

**CITY OF NORWALK**  
**SPECIAL JOINT MEETING OF THE COMMON COUNCIL FINANCE AND**  
**CLAIMS COMMITTEE AND BOARD OF EDUCATION FINANCE**  
**COMMITTEE**  
**REGULAR MEETING VIA TELECONFERENCE**  
**FEBRUARY 11, 2021**

**ATTENDANCE:** Gregory Burnett, Chairman; David Heuvelman; John Kydes; Diane Revolus; Nicholas Sacchinelli; Barbara Smyth; Barbara Meyer-Mitchell; Tom Livingston; Colin Hosten; Diana Carpio; Dominique Johnson

**STAFF:** Mayor Harry Rilling; Henry Dachowitz, Chief Financial Officer; Dr. Alexandra Estrella, Superintendent; Thomas Hamilton, Board of Education Chief Financial Officer; Kristin Karczmit, Budget Finance Director; Yvette Goorevitch, Chief of Specialized Learning and Student Services

I. Call to Order

Mr. Burnett called the meeting to order at 8:08 p.m.

II. Review Of Recommended City Operating Budget For FYE 2021-2022

Mr. Burnett introduced Mr. Dachowitz to make his presentation.

Mr. Dachowitz presented an overview slide about his presentation. Mr. Dachowitz said the goal is to make choices and tradeoffs and as the city continues to invest the city gets a smaller return. He added the goal is to try and get the return from our investments with limited resources.

Mr. Dachowitz said the budget has \$227 million to a recommended \$400 million. On the city side, the budget reflects \$160.6 in 2014-2015 to \$188 million for 2021-2022. For the Board of Education side the budget increased from \$166.4 to a recommended \$212 million. He added for the city the increase is 17.2% over 7 years growth rate and 2.3% compound growth rate. For the Board of Education, the increase is 26.3% with a compound growth rate of 3.4%. The Board of Education uses about 53-54% of the resources and 47-48% for the city. Mr. Dachowitz said after adjusted debt services the total budget amount is \$241.5 million.

Mr. Dachowitz next discussed the fund balance. He said at this point, Unassigned Fund Balance was 16%, went up to 20.5% in 2019 and 18.2% in 2020 with a projection next

year of 15.1%. He said when drawn down it becomes 14.3% in 2018, 18.8% in 2019, 16% in 2020 and 13.1% in 2021 and the estimation for 2022 is 10.6%. He said this is a very important factor is the city's bond rating.

Mr. Hamilton asked to confirm that the city typically does not draw down the full amount as planned and what the draw down prediction is for 2021. Mr. Dachowitz said it is hard to make a prediction at this time, but is hopeful not to draw down \$8 million. Mr. Dachowitz said he is hopeful for a \$4 million drawdown but could go \$2 million either way.

Mr. Dachowitz said the fund balance is use for one-time disasters and to pay down long-term liabilities. He said it is being done this year due to financial stress of the taxpayers and the good news is the city is at 75% funding of pension liabilities. He said the goal is to try to pay off our liabilities. City expenditures were \$385.6 million in 2021 and next year the recommended expenditures are \$400.6 million.

Mr. Hamilton asked about the 2020 Grand List. Mr. Dachowitz said last year we had a windfall that we did not expect because the certificate of occupancy for the SONO Mall was not issued before October 1. He said there will be less this year, but have had an increase from all the tenants in the new mall which helped offset some of the differential. He said net will be down a small amount.

Mr. Hamilton asked about tax collection rate. Mr. Dachowitz said the reduced collection rate this year is 97.6% to due to COVID and at the tax collector reported the city is at a 95% tax rate already. He said next year it will be returned to 98.6%. Mr. Dachowitz said there are 89,000 taxpayers under stress and demands for increased expenses and trying to make it affordable for all.

Mr. Livingston asked Mr. Hamilton how much was spent on COVID this fiscal year and how much in the future. Mr. Hamilton said we did receive one grant a little less than 2 million and 84. He added \$744,000 was reimbursed to the city for chrome book purchases. He said another award was received of 7 million, but it will be a little less as the money was only to be used until December 30. He said they do not expect a lot of major expenses for next year but there will be some additional expenses for COVID. He said the anticipation is there will be additional funds coming from the Federal Government. He said the grant funds are expected to add an additional \$9.2 million.

Mr. Livingston said any additional money that came out of the Board of Education operating budget. Mr. Hamilton said PPE was mostly charged to the Coronavirus Relief Fund. He said the Board only charges something to the local budget if there is no alternative.

Mr. Livingston asked Dr. Estrella if the strategic plan is in the budget.

Dr. Estrella said it is not in the budget. She said they are looking at programs that can be consolidated to open up funds for the strategic plan. She said we do not anticipate coming back to Common Council for additional allocations.

Mr. Hosten said a question about insurance costs and said a different supplier or self-insured model had been discussed. Mr. Hamilton said there is a possibility the district could save some money if they chose a high deductible health plan. He said it could be as much as \$2.1 million per year. Mr. Hamilton said they are engaging in discussions with their health insurance consultant. Mr. Dachowitz said the increased in the state plan was about 4%.

Mr. Dachowitz said is the early retirement program is driving the increase in pension costs. He said it means fewer assets coming in and assets being drawn sooner. Mr. Dachowitz said the savings in salary more than offset the increase expenses to the pension fund. Mr. Dachowitz said the current health insurance has been looked into and does not seem to be a problem.

Ms. Meyer-Mitchell asked about budget increases to corporate counsel and pensions. Mr. Dachowitz said after the last assessment, assessors were retained to defend the tax appeals. He said they also had to hire outside counsel for specialized cases and at times to defend police officers when there is a conflict of interest. On pensions, he said early retirement is driving a lot of the change. Mr. Dachowitz said contributions can be lost due to early retirement and retirees can draw down pension early without penalty. He said the savings from salary reductions outweighed any increases by \$500,000.

Ms. Meyer-Mitchell wanted to comment on the percentage of budget spent on education. She said for most municipalities in Fairfield County makes up 50 to 80 percent. Ms. Meyer-Mitchell pointed out Norwalk is at 52. Mr. Dachowitz said at a preliminary level 52 percent is incorrect and feels it is closer to 60 percent. Ms. Meyer-Mitchell feels a more accurate number is between the two.

Mr. Hosten wanted to know if there is any calculations about how much COVID recovery will cost for the next few years. Mr. Dachowitz said it will get tougher in the future. He said on the capital side we are over funded and the amount of debt keeps increasing. He said he is concerned and worried.

Mr. Hosten said Dr. Estrella has put forth a budget without fluff.

Ms. Carpio asked about whether increasing enrollment has been taken into account for future budgets. Mr. Dachowitz said he only works on the budget year to year.

Dr. Estrella said to clarify she previously articulated funding for specialists the Board of Education reduced certain programs particularly magnet funding of \$2.55 million to \$1 million and put the \$1.55 million toward specialists.

Mr. Hamilton said math and literary specialists are needed and are positions that should have existed. Dr. Estrella said schools are complex and things are mandated by federal and state policy. She said every person in the system is unique and its based on differentiated needs. Dr. Estrella said the better the schools are the better our city will be.

Mr. Dachowitz said he is the service business and is in the same boat. Dr. Estrella said sometimes we get caught up in the numbers.

Ms. Revolus asked about the decline in enrollment this year. Dr. Estrella said our enrollment dropped slightly. She said part of the reason was the city did not have a remote option for pre-k and some parents decided to home school their children. She believes it is a temporary state and their will be an increase post-COVID.

Ms. Revolus was wondering if some people would want to chose remote learning in the future. Dr. Estrella said the trends show an increase in enrollment over time.

Mayor Rilling said there is a lot of information being passed and forth and he said Mr. Dachowitz and Mr. Hamilton may need to meet more in the future. He said there is a lot of information to be shared back and forth.

Ms. Smyth said she agrees with the Mayor and said there are many subtleties about education. She wanted to know about reading and math specialists. She said they discovered last year Fox Run did not have a reading specialists. Dr. Estrella said a number of schools did not have reading specialists. Ms. Karzsmi said only one school had a reading specialist and none of the high schools have one. She said only three elementary schools had math specialists. Dr. Estrella said this is so important and will be budgeted for in the future. She said at this time the city is meeting the bare minimum requirement.

Mr. Hosten said concerning enrollment he said another thing to look at is if more students with special needs enroll this is something to take into account.

Mr. Heuvelman said these dialogues are important and need to extend to these two committees. He said we have so many unknowns in the future concerning this September and what happens when COVID ends and the federal funding ends.

Ms. Meyer-Mitchell said she knew this would be a difficult budget and was jarred by the 2% increase for the board compared to 6.1% for the city. She said this is under Mayor

Rilling who helped education after being underfunded. Ms. Meyer-Mitchell said the city should be mindful of not losing talent.

Dr. Estrella said she sees the economic challenges of food insecurity. She said that is why they are doing studies to look at disproportionality. She agreed with Ms. Meyer-Mitchell and said they do not want to lose talent and are not asking for more just to maintain what they already have.

Mayor Rilling said we have an awesome responsibility to the people who elected us and the people who appointed us and the families of the people we serve. He said we have to ask questions to the answers we are seeking. Mayor Rilling said he would like to continue this dialogue and have a true and complete understanding of both sides.

Mr. Hosten said it was a great conversation and he looks forward to more conversations moving forward. He agrees with the Mayor that there are many sides, but we are all on the same side.

### III. Adjournment

The meeting was adjourned at 9:54 p.m.

Respectfully submitted,

G. Venuto

Telesco Secretarial Services