

**CITY OF NORWALK
BOARD OF ESTIMATE AND TAXATION
REGULAR MEETING
SEPTEMBER 6, 2011**

ATTENDANCE: Fred Wilms, Chair; Leo Mellow, James Feigenbaum, Michael Lyons,
Mayor Richard Moccia, Jim Clark, Michael Kolman

STAFF: Thomas Hamilton, Director of Finance; Robert Barron, Finance

CALL TO ORDER

Mr. Wilms called the meeting to order at 7:39 p.m.

APPROVAL OF MINUTES

August 1, 2011 Regular Meeting

**** MR. LYONS MOVED THE MINUTES OF AUGUST 1, 2011**

The following correction was noted:

Page 1, under **ATTENDANCE**; please add Mayor Richard A. Moccia

Page 1, under **STAFF**: please remove Mayor Richard A. Moccia

**** THE MOTION TO APPROVE THE MINUTES OF AUGUST 1, 2011 AS
CORRECTED PASSED UNANIMOUSLY.**

**** MR. LYONS MOVED TO SUSPEND THE RULES TO ADD THE FOLLOWING
TWO ITEMS TO THE AGENDA:**

1.) TRANSFER AGENDA (SECTION B)

**• \$542,000 FROM PUBLIC WORKS OTHER CONTRACTUAL SERVICES
ACCOUNT 014042-5298 TO EMPLOYEE BENEFITS INSURANCE
PROGRAM (WORKERS COMPENSATION) ACCOUNT 019030-5418.**

**• THE SURPLUS GENERATED IN THE ABOVE PUBLIC WORKS
ACCOUNT IS DUE TO THE REVENUES FROM COMMERCIAL
CARRIERS' USE OF THE NORWALK TRANSFER STATION
EXCEEDING THE COST OF DISPOSING THEIR WASTE.**

• THE INSURANCE FUND'S DEFICIT CURRENTLY STANDS AT APPROXIMATELY \$905,000 DUE TO AN INCREASE IN THE WORKER'S COMPENSATION ACCRUAL MADE AT YEAR-END.

AND

2.) OTHER BUSINESS (SECTION C)

• ADDITION OF A \$542,000 RESERVE ITEM IN THE EMPLOYEE BENEFITS INSURANCE PREMIUM (WORKERS COMPENSATION) ACCOUNT 019030-5418

**** THE MOTION TO SUSPEND THE RULES TO ADD THE ABOVE TWO ITEMS TO THE AGENDA PASSED UNANIMOUSLY.**

TRANSFER AGENDA (SECTION B)

1.) Transfer Agenda (Section B)

• \$542,000 From Public Works Other Contractual Services Account 014042-5298 To Employee Benefits Insurance Program (Workers Compensation) Account 019030-5418.

• The Surplus Generated In The Above Public Works Account Is Due To The Revenues From Commercial Carriers' Use Of The Norwalk Transfer Station Exceeding The Cost Of Disposing Their Waste.

• The Insurance Fund's Deficit Currently Stands At Approximately \$905,000 Due To An Increase In The Worker's Compensation Accrual Made At Year-End.

Mr. Hamilton said that this was a year end transfer that was projected and the transfer would cover the shortfall in the insurance fund due to an increase in the cost. He reviewed the details surrounding the workers' comp and the details of the accrual. During the year end review, potential ways of ameliorating the shortfall had been considered. However, with the increase of close to a million dollars, it is important to deal with this as soon as possible. Otherwise next year's contribution will be larger.

The revenue from the transfer station has increased due to increase usage. By transferring the \$542,000 into the insurance fund, a major portion of the shortfall will be offset. Mr. Barron then reviewed how the surplus was generated. He explained that the surplus could be brought to the bottom line of the general fund, but both he and Mr. Hamilton were recommending that the surplus be applied towards the insurance fund. Mr. Barron then went on to give a detailed review of the projected financials for FY 2010-2011.

Mr. Wilms asked if the \$542,000 being transferred was the full amount on the balance sheet . Mr. Barron said no and explained that approximately \$200,000 was being left in the account for an anticipated \$100,000 year end expense and a \$100,000 contingency amount for losses that may occur when the City's operating costs increase and it is unable to pass on those increases to the commercial failures for up to a month.

Mr. Clark asked if there were any projections for the future in terms of revenue. Mayor Moccia pointed out that since there was a change of staff at the transfer station and a restructuring of the procedure, the revenues have increased. Mr. Barron said that the department would be tracking the revenue at the transfer station.

Mr. Lyons asked what caused the 1.4 million dollar increase. Mr. Hamilton said that last year there was a difficult year in terms of worker's comp. There was a serious DPW accident last year involving a chain saw. There have also been a number of serious incidents for firefighters. While the Police Department had a typical year, the Board of Education had a number of claims that are still in progress. Discussion followed.

**** MR. WILMS MOVED TO APPROVE THE FOLLOWING TRANSFER:**

A TOTAL OF \$542,000 \$542,000 FROM PUBLIC WORKS OTHER CONTRACTUAL SERVICES ACCOUNT 014042-5298 TO EMPLOYEE BENEFITS INSURANCE PROGRAM (WORKERS COMPENSATION) ACCOUNT 019030-5418.

Mr. Mellow asked a question about the location of the revenue on the regular budget spreadsheet. Mr. Barron indicated where this would be and explained why it was not on the spreadsheet.

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

OTHER BUSINESS (SECTION C)

• Addition Of A \$542,000 Reserve Item In The Employee Benefits Insurance Premium (Workers Compensation) Account 019030-5418

Mr. Hamilton reviewed the figures on spreadsheet titled Suspension of Rules - City Restricted For Encumbrance, June 30, 2011. He added that GASBY 51 had changed some of the rules regarding the fund balance. Mr. Barron explained that in the next year, the accounts will be reviewed and those that are inactive or closed will be changed into unspent appropriated funding.

**** MAYOR MOCCIA MOVED TO APPROVE THE ADDITION OF A \$542,000 RESERVE ITEM IN THE EMPLOYEE BENEFITS INSURANCE PREMIUM (WORKERS COMPENSATION) ACCOUNT 019030-5418**

**** THE MOTION PASSED UNANIMOUSLY.**

RESOLUTION, Authorizing A Special Capital Appropriation In The Amount Of \$25,000 For The Partial Purchase Of A License Plate Reader (LPR) To Increase The IT Projects. (Acct. 39012-0600-5777-C0375)

Mr. Hamilton said that the Recreations and Park Department has been working on getting a better system for the issuance of resident passes for the beach, parks and transfer station. He then gave a brief overview of how the license plate reader will be used for this purpose. The residents can be downloaded on their computer. Those that do not wish to apply for a pass on the computer will be able to come to City Hall to get the pass.

Mr. Clark expressed concerns about another request for this system coming along for the transfer station. Mayor Moccia said that it wasn't something that DPW was ready to move forward on at this time. Once the system is in place, Mr. Alvord feels that he will be able to pay for the program out of his own accounts.

**** MAYOR MOCCIA MOVED THE FOLLOWING ITEM:**

RESOLUTION, AUTHORIZING A SPECIAL CAPITAL APPROPRIATION IN THE AMOUNT OF \$25,000 FOR THE PARTIAL PURCHASE OF A LICENSE PLATE READER (LPR) TO INCREASE THE IT PROJECTS. (ACCT. 39012-0600-5777-C0375)

**** THE MOTION PASSED UNANIMOUSLY.**

Resolution, authorizing a reduction in the amount of \$25,000 to the approved capital budget appropriation for Veterans Memorial Park from \$50,000 to \$25,000. (Acct. # 0911-6030-5777-0367)

A brief discussion followed on the need for this transfer.

**** MAYOR MOCCIA MOVED THE FOLLOWING ITEM:**

RESOLUTION, AUTHORIZING A REDUCTION IN THE AMOUNT OF \$25,000 TO THE APPROVED CAPITAL BUDGET APPROPRIATION FOR VETERANS MEMORIAL PARK FROM \$50,000 TO \$25,000. (ACCT. # 0911-6030-5777-0367)

**** THE MOTION PASSED UNANIMOUSLY.**

ADDITIONAL INFORMATION (SECTION D)

Financial Reports:

Key Revenue Report – August 2011

Mr. Barron then gave an overview of the Key Revenue Drivers, which is included in the information packet. He reviewed the method that he used for creating the forecast in the early part of the year.

Tax Collector's Report

Tax Collector's Narrative – August 2011

Mr. Hamilton directed everyone's attention to Ms. Biagiarelli's report in the information packet. He said that the final collection percentage was 98.87%. Mr. Barron pointed out that the City had budgeted on 98.2%. Mayor Moccia commented that Norwalk is one of the few cities in the State that had such a high tax collection percentage.

Oak Hills Financial Status – June 2011

Oak Hills Financial Status – July 2010

Mr. Hamilton said that the financial figures from Oak Hills had not been very encouraging. Before the Authority signed the agreement, they paid the outstanding balance in order to become current on their payments. However, they had not made the payment due on September 1st. A meeting has been held with the Oak Hills Park Authority about reformulating their budget. The Authority had anticipated that they would have 41,000 rounds, but the actual performance was 36,000 rounds. There is a new chairman and new Board members, who are working on a plan based on the 36,000 rounds. The Board members expressed strong concerns about the financial situation. Discussion followed.

Before adjourning, Mayor Moccia said that he wished to inform everyone that during the recent storm, the numerous tabletop exercises that the various departments such as DPW, the Fire Department and the Police Department had paid off. Many of the employees reported to work despite the fact that their own homes were damaged, flooded or without power.

ADJOURNMENT

**** MAYOR MOCCIA MOVED TO ADJOURN.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:51 p.m.

Respectfully submitted,

City of Norwalk
Board of Estimate and Taxation
Regular Meeting
September 6, 2011
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Sharon L. Soltes
Telesco Secretarial Services