dated January 2025

Ms. Biagiarelli explained there were two claims over the dollar threshold.

**** MR. BURNETT MOVED TO APPROVE THE FOLLOWING CLAIMS:**

MAGNER FUNERAL HOME INC		
14 MOTT AVENUE	21-RE-116400 $3,357.48	
1-35-8-0	22-RE-116321 $9,915.00	SEWER ADJUSTMENT
TOYOTA LEASE TRUST	21-23-MV-SEE ATTACHED $29,262.15	PRORTN/ABMT
TOYOTA LEASE TRUST	22/23-MV-SEE ATTACHED $10,497.77	PRORTN/ABMT

** **MOTION PASSED UNANIMOUSLY**

These claims will be sent to the full Common Council for approval at their January 14, 2025 meeting.

C. Narrative on Tax Collections dated January 2025

D. Monthly Tax Collector's Reports dated December 2024

Ms. Biagiarelli highlighted her report as follows:

> As of the end of December 2024, exactly halfway through our fiscal year, we collected more than $232 million against our $372 million adjusted levy. As noted in prior months, the net adjusted levy has been reduced from the original budgeted levy due to stipulated judgments in adjudicated property tax appeal cases related to the 2018 (prior) revaluation. However, our net levy has been increased, as of December 2024, with the infusion of $4.6 million in supplemental motor vehicle taxes on the 2023 grand list, billed as of January 1, 2025, and reflected on the December 2024 report.
>
> As of the end of December 2024, our current collection rate for all tax types, including the supplemental motor vehicle levy, was 62.53%. We also collected 63.42% of our sewer use levy, more than $12 million, and 76.76% of the Industrial Pretreatment Program (IPP) fee billing on behalf of the WPCA. Compared with the prior fiscal year, we ended December 2024 substantially ahead of last year for collection of taxes (4.47%) and sewer use (6.04%), but slightly behind for the IPP fee (-0.87%). We were ahead this year because we mailed bills very late last year.

We also had collected more than $5.1 million in past due taxes, interest and fees during the first six months of the fiscal year. This amount is (net) more than $4 million more than what had been collected in back taxes during the same period last fiscal year. The increase is due to the tax sale we held on September 9, 2024. All these figures are net of refunds and credits, and in both the current and in the prior fiscal year, a sizeable portion of our past due collections were basically consumed by credits, as noted above.

Beginning in June 2024, the tax collector's office assumed responsibility for billing and for collecting a monthly municipal tax on gross receipts from cannabis sales within Norwalk. We receive information monthly from the Connecticut Department of Revenue Services on what the gross sales were, and how much tax is owed to the city. The tax rate is 3% of gross sales, and the tax is paid by all cannabis retailers, hybrid retailers and micro cultivators.

From April 2024 through the end of the month of December 2024, we have collected $149,300 in municipal cannabis tax. These funds are turned over to the Comptroller's office for processing. We now include cannabis tax receipts in a one-line notation at the bottom of our monthly reports.

We are now in the collection period for the second installment on the 2023 grand list, due January 1, 2025, and payable without interest by Monday, February 3, 2025. The collection is going well, and there are no major issues. Although most motor vehicle taxes are billed annually in July, as noted earlier in this report, supplemental motor vehicle tax bills, for motor vehicles newly registered between October 2, 2023 and July 31, 2024, are currently being billed and are payable by February 3.

Last year, in December 2023, our billing was sent very late in the calendar year. This year, real estate bills were mailed the second week of December; motor vehicle delinquent notices, and supplemental motor vehicle bills were mailed Christmas week; and business personal property bills went at the very end of the month. There were issues again with preparing the billing files for the printer, but as we become more familiar with our software, we hope to mail bills out as early as possible and become more proficient in using the system.

Our Delinquent Tax Collector continues working with the Department of Health to identify establishments with past due taxes that need to be brought current before a new health permit is issued in January 2025. She also continues filing Uniform Commercial Code

(UCC-1) liens with the office of the Secretary of the State of Connecticut to secure payment of past due business personal property taxes.

Our third-party collection agency continues to bill on our behalf for suspended motor vehicle accounts. Through the end of November 2024, in conjunction with their efforts, we had collected a total of $1,173,484.57 in past due motor vehicle taxes and interest due to the City. (At this writing we have not yet received their monthly report for December 2024.) This agency's fees are charged in addition to the taxes and interest due to the City, and are
paid by the taxpayers who owe the past due bills; we collect what is due to us in full, and do not sacrifice any of what is due to the City. As of December 2024, we have been working with this company for two full years.

We are still engaged with work subsequent to our September tax sale. Our targeted collection for that sale was originally $4.5 million, but we collected more than $6.5 million directly on tax sale properties.

Out of the original 225 properties included in the sale, 212 paid in full prior to the day of the sale. On the day of the sale, we were left with 7 properties. The tax sale website remains up:
https://storymaps.arcgis.com/stories/00d984cac70d4ae49f41a8936c0c638f and this site is also reachable from the tax collector's home page. Owners of the sold properties have six months from the date of the sale to redeem their properties by paying off the bidders. The last day to redeem is Monday, March 10, 2025, approximately two months from now. We are doing one last mailing to the owners and parties of interest in the sold properties, reminding them of the approaching end of the redemption period. Deeds in the name of the successful bidders will be filed on Tuesday morning, March 11, 2025 for any properties that are not redeemed. At this writing we have potentially four properties that will deed over.

Looking ahead to next month, our collection period will end on February 3, 2025. Because February 1 falls on a Saturday we allow until the next business day, as required by state law. Payments may be made online, by phone, in person at one of 10 bank branch locations, at City Hall, or by mail. Payments postmarked on or before February 3 are considered on time regardless of when we receive them, per state law. Payments without a postmark, or with an illegible postmark, are considered timely or late depending on when they are received. We encourage taxpayers to consider using an E Check or ACH payment; there is an additional fee of $1.25 for using this method.

Many taxpayers choose to use this method in order to avoid the uncertainty of placing a physical check in the mailstream and hoping it reaches us on time. After the collection period concludes, we will issue delinquent notices, and then look to filing lien continuing certificates by the second week of March.

As policy makers continue in the budget process and move toward setting tax rates for the July 2025 tax billing, we remember that approximately 86% – 90% of the City of Norwalk's operating revenue is generated from property taxes. Maintaining a high current and back tax collection rate allows the budget making authority to set lower mill rates, as there can be less of an allowance for "uncollectible" taxes - taxes not timely paid when billed.

Conversely, a lower collection rate, and less efficient tax collection, would require higher mill rates, and a correspondingly higher tax levy to be borne by all taxpayers. A lower collection rate requires a higher allowance to be made to compensate for a greater number of taxpayers who will not timely pay their taxes. This principle inspires all our collection enforcement activities, and requires our persistent and consistent collection efforts at all times, and in all circumstances.

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

Mr. Burnett expressed his appreciation to Ms. Biagiarelli and her team for the success of the Tax Sale. He thanked her for including the taxes collected from the sale of cannabis. He said with three dispensaries in Norwalk, he hopes the City will see come true dollars.

Mr. Frayer commented that the collections from the Tax Sale were significantly higher than the amount anticipated. Ms. Biagiarelli explained how the criteria changed from the beginning and added that the Tax Sale process is flexible. She noted the criteria is the same for all properties. Ms. Biagiarelli said they try to let people know ahead of time that they stand to be included in the Tax Sale.

Mr. Frayer said it seems to be a bit arbitrary. Ms. Biagiarelli explained the criteria is based on what the City needs to bring it. The Tax Collector's office does not pick and choose. If a property meets the set criteria, it is included in the Tax Sale.

Mr. Burnett thanked Ms. Biagiarelli for the update. Ms. Biagiarelli reminded people that the last day to pay their taxes is February 3rd.

F. Purchasing Agent report on approved contracts listing

Ms. Conners reported she received 12 new requests (included in the meeting back up). Mr. Burnett asked Ms. Conners to provide the number of contracts handled and the total amount so that information could be shared with the full Common Council for full awareness and based on changes in the Charter. Ms. Conners will update the report.

VI. **OLD BUSINESS**

Mr. Burnett said a joint hybrid meeting of the Board of Education's Finance Committee and this Committee will take place on January 22, 2025 at 6:00 p.m. He encouraged members of this Committee to meet in person in the Common Council Chambers.

VII. **NEW BUSINESS**

**** MR. FRAYER MOVED TO APPROVE THE FOLLOWING ITEM:**

A1. RECOMMEND THE ALLOCATION OF $2,450,000.00 IN SPECIAL CAPITAL APPROPRIATION FUNDS TO THE RECREATION AND PARKS DEPARTMENT FOR THE DEVELOPMENT AND CONSTRUCTION OF THE NORWALK COMMUNITY RECREATION CENTER AT 98 SOUTH MAIN STREET.

Mr. Lo provided the history of the building and the project. He said that working with Mr. Stowers, the goal became to create a recreation center. He said the project is funded by multiple sources. Mr. Lo explained it is a contractor's market and is unpredictable. Newfield Construction who is working on the project has worked on several school projects in the City of Norwalk and came in within budget; however, this project came in over budget despite value engineering.

Mr. Burnett asked where the funds would come from if they did not have the funds from the Cranbury project. Ms. Schmitt explained the approval for Cranbury Elementary School was done and the bonds for the school were issued. The bond proceeds are in the account and will be repurposed and used for the Recreation Center. Mr. Schmitt said they did this a few months ago with the High School project. He will follow up with a Resolution, since the Bonds were originally issued under the Cranbury Elementary School project, to reallocate the Bond proceeds to this project.

Mr. Burnett asked what the process would be if they needed an allocation. Mr. Schmitt explained there would be a Bond authorization and a special appropriation along with the Resolutions. The money would then be a part of the Bond issuance.

Mr. Lo said that subject to Common Council approval, the Law Department will work to create a GMP amendment. The project will take about a year to complete, and it is anticipated it will open in early 2026.

** **MOTION PASSED UNANIMOUSLY**

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

A2. RECOMMEND THE REDUCTION OF $2,450,000 FROM FREE BALANCE IN THE CRANBURY SCHOOL IMPROVEMENT PROJECT – CAPITAL BUDGET ACCOUNT #09215010 5777 C0786.

** **MOTION PASSED UNANIMOUSLY**

Mr. Burnett said both items will be forwarded to the Common Council for vote at their January 14th meeting.

** **MS. DUNN MOVED TO APPROVE THE FOLLOWING ITEM:**

B. AUTHORIZE THE MAYOR TO ENTER INTO A FIVE-YEAR PURCHASE AGREEMENT WITH TOTAL COMMUNICATION, INC. FOR CISCO ISE LICENSES, WITH A TOTAL COST NOT TO EXCEED $44,748.00.
CITY ACCOUNT: #09251370 5777 C0375

Ms. Liu reviewed the request and compared it to a digital security guard that controls what can be done on the network. She explained that two bids were received, but this vendor provided the best price. Mr. Burnett asked if there was a partnership with the Board of Education. Ms. Liu said they do not use the same product because they are on a different network. The total cost over five years is $44,748.00.

** **MOTION PASSED UNANIMOUSLY**

Mr. Burnett said this item will be forwarded to the Common Council for vote at their January 14th meeting.

VIII. ADJOURNMENT

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

There was no further discussion, and the meeting was unanimously adjourned at 8:30 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services