

**CITY OF NORWALK
FINANCE CLAIMS COMMITTEE
FEBRUARY 10, 2011**

ATTENDANCE: Nicholas Kydes, Chair; Andrew Conroy; Douglas Hempstead;
Nora King; Kelly Straniti; David Jaeger (7:08 p.m.)

STAFF: Thomas Hamilton, Finance Director; Lisa Biagiarelli, Tax
Collector; Robert Baron, Budget Director, Frederic Gilden,
Comptroller

Mr. Kydes called the meeting to order at 7:05 p.m. He explained to the members of the public that this was not a public hearing. He added that a public hearing was scheduled for February 17th at 7:00 p.m. which is when the public will be able to ask questions.

**** MR. HEMPSTEAD MOVED TO APPROVE THE MINUTES OF THE
FOLLOWING FINANCE COMMITTEE MEETING – January 13, 2011
** MOTION PASSED UNANIMOUSLY**

Mr. Jaeger joined the meeting at 7:08 p.m.

**** MR. HEMPSTEAD MOVED THE FOLLOWING ITEMS:**

**CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT;
REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS
REPORT DATED: February 10, 2011**

Ms. Biagiarelli explained that there was one special request for a refund in excess of \$10,000 for a property located in the Enterprise Zone. She said that the value of the property changed because it was granted an Enterprise Zone exemption by the Tax Assessor. Mr. Hamilton added that the Enterprise Zone is an authorized and approved program by the Common Council. The property is located at 93 North Main Street.

Mr. Hempstead asked for more information about the property.

**NARRATIVE ON TAX COLLECTIONS DATED FEBRUARY 10, 2011 –
RECEIVE REPORT AND DISCUSS**

Ms. Biagiarelli explained that tax collection is slightly ahead of last year. She reviewed the end of the tax sale process.

**MONTHLY TAX COLLECTOR'S REPORT DATED JANUARY 31, 2011 –
RECEIVE REPORT AND DISCUSS**

**** MOTION PASSED WITH ONE (1) ABSTENTION (MS. KING)**

RECEIVE BOARD OF ESTIMATE AND TAXATION APPROPRIATIONS
FROM FEBRUARY 7, 2011

Mr. Hamilton explained that the two appropriations do not require action from this Committee. They are both related to reimbursements from the March 2010 storm. He said that Recreation and Parks is requesting \$20,000 for tree expenses and the Fire Department is requesting \$6,895 to pay a portion of the City's Code Red system.

**** MR. KYDES MOVED THE ITEM TO THE FULL COMMON COUNCIL**
**** MOTION PASSED UNANIMOUSLY**

**** MR. HEMPSTEAD MOVED TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO AMEND LOAN AGREEMENTS WITH OAK HILLS PARK AUTHORITY IN ORDER TO RESTRUCTURE DEBT SERVICE PAYMENTS TO THE CITY OF NORWALK**

Mr. Hamilton said that this item was discussed at last month's meeting. The proposal was modified to address the issues raised.

Mr. Baron highlighted the changes. He said that the Authority made a commitment that they will not make any capital improvements if they do not achieve their revenue forecast. He said that the proposal came about due to a decline in usage and by the debt incurred by the Authority for their three big projects.

Mr. Hamilton said that they are paying additional interest and as a result, the City will recoup \$119,000 in interest as a result of the restructuring. Mr. Jaeger asked if there is an early pre-payment penalty. Mr. Hamilton said that he believed that the current agreement allows for pre-payment without penalty.

Ms. King asked about the plans to increase revenue. She said that she would like to see actual specifics before granting an approval.

Mr. Vincent Grillo, Executive Director explained that they have created a new marketing plan on their website. He said that the expenses from the DEP, sewer pipe and the weather hurt their budget.

**** MR. HEMPSTEAD MOVED THE FOLLOWING AMENDMENT TO THE MOTION**

IN ACCORDANCE WITH THE RESTRUCTURING PLAN DATED
FEBRUARY 4, 2011

**** MOTION PASSED UNANIMOUSLY**

Mr. Hempstead requested that the Authority provide monthly reports. Mr. Conroy said that he and Mr. Hamilton are concerned about the management salaries. Mr. Baron said that the salaries were held flat for the year. Mr. Grillo volunteered to go three years without a raise.

Mr. Jaeger noted the jump in the Superintendent's salary. Mr. Grillo stated that he started at a lower rate and the increase was used as an incentive.

**** MS. STRANITI MOVED TO APPROVE THE ITEM AS AMENDED
** MOTION PASSED UNANIMOUSLY**

**DISCUSSION OF FISCAL YEAR 2011-2012 OPERATING BUDGET AND
OPERATING BUDGET CAP**

Mr. Kydes said that this will be a discussion on the operating budget with will be voted on by the full Council in a few weeks. He said that a public hearing will be held next week. Mr. Kydes said that everyone is aware of the financial difficulties in the world. He said that we have to have shared sacrifices across the board and come to the table in open communication and negotiate in a reasonable fashion that limits the burden on the taxpayers. He said that he was very encouraged by the large crowd of people present this evening and said that is how it should be all the time. He added that he was encouraged that Mr. Grillo took a salary freeze despite having pay increases written in his contract.

Mr. Hamilton gave a Power Point presentation of the FY2011-2012 Budget.

Mr. Hamilton said that he assumed a 15% decrease in State grants. Mr. Conroy asked about the strategy to deal with decreased interest income. Mr. Gildea explained that the longest term is five years and they shortened up the maturities.

Ms. King asked Mr. Hamilton if he could run various budget assumptions. Mr. Hamilton said that once he has the proposal from the governor, he will have a clearer picture. He normally bases the budget on the governor's recommended grants to the City. He said that he did not have the contingency budget due to the uncertainty of the governor's budget.

Ms. King asked about the strategy to grown the stagnant tax base. She said that other communities are seeing growth. Mr. Hamilton said that our grant list in fy09-10 went up 18.6%; fy 10-11 .09%. Until there is new development, there will not be any new growth to the grand list. Mr. Kydes said that he heard that one third of the nations homes are in foreclosure.

Ms. King asked about the plan for new hires since the pension plan seems to be draining the budget. Mr. Hamilton said that the pensions are subject to collective bargaining; he

can't unilaterally change the pensions. Norwalk's pensions are only based on base pay, which makes a huge difference.

Mr. Hempstead asked where the fund balance was eight years ago. Mr. Hamilton said that it peaked at 37%. Mr. Hamilton reviewed the key expenditure drivers. The requested budget would require a 4.2% increase and a 4.4% tax levy increase.

All City employees received a 0% wage increase for fy10-11. They gave back their 3% increase which they were entitled to under their contract. Mr. Kydes commended the union members for giving back their increases.

Mr. Hamilton said that the Ordinance group was the first ones to take no wage increase. In addition, they took five furlough days.

Mr. Hamilton reviewed the budget reduction strategies. He said that the strategy has been to limit the board of Education spending. The final recommendation is that the overall Board of Education budget increase 2.1%. The total recommended amount allocated to the Board of Education is 61% or \$175million.

Mr. Hamilton discussed recommendations to close the gap between the Board of Education's request and his recommended budget. He said that for a single family home in the fourth district with taxes of \$6,016, their taxes would increase by \$107.00 per year.

Ms. King asked Mr. Hamilton how much it would cost to fund the full Board of Education request. He said that it would cost approximately an additional \$250.00 per year.

Mr. Hamilton said that the budget is funded 90% from tax payers. Ms. King asked him if he could break that down by residential and commercial properties. Mr. Jaeger asked if the availability of grants has stabilized. Mr. Hamilton said that he does not see the possibility of grants going up over the next couple of years.

Mr. Hamilton reviewed the significant revenue changes. He said that in closing, the recommended budget is an austere plan that calls for shared sacrifices.

Mr. Kydes thanked Mr. Hamilton and his staff for their hard work. Mr. Hempstead asked what the average salary with benefits was for a 2405 worker. Mr. Hamilton said that it was \$75,000. He said that last fiscal year on the City side, the primary strategy the City used was to significantly reduce non-sworn staff. Over the past 16 years the City went from 752 positions to 646 positions.

Mr. Hamilton said he put together information comparing Norwalk to other municipalities. Norwalk employees 3.6 non-sworn employees per 1,000 residents. He said that Norwalk is leaner than other surrounding municipalities.

Ms. King asked Mr. Hamilton who gave him guidance on building the budget. Mr. Hamilton said that he meets with the Mayor to discuss his initiative and what overall tax levy charge that would be acceptable.

Mr. Hamilton said that there is \$6 million unexpended in the Board of Education budget and the amount that was requested did not incorporate that amount. He said that the \$6million has to be used for facility improvement at any school.

**** MS. KING MOVED TO ADJOURN
** MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 9:15 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services