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**CITY OF NORWALK
BOARD OF ESTIMATE AND TAXATION
DECEMBER 7, 2020
VIA TELECONFERENCE**

ATTENDANCE: Edwin Camacho, Chair; Sheri Brown; James Frayer; Troy Jellerette; Artie Kassimis

STAFF: Henry Dachowitz, CFO; Lamond Daniels, Chief of Community Services; Angela Fogel, Director Management and Budgets; Donna King, City Clerk

OTHERS: Joseph Andrasko, Treasurer, Oak Hills Park Authority

Mr. Camacho called the meeting to order at 6:30 p.m. and called the Roll as indicated above.

1. APPROVAL OF MINUTES

Nov 2, 2020 – Regular Meeting

The following corrections were made to page five and page six: commented should be changed to commended.

**** MR. FRAYER MOVED TO ACCEPT THE MINUTES AS CORRECTED
** MOTION PASSED WITH ONE (1) ABSTENTION (MR. KASSIMIS)**

2. SPECIAL APPROPRIATIONS AGENDA (Section A) None

3. **TRANSFER AGENDA** (Section B)

Ms. Fogel reviewed the transfer requests.

FISCAL YEAR 2020-21 Health Department

FROM	TO	TRANSFER AMT
01-9600-5900 Contingency \$949,940	01-2011-5130 Wages Temporary	\$44,000
TOTAL \$ 949,940		

This transfer will fund a part-time epidemiologist in the Health Department.

Contingency Balance after approved above transfer: \$905,940

Mr. Daniels explained that in consultation with the Health Department and based on their current need, he is asking to hire a part time Epidemiologist. He described the responsibilities of an Epidemiologist. Mr. Daniels said this is a six month position with this investment from the City. The State will support this position beyond the six months.

Mr. Daniels said the Epidemiologist will take on a leadership role and they continue to deal with the pandemic. This is consistent with similar health department. He said that \$44,000 will cover six months and the State will add funding for six more months making this a 12 month position. Mr. Daniels said this position will be taking a considerable amount of weight off of the current staff. He added that there are many reports and requests required on a daily basis. Mr. Daniels said this is a full-time position at a Masters level.

Mr. Frayer asked if other cities have a similar position. Mr. Daniels said that other health departments and other cities that are similar in size to Norwalk have an Epidemiologist on board.

**** MR. KASSIMIS MOVED TO APPROVE THE TRANSFER AS PRESENTED**

**** MOTION PASSED UNANIMOUSLY BY VOICE VOTE**

4. **SPECIAL CAPITAL APPROPRIATIONS AGENDA** (Section C) None

5. **OTHER BUSINESS** None

Oak Hills Financial Status

Mr. Andrasko reported that the rounds were up and they are keeping their expenses in check. He noted that the rounds will go down in the next few months and they will go down to winter rates.

October was a good month. The early read on November is that, while it is typically the first of the leaner months, it was not this year. The weather was good for some people to play golf.

Mr. Andrasko reviewed the unaudited preliminary numbers and said that their revenues were up 150% and their expenses were up 2%. He added that the cash balance last year was \$8,000 and this year they have \$375,000 in the bank. They did not borrow anything from their line of credit as of today.

Mr. Andrasko said Oak Hills made a payment to the City on the \$2.00 per round schedule. They are in arrears for their annual payment to the City, but it will be paid once they have the audited gross revenues. The financial audit is in the final review and he expects the payment to be \$15,000.

Mr. Andrasko said the Oak Hills Park Authority will hold a public hearing at their meeting on Thursday to go through the pricing schedule. There is going to be a re-set. The overall goal is to keep the revenues going in the right direction. He added that there will be an increase in the cost of season passes. Their analysis indicated that the discounts offered were a little too rich.

Mr. Andrasko said that he feels Oak Hills will move into the new fiscal year in a good position and that they will be able to make more needed capital improvements to the course.

Mr. Camacho asked Mr. Andrasko what accounted for such a dramatic turnaround and if that was sustainable. Mr. Andrasko explained that nationally, golf is up. People want to go outside in a responsible way and it appears that people have a little more flexibility to play golf. He added that the weather was dry, which is good for golfers.

Mr. Jellerette said he played a lot of golf this summer and asked what the season pass will go to. Mr. Andrasko said they are trying to move to break even a little higher; the staff is still fine tuning the cost.

Mr. Jellerette asked about the restaurant. Mr. Andrasko said the Oak Hills Authority did not think they were getting market rate, when they saw comparable municipal facilities. The Authority went over the management structure at their last meeting. The manager will be hired by the Board and they will have a more participatory role to be sure the facility is used to maximize the revenues.

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Mr. Jellerette said he would have been happy to keep them there for another year, with the person, especially in this environment. Mr. Frayer asked if any board members have experience in managing clubs that are in business today. Mr. Andrasko explained that one member has significant organizational experience and another member is in the restaurant business.

6. ADDITIONAL INFORMATION (Section D)

Financial reports

Year-to-date Capital Budget Report – FY 2019-20

Year-to-date Operating Expenditure Report – FY 2019-20

Year-to-date Operating Revenue Report – FY 2020-21

Year-to-date BOE Operating Expenditure Report – FY 2020-21

Ms. Fogel explained that the operating budget is on target; however, there are a few anomalies such as the Registrar's Office.

Mr. Dachowitz said the capital budget numbers look fine; however, his bigger concern is looking at the limits of the borrowing capacity. He said the City has to comply with certain rules and regulations and one requirement is that they can not borrow tax exempt money for too long a period. In addition, they can not borrow too little. He said they have a lot of authorized projects that have not been bonded yet. Based on discussions with the financial advisors, the City only has \$120 million more borrowing capacity until it bumps up against the AAA bond rating.

Mr. Dachowitz said they need to watch what new debt is being added. He said he is going to talk to the Mayor and ask him how he wants to handle this. He proposes re-examining the projects. Mr. Dachowitz said he wants to actively look at the projects. This year looks to be fine, but for the capital projects for fy 2021/2022, it might be useful to look at the details of the capital projects.

Mr. Camacho asked about the school construction relative to the rest of the budget. Mr. Dachowitz explained that at a big picture, if he had to borrow all of the bonds today for all of the projects, it would come to \$270 million. Of that, \$165 million would be for the Board of Education and \$105 million for the City. Of the \$105 million for the City, \$73 million would be for Public Works. Buried in those numbers are the Parking Authority and the WPCA; they have their own bonding capabilities.

Mr. Frayer asked Mr. Dachowitz if he has an idea about the stagnant projects. Mr. Dachowitz said that some have already started. It is not only financial, it is financial, operational and political. He compared it to a three dimensional puzzle. He said he can give the best advice financially, but then it becomes the Board of Estimate and Taxation

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and the Mayor who understands the trade off. Mr. Frayer asked if there are consultants who could do an analysis for the City. Mr. Camacho said there is a political component to this. Mr. Dachowitz said he worries about blanket rules, as they saw when they did the analysis of personnel, they have to use judgement.

Mr. Dachowitz said they are in the process of completing an RFP for an efficiency expert. He said that the elected and volunteers who serve the City have to make the decisions. Mr. Frayer noted that politics is not a black and white situation. He said he would like to have someone who is impartial look at the projects. They need to have all the elements in front of them.

Ms. Fogel said that every department has a master plan that is updated every five years. That may be a starting point. She said that the POCD was just updated.

Ms. Brown asked if the number for the schools includes grant money and any type of technology. Mr. Dachowitz, said he read the line item for the Board of Education. He said that of the \$441 million, \$78 million was spent, leaving \$363 million to be spent. He added that they are expecting \$198 million in reimbursements.

Mr. Dachowitz said he has been warned by Mr. Giuliano and Mr. Lo that the State says they reimburse 33%, but they withhold 12% during the construction. After the audit, they may say they will not cover the costs. He said that if they look at the total cost, it may only be 28% reimbursement. There are a lot of moving pieces involved in this.

Mr. Dachowitz said the City is bumping up against the debt service operating experience ratio now. He said that one of the rating agencies noted that the City is at 8 ½% and the maximum is 10%. They used a calculator that worked in the City's favor. If they use the conservative numbers, it shows that the City is already above 9%. He said they may violate that ceiling before they hit the ceiling of \$400 million. Mr. Dachowitz said that every year the Board of Education says their operating and capital budgets re going to come down.

Mr. Dachowitz said that with Senator Duff and the new Norwalk High School, it was not on the program when the calculator was made a few years ago, but they have to be opportunistic. He said that in those days, it may have looked like the City had the budget, but that changed due to Covid. Mr. Dachowitz said they have to aggressively look at spending. He said he is flashing a yellow caution. He said things are old, but they are still operational. He suggested that perhaps in five years, if there is business growth, they may be able to better afford capital projects. Mr. Frayer asked Mr. Dachowitz if he has an analysis. Mr. Dachowitz said he is reviewing it with the Mayor and with his approval, will share it appropriately.

The rest of the agenda is for informational purposes.

Police
Fire
Public Works
Tax Collector's Narrative – August 2020
Tax Collector's Report – August 2020

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

There was no further business and the meeting was unanimously adjourned at 7:24 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services