

**CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
FEBRUARY 14, 2019**

ATTENDANCE: Gregory Burnett, Chair; Ernest Dumas;
Douglas Hempstead; John Igneri;
Nicholas Sacchinelli

STAFF: Thomas Hamilton, Finance Director, Board
of Education,
City of Norwalk; Drew Berndlmaier, Senior
Engineer; Lisa Biagiarelli, Tax
Collector; Angela Fogel, Director,
Management and Budgets; Chitsamay Lam,
Comptroller

1. **CALL TO ORDER**

Mr. Burnett called the meeting to order at 7:03 p.m.

2. **ROLL CALL**

Mr. Burnett called the Roll. A Quorum was present.

Mr. Burnett explained that items 10 and 11 were removed from the agenda because they were already discussed at last evening's Common Council meeting.

3. **PUBLIC PARTICIPATION**

There were no members of the public present this evening.

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

January 14, 2019

Page 6: sixth paragraph, sentence should read – Mr. Bovilsky repeated his earlier request that Mr. Dumas not wait several days before letting the Housing Authority...

**** MR. HEMPSTEAD MOVED TO APPROVE THE
MINUTES AS CORRECTED
** MOTION PASSED UNANIMOUSLY**

5. **CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT; REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT DATED: FEBRUARY 14, 2019**

Ms. Biagiarelli explained there was a special request due to the dollar amount. It was a duplicate payment.

- ** MR. HEMPSTEAD MOVED TO APPROVE THE SPECIAL REQUEST FOR \$11,405.44 FOR CORELOGIC TAX SERVICE
** MOTION PASSED UNANIMOUSLY

6. **NARRATIVE ON TAX COLLECTIONS DATED FEBRUARY 14, 2019 – RECEIVE REPORT AND DISCUSS**

7. **MONTHLY TAX COLLECTOR’S REPORT – RECEIVE REPORTS AND DISCUSS: JANUARY 31, 2019**

Ms. Biagiarelli reviewed the reports and explained they were behind in collections compared to last year; however, they took in a lot of payments during the first week of February and those payments are not shown in this report. In addition, they had a lot of payments at the end of the last fiscal year because people paid early to take advantage of the tax deduction before the federal tax law changed.

Ms. Biagiarelli asked the Committee members to not be alarmed when a “demand” notice is sent. The term “demand” is not an attempt to be rude but is a technical term.

The redemption period for last July’s tax sale ended and they ended up selling 14 properties and seven of those properties were redeemed. The point of the tax sale is to collect taxes. The excess fund collected were turned over to the Superior Court. Ms. Biagiarelli said they will start working on the next tax sale in the fall.

During the month of February, they will have a better idea if they will be closer to the 99% collection rate.

The Committee accepted both reports.

8. **OPERATIONS AND PUBLIC WORKS SPECIAL CAPITAL APPROPRIATION**

Mr. Berndlmaier reviewed the special capital appropriation request for a new sidewalk along Wilson Avenue. Mr. Hempstead asked if any accounts have outstanding balances. Ms. Fogel said Mr. Barron worked with Mr. Gilden to clear up the accounts.

Mr. Berndlmaier said that it is rare to propose new sidewalks. He said the design was approved by the State and that is what he ran his cost estimate from. Mr. Igneri said this started when they began the Safe Routes to School initiative. He said the Sixth Taxing District has been fighting for this for a long time.

Mr. Sacchinelli said that residents have been turned away when they have requested new sidewalks because they were told the City does not create new sidewalks. Mr. Berndlmaier said this is the only new sidewalk project he is aware of.

**** MR. IGNERI MOVED TO APPROVE SPECIAL CAPITAL APPROPRIATIONS TOTALING \$75,000 TO INCREASE THE AVAILABLE FUNDS FOR SIDEWALK AND CURBING PROJECT 09194021-5777 C0318 AND AUTHORIZING THE ISSUANCE OF \$75,000 OF GENERAL OBLIGATION BONDS OF THE CITY OF NORWALK TO MEET SAID APPROPRIATION**

**** MOTION PASSED UNANIMOUSLY**

9. **PRESENTATION OF THE FY 2019-2020 RECOMMENDED OPERATING BUDGET**

Mr. Burnett said this presentation was made to the Board of Estimate and Taxation and the Common Council. This evening's presentation is an opportunity for the Finance/Claims Committee to review the recommended operating budget.

Ms. Foley gave a Power Point presentation of the 2019/2020 recommended operating budget. She said a \$6 million fund balance transfer is recommended.

Mr. Hamilton explained that the State had an MBR that says municipalities are required to appropriate as much funding in a subsequent budget as they appropriate in the current budget.

Mr. Hempstead asked if there is enough in the Rainy Day fund if they draw down this year and will there be enough to draw down next year. Mr. Hamilton recommended that the City consider using a step down approach and bring the fund balance down between \$12 - \$15 million. At this point the City has a \$60 million fund balance. The Rainy Day fund can be used for what the appropriating bodies deem appropriate.

Mr. Hempstead requested the sheet showing the tax impact table with the step graph.

Ms. Fogel said the total tax levy is a 3.3% increase over last year and is within historical ranges. The Board of Education budget increase is 3.0%.

Mr. Hamilton explained that the Board of Education is working on identifying where they can make \$1.8 million in cuts and said there may be some programmatic cuts. Mr. Hempstead asked if they anticipate any surplus that can be applied to offset any expenses. Mr. Hamilton said there is nothing left in the health care budget because they moved to the State plan.

Mr. Hamilton distributed a chart showing AAA municipalities in CT and said that Norwalk is at or near the top in terms of total fund balances. He said Norwalk is in the middle of an historical investment in the educational system and he expects the rate of increases in the Board of Education funding to come down in a few years. He said it is reasonable to draw down on the fund balance and that \$45 million in the fund balance would be sufficient.

Mr. Sacchinelli asked if they would have funds available in the event of a disaster. Mr. Hamilton said that FEMA historically reimburses the City for expenses in response to natural disasters. In addition, the City has insurance that covers City buildings.

It is up to the City to determine how much they feel can be drawn down from the fund balance. Mr. Hamilton said the City has an

advantage because it has a very stable and diverse tax base and does not rely on one corporation. The fact that the City does not get much State aid means it is not subject to cuts in that State aid. Only about 5% of the budget comes from State aid.

Mr. Burnett requested a chart showing four different amounts coming out of the fund balance and the impact those amounts would have on the 2019/2020 budget.

Mr. Hempstead asked about the driver for employee benefits. Mr. Hamilton explained the underlying trend in health insurance is a 7 ½ - 8% increase.

Mr. Burnett announced a public hearing on Thursday, February 21, 2019 at 6:30 p.m. in the concert hall.

10. **OAK HILLS SPECIAL APPROPRIATION**

Discussed at last evening's special Common Council meeting.

11. **RECEIVE OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR DECEMBER 31, 2018.**

Discussed at last evening's special Common Council meeting.

Mr. Burnett said they will have a final audit report for Oak Hills by the next meeting.

12. **ADJOURNMENT**

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

There was no further business and the meeting was unanimously adjourned at 8:36 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services