

**CITY OF NORWALK  
BOARD OF ESTIMATE AND TAXATION  
REGULAR MEETING  
APRIL 20, 2020**

ATTENDANCE: Edward Camacho, Chair; Mayor Harry Rilling; Ed Abrams; Sheri Brown; James Frayer; Artie Kassimis

STAFF: Henry Dachowitz, Chief Financial Officer; Angela Fogel, Director of Management and Budgets

OTHERS: Dr. Steven Adamowski, Superintendent of Schools; Dr. Brenda Myers; Chief Academic Officer, Board of Education; Thomas Hamilton, Chief Financial Officer, Board of Education; Kristin Karczmit, Director of Management and Budgets, Board of Education; Sarah Lemieux, Chair, Board of Education; Barbara Meyer-Mitchell, Chair, Board of Education Finance Committee; Colin Hosten, Board of Education; Sherelle Harris, Board of Education;

Mr. Camacho called the meeting to order at 6:40PM. He called the roll and a quorum was present.

**1. BOE FYE 2021 OPERATING BUDGET REVIEW**

Mr. Hamilton presented and said he would like to start by correcting some misconceptions about the Board of Education budget which include:

- The three year plan budget forecast-FY 2020-21 budget request is in the line with the prior forecast and there are good explanations for any variances.
- The Board of Education portion of the total city budget is in line with other Connecticut cities, and is far lower than our suburban neighbors, and has been remarkably stable.
- The state per pupil spending figures are the most reliable and comparable data available with which to comparing spending across school districts in Connecticut. These figures are based on mandatory expenditure reporting, which is subject to review by the external auditors. These figures include in-kind city services. The state data demonstrate that Norwalk's per pupil spending lags in comparison to our Fairfield County neighbors, including Stamford.

Mr. Hamilton said the Boards projections for 2020/21 were that the budget was going to be \$211.2 million dollars, which was a 4.5% increase over what the board had originally requested for FY 2019/20 of \$202 million dollars. The budget that is being presented is in line with the projections that had been developed last year, and the final approved budget for FY 2019/20 was not in fact \$202 million dollars but was \$198.5 million dollars so there were some reductions made to that budget, in particular there was an expectation that the Board of Education was going to be turning back some money at the end of the year and there was an agreement between all the parties that if the Board of Education turned that money back that money would be rolled forward up to the 1% and that is exactly what had happened. We are grateful that the city did in fact roll forward \$1.9 million dollars from FY 2018/19 budget into the FY 2020/21 budget, but we all recognized at the time that the \$1.9 million dollars was not going to fund onetime expenses, but was going to support the Board of Education's regular operating budget so those funds would need to be restored or continued in the budget going forward.

Mr. Hamilton said two significant things had occurred since this forecast was originally prepared which is enrollment growth and especially enrollment growth among our English language learners. The Board of Education had come back and requested a special appropriation of the city earlier this fiscal year because of the large influx of English learners and the need to provide appropriate educational services for those students. The \$1 million dollar appropriation if annualized for a full year the additional cost built into the Board of Education's budget request would be an additional \$1,545,000 which will need to be added to the \$211.2 million dollar request. The second major thing is enrollment growth and at the time the three year plan was prepared we had projected along with the outside demographer a 50 student increase in population, but in reality our enrollment has grown just over 400 students over the last few years which translates to a cost of \$3,326,00 of additional expenses so that along with the increase for the ELL students comes to a total budget of just over \$216 million dollars and the original budget request that was submitted was just over \$216 million dollars so the budget request they are submitting is very consistent with the three year plan.

Mr. Hamilton said the Board of Education's portion of the total city budget makes of 54% of the total budget, which is validated on the schedule that they had prepared based on actuals from the city's CAFR showing that the Board of Education direct expenditures at 54% and has been stable, and when the in kind adjustments are rolled in the Board of Education budget is at 58% of the total budget.

Mr. Hamilton said the per pupil spending and the high needs students is at \$18,026 and is lower than all of our neighboring towns. Mayor Rilling asked how we compare in our DRG with the per pupil spending. Dr. Adamowski said the State Department of Education has advised all of the districts in the state that the DRG's are largely obsolete and should not be used as a basis of comparison anymore. He said the reason is because the wealth of districts have changed so much over the past 20 years and the State is working on updating the comparison and if that were the case we would rise two levels. Ms. Meyer-Mitchell said Katie Roy from the Connecticut State and Finance project said the only district in Connecticut that would truly be an elegist to Norwalk is Stamford and her recommendation would be to have a separate DRG for Norwalk and Stamford. Mr. Frayer asked where Norwalk stands in the DRG when compared to the other cities. Dr. Adamowski said that Norwalk would be higher than Ansonia, Derby and West Haven and lower than Stamford. Mr. Camacho asked if there is a document that shows that in kind services and debt services are included in the per pupil cost. Mr. Hamilton said the per pupil cost does not include debt service but it does include in kind services and there are documents that are available from the State that confirm that. Dr. Adamowski said the State Department of Education has the per pupil costs of every school district and a legend that shows how it is calculated and includes the in kind services. Mr. Kisamis

asked if the change in the DRG will affect the ECS formula. Dr. Adamowski said “no” there would be no affect on ECS.

Ms. Karczmit began by thanking the city and the teachers and staff for supporting and partnering together in this pandemic and a great job is being done with the distant learning. She presented the budget goals for 2020-21 as follows which ties to the original \$14 million dollar increase before the cuts were initiated but still believe students do need all of the goals listed and may need more support due to the pandemic :

- Salaries & Benefits increases relative to new collective bargaining agreements for \$5.6 million dollars. The largest part of this goal is related to health insurance but on a positive note the original increase was \$2.6 million dollars for benefits but was based on initial assumptions and since then have received revised assumptions from the consultant and do see a savings of \$1.4 million dollars that can be applied to the cuts.
- Enrollment growth increase of \$3.3 million dollars based on the projected enrollment increase but does not cover the cost of special education, transportation and ELL so at a minimum the \$3.3 million dollars is needed as part of the budget goals.
- Expansion & enhancement of the ELL Program of an increase of \$1.9 million dollars for the increase in ELL student population and provides for specialized ELL teachers and instruction.
- Provide program support for additional students enrolled in choice of an increase of \$700,00. This supports the choice programs with the goal being to meet the diverse needs of the city and students who live in the city.
- New general student transportation contract of an increase of \$ 800,000.
- Counseling & social emotional learning: Implement phase II of recommendations of the counseling services study committee including the implementation of student success plans and support for implementation of social emotional learning and executive functioning training at an increase of \$400,000. This goal is needed more now than ever due to the pandemic.
- Carver Center partnership for before and after school programs at increase of \$300,000 but is a drop in the bucket when compared to the support and funding that Carver spends on our programs and they spend over \$4 million dollars annually to support our students.
- American Sign Language for an increase of \$200,000 which is essentially a new teacher along with some resources and provides choices for students to fulfill their world language credits.
- 7<sup>th</sup> grade summer school- Projected district operating contribution at an increase of \$245,000.

Ms. Karczmit presented the history that has over 10 years of data and historical information and pointed out that the Board of Education had requested an original budget of \$216 million dollars, and the final approved budget of \$208 million dollars, the \$8.1 million dollars in recommended cuts which is an increase of \$9.9 million dollars from the prior year, but when looking at the 2019-20 approved budget and add the \$1 million dollar special appropriation the budget increase is 4.47%.

Ms. Karczmit presented the enrollment chart and said the 2019/20 budget versus the 2020/21 budget and said just the projections alone are showing an increase of 411 which ties into the 406 related to the enrollment increase. Mr. Hamilton pointed out that a 411 student increase is about the size of an additional elementary school so it is not a small increase in enrollment. Ms. Karczmit said as of April 1, 2020, the enrollment is already at 11,888 students and are already at the point where we are almost at the budget. She said that is over 11,910 students when the ELL students get factored in which is almost at the point of the 2021 projection, so this factored in with the possibility of the shift from private to public school they think they may even be higher than the projected enrollment.

Ms. Karczmit said that there are laws and mandates related to ELL services and districts must take affirmative steps to counter student language barriers and ensure that ELL students can participate in meaningful educational programs, and we need to make sure the proper supports are there hence budget goal number three and why it's so large and why the special appropriation was requested. Mr. Camacho asked if any consideration has been given as to whether there may have a downturn in student population due to COVID-19. Dr. Adamowski said "no" and don't see why that would happen and he does not expect anything but a continued increase.

Dr. Adamowski said there is a gap of \$8.1 million dollars between the budget that the Board of Education has submitted to the city and what the city has so far appropriated. Last month he had submitted to the Board of Education \$6.6 million dollars in cuts and while these are very painful and while the Board of Education is struggling with them most are indirect expenses and not distributing the direct instruction between a student and a teacher. He said they could not go beyond the \$6.6 million dollars in cuts to the \$8.1 million dollars without directly impacting instruction. He said the request tonight is for the Board of Estimate and Taxation to consider adding the \$1.5 million dollars for the full year costs of the growth in ELL enrollment so that the Board of Education does not have to make further cuts to students who are not ELL.

Ms. Meyer-Mitchell thanked the Board of Estimate and Taxation and Mayor Rilling for their unprecedented support over the last several years. The thing that is very important to understand about education is that is an labor intensive business model, and there are contractual obligations with the unions on class sizes so they cannot make cuts in that area without violating the contracts so we are in a bind when the enrollment increases the way it has especially when it increases in an area of high needs. She said the Board of Education is extremely aware of the circumstances that the city finds itself in but education is an area in which we are legally mandated to provide these services and leaves the city open to liability if we do not provide them appropriately so she urged the Board of Estimate and Taxation to allow them to invest as what has been laid out.

Ms. Lemieux said the best thing we can do to mitigate the damage done to the world by this pandemic is to make sure that we educate everyone to the best of our ability so that decisions can be made to make us all safe.

Mr. Holsten said the physiological impact of what is going on is perhaps just as devastating as the public health impact and in his opinion there is an opportunity here to achieve a physiological benefit from a show of joint support for the public education system.

Ms. Meyer-Mitchell said every dollar that we put into our local economy through salary has a multiplier affect especially when it is spent locally and is one way to help our economy from this hit and come back quicker.

Ms. Harris said the teachers are concerned regarding the cuts and if the additional amount is not added to the budget they will not be able to keep up with the rigger and they will lose a lot of the process that the students have made thus far. She said because we don't have any testing it is very difficult to assess the students and don't want further loss for the fall so there is a need for summer learning for all students with a little bit of flexibility for the Principals to decide who needs it. The curriculum department is also looking into a co chairing model with ELL as well as special education and definitely need to hire more teachers and we can't afford to lose the progress that we have made.

Mr. Camacho asked if there are any administrative positions or non-teacher positions that could be cut or reduced without impacting learning. Dr. Adamowski said that he has made recommendations on cuts to the Board of Education but have not yet been accepted yet because some of them are very difficult. The Board is appropriately giving thought to this and looking to see if there are alternatives etc. but they can't get from \$6.6 million dollars in cuts to \$8.1 million dollars in cuts without taking direct services away from children who are non ELL to fund the ELL's which is why the special appropriation is needed. Ms. Lemieux said even when cuts are made that are not in the classroom they have a collateral impact on the classroom because the amount of work that has to be done is still there and someone will end up having to do it.

Mr. Fryer asked what the latest projection is for this year versus the budget from last year. Mr. Hamilton said with respect to the Board of Education budget there are a lot of moving pieces due to the COVID-19 situation. He said they know there will be some savings in some areas, but by in large the things that are driving the budget and one is that most of the budget is wages and benefits and those expenses are continuing due to fact of distance learning, as well as the Governors executive order that mandates that school districts maintain paying staff through the pandemic as well as the executive order that impacts transportation expenses. In addition to that there are areas where expenses have increased and have been working with the city in respect to some cleaning costs as well as for the purchase of chrome books. He said they are still compiling the numbers and will be presenting information back to the Finance Committee as soon as they have it. Mr. Dachowitz said on the city side the revenues from tax revenue look good but it is unclear whether departmental fees and licensee's revenue will hold up as well as the intergovernmental grants from the state and of course expenses that were unanticipated. He said he is hoping that everything else will come in at the balance budget level and if there is a deficit it will just be the \$1 million dollars for the chrome books and the cleaning costs but won't know for sure and won't know until the books are closed.

Dr. Adamowski expressed thanks to the Board of Estimate and Taxation for reviewing their budget and are grateful for their service. Mr. Camacho also thanked Dr. Adamowski for his service the past five years and have done a tremendous job.

Dr. Adamowski; Mr. Hamilton; Ms. Karczmit; Ms. Lemieux; Ms. Meyer-Mitchell; Mr. Hosten and Ms. Harris left the meeting at 8:00PM.

## **2. BOARD OF ESTIMATE AND TAXATION OPEN ITEMS DELIBERATION**

Ms. Fogel presented the open items that were identified by the Board of Estimate and Taxation operating budget departmental reviews and were the cuts to the requested budget for fiscal year 2020-21 and during the meeting the departments asked the Board of Estimate and Taxation to restore these budgeted expenditures when they create their tentative approved budget. She also presented the areas that she had identified where there can be alternative cuts so that these departmental requests can be funded.

Mr. Fryer asked if some of the numbers are based on actuals coming in lower than what was expected. Ms. Fogel said "yes". Mr. Fryer said the contingency number is only being reduced by \$12,000 and asked if it will be coming in at the \$2.7 million dollars. Ms. Fogel said it may not and this year there is just over \$500,000 balance in contingency and may still end up with a surplus in contingency. Mr. Dachowitz said the contingency account also has all of the raises and the step increases for next year.

Mayor Rilling thanked Mr. Dachowitz for working so hard as well as the Board of Estimate and Taxation members. He said this is a very challenging year for everyone and what is coming down the road is unknown relative to the expenses and Mr. Dachowitz has put in a buffer that will be used to protect us in the event there are significant unanticipated expenses due to COVID-19. He said he would like to put back the \$1.5 million dollars for the Board of Education and said that they have been very diligent on cutting back on their original request. He said generally the Board of Education also has a right to ask the city to carry over up to 1% of their annual budget if it is unexpended and he has recommended that perhaps the Governor would issue an executive order that would allow the Board of Education to request more than a 1% carryover which would be an incentive for the Board of Education to come in at the end of the year with a surplus. Moreover, we know that there is the MBR that does not allow the city to give less than what was given the previous year and suggested that maybe during these challenging times that the MBR can be relaxed. He said that a budget was put together not to be over burdensome on the taxpayers which is the goal so if the cap is kept that does not mean that in the future we can't come back and revisit the budget once there is a better idea on how COVID-19 has impacted the expenses.

Mr. Abrams said going into the process we have to give the Board of Education a number to plan at and they can always find ways to increase that should funding become available, but asked don't we have to start with a conversation that says for now they need to plan at the budget that has been identified with the recognition that should certain things fall into place the budget can potentially be increased, but we cannot let the Board of Education at this point plan for an incremental \$1.5 million dollar when we don't yet know yet whether we have discovered it. Mayor Rilling agreed and said to plan for what has been authorized and as we go forward we will work with the Board of Education to try and figure out what other funding may be available based on the need. Mr. Frayer agreed and if they push hard enough they will find the money that they need to sustain the year to year spending and it is a goal we are giving to people yet we are assuring them that there is a safety net if they run into problems. Mr. Frayer said it would help in the contingency process if together on what a reinstatement set up priorities might be for the Board of Education. Mr. Dachowitz said he agrees with everything that has been said and he will work hard with Mr. Hamilton and the Board of Education. Mayor Rilling said it is important that things are constantly monitored and over the past seven years the Board of Education's budget the city has increased 26% far more than any previous administration so we have shown our commitment to education for our students and in the same time the city budget has increased by 10% so we are doing everything we can to help them implement their strategic plan and continue to make the Norwalk Public Schools system better and better each year.

Ms. Brown said the budget that is being requested is based on a set of informed criteria and is responsible and she is glad it appears that there will be a consensus of the board to do something that is collaborative but at the same time continue to monitor.

Mr. Camacho asked what the anticipated savings will be from not using the buses for the last four months of the school year as well as the energy savings. Dr. Meyers said the Governor's executive order makes it mandatory for the Board of Education's to continue to pay all of the bus drivers and staff so there will not be a lot of savings realized in labor and most of the savings will be in energy costs.

Mr. Dachowitz presented and said this has already been presented to the Finance Committee of the Common Council as well as the full Common Council and because we were given a 30 day extension of the requirements to finalize the grand list by the new Tax Assessor it was finalized on February 29, 2020. He said because we did not have that knowledge in advance we assumed the grand list would be flat but when the grand list came in there was \$417 million dollar increase in revenue, which translates into \$9.96 million dollars of revenue and \$344.5 million of which \$8.2 million dollars of revenue is attributable to the SONO Collection, and because they did not have their certificate of completion as of October 1, 2019, the seven year abatement agreement did not kick in. He said consequently there will be a full \$8.2 million dollars from the SONO Collection this year but for the next seven years they will have a 50% abatement so because of those factors we had \$9.96 million dollars more revenue that was assumed on February 25, 2020.

Mr. Dachowitz said they have projected next year's budget to be \$4.9 million dollars for unanticipated revenue shortfalls or inestimable expenses due to COVID-19 that are not budgeted for. He said we were able to protect next year's budget for COVID-19 but at the same time give our taxpayers relief and came in with a lower tax rate increase because of the \$344.5 change in revenue.

Mr. Dachowitz said the fiscal year 2020 budget was \$367.5 million dollars of expenditures and as of February 25, 2020, our proposal was \$385.6 million dollars and that is what the Common Council set as the cap. The total expenditures are constant and what the Common Council had capped we did not change the total expenditures. He said the net tax levy was \$331.8 million dollars last year and as of February 25, 2020, was \$344.7 million dollars and now it is \$351.6 million dollars, an increase of just under \$20 million dollars. This current year the mill rate is \$24.087 which is a 3.877% increase and have decreased in to \$23.875 and increase of 0.69% for a percentage increase of 2.975%.

Mr. Dachowitz presented the tax increase per district on a monthly basis and said \$11 to \$17 per month for districts one through four; \$26 in the fifth district and \$50 in the sixth district. He said the median tax bill is less that was projected in the 2021 recommended budget on February 25, 2020.

Mayor Rilling thanked Mr. Dachowitz along with the entire Finance Department for working so hard and want to be sure that there is a budget that can fund city services, the Board of Education and at the same time not over burden our taxpayers.

The meeting adjourned at 8:45PM

Respectfully submitted,

Dilene Byrd

Telesco Secretarial Services

