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**BOARD OF ESTIMATE AND TAXATION  
REGULAR MEETING  
FEBRUARY 8, 2021  
VIA TELECONFERENCE**

ATTENDANCE: Edwin Camacho, Chair; Mayor Harry Rilling; Ed Abrams;  
James Frayer; Troy Jellerette

STAFF: Henry Dachowitz, CFO; Donna King, City Clerk

OTHERS: Gino Gatto, Norwalk Fire Chief

Mr. Camacho called the meeting to order at 6:33 p.m. Ms. King called the Roll. A Quorum was present.

**1. Approval of Minutes**

January 7, 2021 - Regular Meeting

The following correction was made to page 2: Mr. Kassimis asked how they would weed out....

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

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2. **Special Appropriations Agenda** (Section A) None

3. **Transfer Agenda** (Section B)

Mr. Dachowitz announced that Ms. Fogel would be out for the next few weeks, due to a medical emergency.

Mr. Dachowitz reviewed the following transfer request of \$38,440 to cover a new Security Guard contract for the Library.

**\*\* MR. FRAYER MOVED TO APPROVE THE TRANSFER REQUEST OF \$38,440  
\*\* MOTION PASSED UNANIMOUSLY**

Chief Gatto reviewed the request by the Norwalk Fire Department for \$71,278 to cover an increase in hydrant rentals of \$31.80 for 886 hydrants. He explained that SNEW increased the to match the First District rates. This request is for the difference in the account to cover the increase.

Mr. Dachowitz suggested that going forward the rate agreements should be formalized, so they don't have random increases like this.

The Board members held a discussion about the rate increase. Mr. Frayer commented that the charges should be calculated based on water usage. Mayor Rilling said they need to find out what they are paying for. He said he believes they are paying for maintenance charges, but they need to look into the actual charges and what they are based on. He agreed that they should get a written agreement.

**\*\* MR. FRAYER MOVED TO TABLE THIS REQUEST TO THE NEXT MEETING**

**\*\* MOTION PASSED UNANIMOUSLY**

**SECTION B**  
**CITY OF NORWALK TRANSFERS 2020-21**  
**BOARD OF ESTIMATE AND TAXATION**

**FISCAL YEAR 2020-21**

**Library**

"FROM" ACCOUNT	"FROM" ACCOUNT NAME	"From" Account AVAILABLE Budget	"TO" ACCOUNT	"TO" ACCOUNT NAME	TRANSFER AMOUNT
01-9600-5900	Contingency	\$ 809,941	01-6200-5296	Security Systems	\$ 38,440
<b>TOTAL</b>		<b>\$ 809,941</b>			<b>\$ 38,440</b>

This transfer will cover a new security guard contract.

**Fire Department**

"FROM" ACCOUNT	"FROM" ACCOUNT NAME	"From" Account AVAILABLE Budget	"TO" ACCOUNT	"TO" ACCOUNT NAME	TRANSFER AMOUNT
01-9600-5900	Contingency	\$ 809,941	01-3120-5242	Water	\$ 71,278
<b>TOTAL</b>		<b>\$ 809,941</b>			<b>\$ 71,278</b>

This transfer will cover an increase in hydrant rentals of \$31.80 per hydrant for 886 hydrants.

<b>Contingency Account Balance After the Above Approved Transfers</b>	<b>\$ 700,223</b>
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CONTINGENCY PRIOR APPROVALS		
Department	Explanation	TRANSFER
Health Department	Fund PT Epidemiologist	\$ 44,000
Building Department	Maintenance of 98 S. Main Bldg	\$ 40,000
IT Department	25% Match Harbor FEMA grant	\$ 71,509
Recreation & Parks	Increase exp LAZ Parking	\$ 31,509
Economic & Community Development - Code Enforcement	Fund neighborhood cleanup - Blight	\$ 23,000
Registrar	Laptop purchases for election day	\$ 7,800
Health Department	Food bank event expenditures	\$ 700
Town Clerk	Laptop purchases for election day	\$ 5,200
Library	Security Contract shortfall	\$ 38,044
Operations & Public Works	Recycling account shortfall	\$ 48,859
Economic & Community Development - Business Development	Small business program matching grants	\$ 75,000
Registrar	Building & Office Rental - election	\$ 600
Registrar	Equipment moving exp related to election	\$ 4,590
Registrar	Ballots, memory card programming & shipping for election	\$ 15,809
<b>TOTAL</b>		<b>\$ 406,620</b>

Mr. Dachowitz told Chief Gatto that he would be happy to work with him on this.

#### 4. **Special Capital Appropriations Agenda** (Section C)

a. Presentation of the FY 2021-2022 Recommended Operating Budget.

Mr. Dachowitz presented the FY 2021-2022 recommended operating budget.

Mayor Rilling thanked Mr. Dachowitz for his efforts for putting together this budget. He said these are challenging times and the department heads are diligent and for the most part, doing a good job.

Mayor Rilling explained that this Board has the responsibility of meeting with each department head and analyzing their request. He asked the Board members to take a hard look at the budget that is going to be presented. He said they are going to have to make difficult decisions, knowing that during the last year, many people lost their jobs and they are seeing a significant increase in unemployment claims. He said it is appropriate to do all they can to help the citizens of this community, who are experiencing difficult times.

Mayor Rilling said the easy thing is to raise taxes, but the hard and right thing to do is to keep taxes where they are. He said he looks forward to working with the Board.

Mr. Dachowitz shared his screen and reviewed his presentation. He said this has been a difficult and challenging year.

Mr. Dachowitz reviewed the budgeting process. He explained the Laws of Economics and how they apply to budgeting and the laws of diminishing returns.

Mr. Dachowitz said the City has expenditures in the budget that are in kind services for the Board of Education. He said it was important to consider in kind debt services amounts.

Mr. Dachowitz recommended a 2% increase over last year. He said there are challenges in establishing a budget for the Board of Education. The State law prohibits a city government from reducing the school budget below the prior year total.

Mr. Dachowitz noted that both the Norwalk Public Schools and the City engaged an efficiency study. The joint cybersecurity review has already been conducted. The City offered to increase efficiencies to reduce tax increases.

Mr. Dachowitz reviewed the RFP process for the efficiency study. He said they were close to a final decision, but it was decided that since Dr. Estrella was new, they would put it on hold. Revisions were made and he hopes they can appoint a firm shortly.

Last year the Board of Education added 111 FTEs (Full Time Equivalents) and this year they are asking for an additional 39 FTEs. Mr. Dachowitz said there was a tremendous increase in staff, based on a ratio that is too high. He said he pulled together data and asked for the reason for the increase in staffing. He noted that this is when an independent study could get a good handle on what is reasonable.

Mr. Dachowitz reviewed operating expenditures by department.

Mr. Dachowitz said the amount of debt is increasing rapidly. Employee benefits are up. He said they budgeted a 10% increase, but got word that the increase is going up by 4%, which is a good thing. He discussed the early retirement program and said that 44 staff took the early retirement resulting in a savings of \$500,000 net.

Mr. Dachowitz reviewed the fund balance. He said an important factor is the bond rating is the fund balance. He said there is a planned draw down this year of \$8 million. The City's reserve policy is to keep 7 ½ - 8% in the fund. The City got hit with the unanticipated expenses during Covid, but the fund balance was the buffer. He noted that the City has a history of not drawing down on the amount budgeted.

This year the expenses exceeded the budget, due to Covid expenses. Mr. Dachowitz said that this year, the City took \$4 million from the fund balance and gave it to the Board of Education. This money was put into a non-expiring account. The City also took around \$1 million and gave it to certain departments on the City side because some of their expenditures were delayed. Mr. Dachowitz explained that they planned on a \$6 million draw down; if not for Covid, they would not need it. He said he feels the City has a good record and credibility with the rating agencies.

Mr. Dachowitz said the pension and OPEB (other post employment benefits) are about 75% funded, which is high, relative to other cities. He said that he hopes there will be no draw down from the reserves next year.

Mr. Dachowitz explained that the higher the draw down, the lower the increase in taxes. He said the AAA rating is very important because it shows fiscal conservatism. In addition, it allow the City to borrow at lower interest costs. Mr. Jellerette asked how the rates look. Mr. Dachowitz said he is working with a financial advisor to develop a model. He said he has a back up of previously authorized capital budgets where the money has not yet been borrowed. His idea is to stretch out the capital budgets over 10 years.

Mr. Dachowitz reviewed the proper use of the fund balance. He said that theoretically, is should not be used to offset the mill rate, but it is not unreasonable to use it to help the citizens. He said he and Ms. Biagiarelli have been monitoring the tax collection rate.

They are confident the revenues will hold up. In addition, he expects an increase in areas such as Parks and Recreation once things start to open. He said the assumption is that FY 2022 will still be impacted by Covid.

Mr. Dachowitz explained how the tax levy translates into the mill rate by district.

The total recommended budget is \$400.6 million with \$212.6 million for the Board of Education and \$188.0 for the City. Mr. Dachowitz said this is a very tough budget; it is balanced and fair and shows fiscal restraint. It is affordable for Norwalk single family owners.

Mr. Dachowitz reviewed the timeline for the Capital budget review.

#### 5. Additional Information (Section D)

Financial reports

The remainder of the agenda is for informational purposes only:

- Oak Hills Financial Status – December 2020
- Year-to-date Capital Budget Report – FY 2020-21
- Year-to-date Operating Expenditure Report – FY 2020-21
- Year-to-date Operating Revenue Report – FY 2020-21
- Police Wages
- Fire Wages
- Public Works Wages
- Year-to-date BOE Operating Expenditure Report – FY 2020-21
- Tax Collector's Narrative – December 2020
- Tax Collector's Report – December 2020

\*\* **MR. FRAYER MOVED TO ADJOURN**

\*\* **MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 8:33 p.m.

Respectfully submitted,

Rosemarie Lombardi  
Telesco Secretarial Services

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