

**CITY OF NORWALK
FINANCE AND CLAIMS COMMITTEE
REGULAR MEETING
APRIL 8, 2021**

ATTENDANCE: Greg Burnett, Chairman; David Heuvelman, Council Member; Tom Keegan, Council Member; John Kydes; Diana Revolus; Nick Sacchinelli;

OTHER: Laurie Iffland, Director of Library Technical Services; Lisa Biagiarelli, Tax Collector; Albert Bassett, Assistant Fire Chief; Mike Harden; Jessica V, Chief Economic and Community Development; Henry Dachowitz, Chief Financial Officer; Vanessa Valadares; Ralph Kobe

**(1)
CALL TO ORDER**

Chairman Burnett called the meeting to order at 7:04 P.M. There was a quorum present.

**(2)
ROLL CALL**

Chairman Burnett provided the roll call.

Chairman Burnett informed the Committee that three items had come in recently to add to the agenda.

The first item is the approval of the 2021 fiscal year parking authority budget.

The second item is the approval of the 2021-2022 fiscal year W.P.C.A. budget.

The third item is the appointment of an auditing firm to audit fiscal year 2020-2021.

**** COUNCIL MEMBER KEEGAN MOTIONED TO ADD THE ABOVE ITEMS (APPROVAL OF THE FISCAL YEAR 2021 PARKING AUTHORITY BUDGET, FISCAL YEAR 2021-2022 W.P.C.A. BUDGET, APPOINTMENT OF AUDITORS TO ORDER FISCAL YEAR 2020-2021) TO THE AGENDA.**

**** THE MOTION PASSED UNANIMOUSLY.**

Those items will be added as Items 12, 13, and 14 to the agenda.

**(3)
PUBLIC PARTICIPATION**

There was no public participation at this time.

**(4)
APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETINGS:
MARCH 11, 2021 – REGULAR MEETING**

**** COUNCIL MEMBER HEUVELMAN MOTIONED TO ACCEPT THE MINUTES OF MARCH 11, 2021.**

Council Member Heuvelman had the following corrections:

Page 4: The bolded area where it says 'Mr. Heuvelman moved to authorize' should have Item number 8 from that agenda.

Page 5: The bolded area where it says 'Mr. Keegan moved to authorize' should have Item number 10 from that agenda.

Ms. Biagiarelli had the following corrections:

Page 4: Where it says 'It was listed under Tax Collectors' reports' it says 'that this is a tax sale year and that Ms. Biagiarelli explained that they are hampered by collection enforcement this year.' Change to 'collection enforcement is hampered this year because of the extended grace period.'

Page 4: Beneath the bold type where it spoke on Council Member Heuvelman, it said 'this is a billing change for the State of Connecticut C-PACE' it should be 'C-PACE program'.

Chairman Burnett had the following corrections:

Page 4: Where it says 'the tax sale within the last three weeks. I is planned for August 16th' change it to 'the tax sale within the last three weeks. It is planned for August 16th.'

**** CHAIRMAN BURNETT CALLED FOR A HAND VOTE TO APPROVE THE MINUTES AS AMENDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

(5)

CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT; REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT DATED: APRIL 8, 2021

(6)

NARRATIVE ON TAX COLLECTIONS DATED APRIL 8, 2021 – RECEIVE REPORT AND DISCUSS.

(7)

MONTHLY TAX COLLECTOR'S REPORTS DATED MARCH 2021 – RECEIVE REPORT AND DISCUSS.

Items 5, 6, and 7 were all handled together at the same time. They are for informational purposes only.

Ms. Biagiarelli came forwards to discuss this item. She said that the claims report for this month is a regular report without a vote being necessary because there is nothing in excess of \$10,000 to be considered. For the month of March, they are at 97.72% of their levy which is down less than a quarter of 1% from where they were the prior year. Due to the extended grace period March 31st was not the end of the collection cycle. Rather, April 1st was. They are where they need to be for collection relative to their levy in terms of what they were budgeted to collect. They collected Net in excess of \$2,600,000 in delinquent taxes through the end of March during this fiscal year. In regard to the tax sale they have

104 accounts that are paid in full. Those are the accounts that had been started to be worked on in November of 2019. A series of letters had been sent out on April 1st to 87 properties that were still remaining in the sale reminding them that the sale is coming. They are going to revisit the list because they have only \$2,000,000 left. \$4,100,000 has come in already. They will be working on the sale in earnest now that springtime is here and that the collection cycle is over. The cycle ended on April 1st. They are currently trying to get caught up with enforcement. There is a file of delinquent notices that will be going out within the next 7-10 days. These notices would normally have been sent out in February. They will be filing lean certificates at the end of the month. Starting next week, the staff will be back at the office five days a week without working from home.

Chairman Burnett said that he felt they were in fairly good condition compared to last year. He noted the difference between this year and the prior year in regards to making the levy. Ms. Biagiarelli said that, once the delinquent notices go out, they will likely get another influx of payments. She noted that all regular activities are still going on and the only thing that had been put on hold was the tax sale because the State had told them to do so. Now that the restrictions on the sale are lifted, they are being pursued again.

Chairman Burnett asked if there would likely be another grace period come July. Ms. Biagiarelli said she didn't know.

(8)

RECEIVE OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS FOR FEBRUARY 2021 AND OAK HILLS AUTHORITY FY 2022 PRELIMINARY BUDGET.

Mr. Joe Andrasko, the Treasurer for Oak Hills Authority, came forward to address the Committee. He reported that there had been no rounds of golf played in February due to snow cover resulting in a net negative income. March is expected to be similar. However, this year is looking to be better. The prior year there had been a net income of -\$40,000 while this year it looks to be closer to -\$10,000. They are about 30% over budget for overall rounds played. A draft budget has been delivered to the city already. They have locked their preliminary expense expectations to the highs of the prior three years. Discussion followed on the details of the budget.

Chairman Burnett asked when the new vendor would be operational. Mr. Andrasko responded that they expected to be operational in the main restaurant come June 1st and likely earlier at the half-way house.

Committee Member Kydes asked when the contract would be coming to the Council for approval. Mr. Andrasko responded that he didn't know it was required to be put for approval. It has been distributed to a select group. He can bring it for approval though it's already been authorized by the authority and executed. Committee Member Kydes said that he thought it required Council Approval. Chairman Burnett said that the contract that was sent out did not include the name of the vendor and was a blanket contract. Names and items were not included. If there is an actual contract containing names and conditions then, he said, they have not received that as of this meeting. Mr. Andrasko responded that he was not aware of any requirement for the Common Council or a Committee of the Common Council to approve a contract in advance. It is not in the charter or in any of the loan agreements. If they failed, they will do what they need to rectify it.

(9)

AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SUBMIT AN APPLICATION TO THE STATE OF CONNECTICUT DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION DIVISION OF EMERGENCY MANAGEMENT & HOMELAND SECURITY GRANT FOR THE EMERGENCY MANAGEMENT PERFORMANCE GRANT WHICH IS APPROXIMATELY \$65,000.

**** COUNCIL MEMBER HEUVELMAN MOTIONED TO APPROVE ITEM 9.**

Deputy Fire Chief Bassett came forwards to discuss this item. This is the hazmat team's grant. Norwalk has been the fiduciary for the past four years. They are in a mutual aid agreement and need one of the municipalities to handle the finances through the finance department. Norwalk has taken this role for the past four years for the regional team. Deputy Fire Chief Bassett is asking for that permission again to continue with that fiduciary responsibility.

Mr. Dachowitz asked what the administrative fee was at. Deputy Fire Chief Bassett said that they do not officially take the administrative fee. Discussion followed on the details of what would be needed to officially take the administrative fee in the future.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next council meeting on Tuesday, April 13th.

(10)

AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SUBMIT AN APPLICATION TO THE STATE OF CONNECTICUT FOR GRANT FUNDS PROVIDED UNDER THE STATE OF CONNECTICUT'S LOCAL CAPITAL IMPROVEMENT FUND FOR LOCAL CAPITAL IMPROVEMENT PROGRAM (\$652,435- 2021 ENTITLEMENT).

****COUNCIL MEMBER KEEGAN MOTIONED TO APPROVE ITEM 10.**

Ms. Vanessa Valadares came forwards to discuss this item. This grant is exclusively for paving. This will help out with the current paving program. Last year appx \$3,750,000 were spent on paving. More than 10 miles of center lanes were paved which is 30% more than the previous year. This also covers sidewalks and curbs on the streets. Last year appx 12,000 linear feet of sidewalk was paved which is 100% more than the previous year. The grant does not fully support the program but provides substantial aid towards fully funding it.

Chairman Burnett noted that last year they had received \$647,000 meaning this year it was a bit more. Ms. Valadares said that the good thing was that all the money was spent. If you do not have a strong paving program in place you are not able to use all the money.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next Council meeting on Tuesday, April 13th.

(11)

AUTHORIZE THE MAYOR, HARRY W. RILLING, TO APPROVE FOR THE LIBRARY INFRASTRUCTURE CHANGES, PURCHASE, DELIVERY, AND TRAINING FOR THE STAFF FOR (2) LAPTOP VENDING KIOSKS FOR AN AMOUNT NOT TO EXCEED \$70,000, (BUDGETED CAPITAL EXPENSE ACCOUNT 09212010-5777-C0784, NO SPECIAL APPROPRIATION REQUIRED).

**** COUNCIL MEMBER REVOLUS MOTIONED TO APPROVE ITEM 11.**

Ms. Laurie Iffland, the Director of Library Technical Services, came forwards to speak on this item. She said that a year ago they had noticed people were using library resources differently and she was hoping to offer them an easy way to use the technology. People are coming to the library more often for job interviews and study groups which require machines which can go into private rooms. The laptop vending machines will allow them to house six machines at each library. They will also make it easier for them to keep the machines up to date, to ensure all data is erased when they return them, and to ensure security is up to date. Patrons would need to scan their library bar code to borrow the laptop. The laptops will be kept within the library.

Chairman Burnett asked how they were sanitizing the machines. Ms. Iffland said that there was a piece of software that notified the librarian that a machine has been returned and it cannot be borrowed again until after it has been okayed by the library which includes cleaning.

Council Member Heuvelman asked if there were ongoing, continuing, costs through the vendor. Ms. Iffland said that the annual hardware service agreement for both was going to be \$2,511 which would come out of the library budget. Part of this cost will be upgrading the software. When the hardware becomes obsolete part of this money will go towards acquiring a new model so there will be no need to outlay the full amount again. Council Member Heuvelman asked if this was ultimately an ownership lease type situation. Ms. Iffland said that they can decide to say that they do not desire to use a vending machine anymore and, thusly, own the machine outright. Council Member Heuvelman asked how security was handled with those units. Ms. Iffland said she was working closely with several people regarding the security. All it has to do is access the library system to authenticate their barcode. Council Member Heuvelman asked if there were limits to what the computers could be used for and if there were ways of monitoring website usage. Ms. Iffland said that they were free and open similar to the library's public desktops. Smartshield will be installed on them which will reset them once restarted which should erase any malicious software or similar things. Additionally, Ms. Iffland has looked into security options to keep the laptops from being removed from the buildings which she reviewed for the Committee.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next Council meeting on Tuesday, April 13th.

(12)

APPROVAL OF 2021-2022 PARKING AUTHORITY BUDGET

**** COUNCIL MEMBER REVOLUS MOTIONED TO APPROVE ITEM 12.**

City of Norwalk
Finance and Claims Committee
Regular Meeting
April 8, 2021

Ms. Jessica Vonnersheck came forwards to discuss Item 12. This is the Norwalk Parking Authority Budget. Last year's budget was \$7.3 million. This year's budget is \$5.9 million. This is an 18% decrease from the previous year's budget. The Parking Authority voted to accept this budget previously for the reason that the assumptions that are built into this budget are ones that assume a lower revenue for FY22. This is representative of a 70% occupancy. She said that they have seen parking increase over the previous few months. This will likely increase more as weather becomes warmer and offices come back into in-place work. The revenue is off-set by the expenses. This is because they have been working to manage in an appropriate way that looks at enforcement and looks at the level of enforcement that is required related to the demand in parking. They have been able to lower enforcement to a certain extend to meet that demand. They have worked to make it so that if demand increases for parking and additional enforcement staff are needed, they will be able to have those people join. She stressed that this was a one-time budget as a response to the pandemic. They do not anticipate a repeat moving forwards and anticipate an increase year-over-year. She said there would be no impact on the parking experience or on the City's ability to maintain garages and city assets. This is because the garages have been maintained and improved over the last number of years. This means they can afford a year that is slower. She reviewed the details of the budget for the Committee.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next Council meeting on Tuesday, April 13th.

(13)

APPROVAL OF FISCAL YEAR 2021-2022 WPCA BUDGET

**** COUNCIL MEMBER KEEGAN MOTIONED TO APPROVE ITEM 13.**

Mr. Ralph Kobe came forwards to present this item. He said that the Norwalk Board Water Pollution Control Authority is an enterprise fund that manages the city's sanitary sewer collection system, pump station, and wastewater treatment plant. On March 15, 2021 the WPCA board approved a zero percent sewer rate increase and zero registration fees for food establishments and industrial users for fiscal year 21-22. The Suez partnership has gone well despite the challenges from COVID. In July of 2020 the wastewater treatment plant achieved its lowest ever monthly nitrogen discharge of 304 pounds per day. They also achieved the lowest all-time record at 498 pounds per day. In September of 2020 the city CFO bonded appx. 18.5 million dollars of new bonds to fund ongoing capital improvements for the collection system, pump station rehabilitation, and improvements at the wastewater treatment plant.

He mentioned that Norwalk is looking to receive Nitrogen credits in an amount of appx. \$500,000 for 2020. Neither final pricing or draft pricing has been submitted by Connecticut D.E.P. and is based off the previous calendar year instead. The WPCA imbursement for support services is at appx. \$115,000. The O&M fee for Suez includes a 3% increase and nitrogen cost sharing. They are entitled through the new service agreement if they meet certain criteria to share in appx 25% of the nitrogen credits. There is also a reimbursement for city support services that amounts to appx. \$638,000. The IT Account was increased as well to cover the WPCA's share of annual MUNIS and ESRI software fees. The debt service payments will increase in future years due to recent bonding.

The Wastewater treatment plant is designed for 18 million gallons per day. In January the WPCA staff presented to the Connecticut D.E.E.P. along with the EPA and other stakeholders that their last, 12-month, running average is 11.6 million gallons per day. If they reach 90% of the design capacity, which is 16.2 million gallons per day, they would need to notify the state of future ways to reduce flow or increase capacity at the treatment plant.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next Council meeting on Tuesday, April 13th.

(14)

APPOINTMENT OF THE AUDITORS TO AUDIT FISCAL YEAR 2020-2021

**** COUNCIL MEMBER KEEGAN MOTIONED TO APPROVE ITEM 14.**

Mr. Dachowitz came forwards to discuss this item. A year ago, they entered into an RFP as it was the end of a five-year agreement with their previous auditors. At that time, they had selected Bloom Shapiro. They have done well this first year. The only change is that they have merged with a national firm; Clifton Larson Associates. He reviewed the details of the firm for the Committee.

Chairman Burnett said he saw no reason to change.

Council Member Heuvelman asked if there was a cost associated with the contract. Mr. Dachowitz said it was a five-year contract that goes up a couple of thousands every year with the past year being \$95,000.

Chairman Burnett said that, when they move the item on to the council, they should include what this year's audit costs should be.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

This item will be moved forwards to the next council meeting on Tuesday, April 13th.

(15)

CHIEF FINANCIAL OFFICER FISCAL YEAR 2022 OPERATING BUDGET UPDATE.

Mr. Dachowitz came forwards to discuss this item. A spreadsheet of the expenditures was presented. He reviewed the details of the budget for the Committee. They are planning to use the funds from the American Recovery Act, which the mayor has decided to use, to offset the increases so that the taxpayers will have a flat tax bill from last year to this year. There will be a 0% increase for the Board of Education since they will be getting their own \$27 million dollar allocation from the American Recovery Act funds. He proceeded to review the remainder of the items .

He then reviewed the mill rates by district. The average tax bill, based on the assessed value, is going from \$5,762 to \$16,951 depending on the district. He further reviewed the numbers provided on the spreadsheet for the Committee.

Council Member Heuvelman said that he was concerned about several things. He said that the ARPA money is two years and going to be handed out in two increments over two years which would likely happen both in the same fiscal year. Mr. Dachowitz clarified that that was two calendar years which crossed into one fiscal year. Additionally, the first increment should be coming within a month which is this fiscal year. Council Member Heuvelman asked if they would be set up for a cliff in 2024 as a result of keeping the taxes flat. Mr. Dachowitz said that they had previously discussed giving the BoE a 4-million-dollar increase. However, they are receiving 27 million which they are being asked to use instead of the City giving them the 4-million. One of the major purposes of the funds is to avoid layoffs. This is a one-time opportunity to address other needs within the city. He said the biggest risk was that the BoE might not enact programs meant to be temporary two-year programs at which point they may come asking for more money.

Council Member Heuvelman said that 20% of the ARPA money is supposed to address learning loss especially in regard to the learning loss in the prior year. Going into the 21-22 School Year they are going to need to add staff in order to help get the kids back to where they should be learning-wise. As a result, he is concerned that there will be a very large tax increase in fiscal year 24 because the schools will need to continue the path that's been started down which was his concern. Chairman Burnett said that the first step on moving forwards was conducting an efficiency study to gather data to properly address the situation. This way they can have strategic planning sessions about how things will look in the future.

Chairman Burnett said that they will have this item on the Council agenda as a 'review not approval' because they are not adjusting the cap. The BET has come in below the cap. The cap will stay the same since the BET came in under the cap and they can move forwards with their cap recommendation that they approved staying intact. The BET can then go forwards in terms of formally advertising the mill rate for each of the districts based upon the approved cap.

ADJOURNMENT

**** COUNCIL MEMBER HEUVELMAN MOTIONED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:26 P.M.

Respectfully Submitted

Ian A. Soltes

Telesco Secretarial Services