

**CITY OF NORWALK
FINANCE/CLAIMS PUBLIC HEARING
AND
SPECIAL MEETING
FEBRUARY 23, 2012**

ATTENDANCE: Carvin Hilliard, Chair; Douglas Hempstead; John Igeneri;
Nicholas Kydes; David McCarthy; Warren Pena (7:23);
Matthew Miklave (7:39);

STAFF: Thomas Hamilton; Robert Baron; Fred Gilden

OTHERS: Bruce Kimmel; Jerry Petrini; David Watts, Common
Councilmembers

PUBLIC HEARING

Mr. Hilliard opened the public hearing at 7:18 p.m. and introduced the Councilmembers present.

Public Hearing on Fiscal Year 2012-2013 Operating Budget

Mr. Elio Longo, Chief Operating Officer, Norwalk Public Schools said that the Board of Education approved a budget of \$165.4 million, which is \$1.5 million below the Superintendent's request. He spoke about the competitive bidding of their health insurance that should result in a savings of \$1 million in renewals. He said that they are also looking at bringing other programs back to the district.

Mr. Longo asked the Committee to consider every avenue to consider the Board of Education's request.

Mr. Pena joined the meeting at 7:23 p.m.

Mr. Scott Phelen, Branford Street, said that he has worked for the Department of Public Works for over 14 years. He spoke against privatizing garbage. He said that initially there would be a savings, but then there would be the claim of overhead and a Solid Waste Authority will be created and resident will then be charged. He asked why the City couldn't continue to pick up the garbage and maintain control over their future.

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Mr. Scott Schular, Ely Avenue, said that he has worked for the Department of Public Works for 19 years and that privatizing garbage would not be a good thing. He questioned whether or not the City would end up with charging a garbage fee. He asked what is going to happen to the small store fronts and asked if they will be forced to pay for their own carting.

Mr. Hector DeJesus, said that he has worked for the Department of Public Works for 20 years. He said that he has seen tree and Christmas tree pick ups sent out to private companies. He talked about services being privatized and then residents being taxed for those services.

Mr. DeJesus said that the Unions are not the bad guys. He said that they are on the job every day to make sure the streets are clean and safe.

Mr. Milton Giddiens, Lenox Street, President of Local 2405 said that this is the oldest Union in Norwalk.

Mr. Miklave joined the meeting at 7:32 p.m.

Mr. Giddiens said that he loves the people he works with and is proud to work with them. He said that each person does 10 – 15 specialized jobs. When there is an emergency, that is the person you will see. Mr. Giddiens said that there have been a lot of losses in the department. He said that they used to have a tree crew, but they were let go. He said that when they see taxpayers, they know who they are serving. He said that sanitation is a health issue, and they do it well. Mr. Giddiens said that they went from 12 trucks to 4.

Mr. Miklave apologized for being late.

Mr. Steve Colarossi, Plymouth Avenue, member of Board of Education and Chair of the Board of Education Finance Committee, said that two years ago they made a 0% budget work and the teachers continued to excel. Last year they had a modest increase. Since they did so much work in eliminating fluff in the accounts, they were able to identify savings.

Mr. Colarossi said that in this third year, they are trying to do what they can with limited funds. He said that they will continue to work with whatever amount the cap amount is set. He said that they are looking at moving Special Education programs back to the City which will be a savings to the City. Mr. Colarossi said that he felt the budget is an accurate representation.

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Mr. Peter Bondi, Princess Pine Road, Chair, Norwalk Historical Commission, said that he was here to speak about the Norwalk Museum collection. He said that the collection allows people to learn how the City has evolved over the years. He spoke about the opportunities to learn about Norwalk at the Norwalk Museum.

Mr. Bondi said that he learned about closing the Museum through articles and that there is no plan in place on how the collection will be safely moved and stored. He said that if the City goes through the bid process, then there is the issue of where to store the collection. He said that the Library, Lockwood Mathews Mansion and the Lockwood House can't store the collection. He said that that the history and souls of our ancestors should not be taken.

Mr. Bondi said that the cost of moving and storing the collection would eliminate any savings. As the Historic Commission, they have been appointed to oversee the collection. He said that he is opposed to closing the Norwalk museum and is opposed to splitting the collection.

Mr. Bondi announced that a tour of the Norwalk Museum will be offered tomorrow at 2:00 p.m.

Mr. Eric Chandler, Ledgebrook Drive, five year Member of the Norwalk Historical Commission said that he supports Mr. Bondi's statements and is opposed to closing the Norwalk Museum and moving the collection to the Lockwood House. He said that the current location is the most efficient location.

Mr. Chandler said that they are being penny wise and pound foolish if they close the Museum. He said that if the Museum is closed, he feels that no one in the City will ever have access to the collection again.

Mr. Fred Bondi, King Street said that he was speaking as a resident of Norwalk and not a Councilmember. He spoke in support of keeping the Norwalk Museum open. He said that it took a lot of years to gather the history in the Museum and it should not be put into storage; it is for the people to look at.

Mr. Bondi said that there is a sign in book at the Museum with over 4,000 signatures in it. He said that the collection should be on display for people to do research of this great City. He said that these items can't be replaced if they are damaged. He asked about security to be sure nothing from the collection is stolen. He said that these items can't be replaced.

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Mr. Bondi said that they City will not eliminate \$216,000 from the budget, because it will cost about the same amount to pack and store the collection properly. Mr. Bondi asked to keep the Museum collection together where it is now. He said that the Lockwood House was built to house the collection, but it has been rented out and the funds used to pay the rent at the old City Hall. He said that it has not been rented out for almost a year and now the Fire Department is there and they are not paying rent.

Ms. Lesley Kotlennick, Curator Rowayton Historical Society said that everyone was here to preserve the culture of Norwalk. She said that Norwalk is probably one of the oldest cities in America. She said that there is something special about this community that values its history. She said that the preservation of a collection is an on-going activity. She spoke about her concern for the safety of the collection if it is put into storage.

Ms. Kotlennick urged everyone to think carefully about what it means to preserve history and the artifacts. She said that there is no museum that has been disbanded and was able to reconstitute itself.

Ms. Marcia Powell read a letter in support from Mr. Clyde Ripka, Bull Head Market in support of keeping the Norwalk Museum open.

Ms. Patsy Brescia, East Avenue, Chair of the Board, Lockwood Mathews Mansion Museum said that they are requesting \$45,000. She said that it is a magnificent facility and they are working hard to keep it as part of the heritage of Norwalk.

Ms. Brescia said she was responding to the comments about closing the Norwalk Museum. She said that there must be creative ways to save the Norwalk Museum. She said that when she was a member of the Common Council, a member of the Lockwood family handed the City a check for \$160,000 to build the Lockwood House to perpetuate the history of the City.

Ms. Leigh Grant, Comstock Hill Avenue, spoke in support of saving the Norwalk Museum. She said that it will kill our history and the ability to keep discovering it. She said closing the Museum will betray the trust of the donors. She said that moving the collection opens the door to damaging the collection.

Ms. Marija Bryant spoke in support of keeping the Norwalk Museum open. She said that currently people have the ability to do research in one place.

Mr. David Watts, said that he was speaking as a resident. He spoke in support of keeping the Norwalk Museum open and spoke against privatizing garbage.

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Mr. Dan Gruman spoke about making changes to the health and retirement benefits for new City employees. He said that he is in favor of privatizing, but does not see how it can save employees jobs and save money. He said that he would like to see transparency in general obligation bonds and proposed that amounts over \$3,000 be publicized on the website and local newspapers.

Mr. Nicholas Kydes, Common Councilmember said that he is a financial conservative and is keen on keeping taxes lower, but was moved by the discussion related to the Norwalk Museum. He said that inspired him and he supports keeping it open. He said that museums are the soul of the community in which it lies. Mr. Kydes said that it is important to understand our roots. The Norwalk Museum is a structure that will live on after us and tell a story about us – its citizens. He said that he feels \$216,000 can be found somewhere else and not burden the taxpayers. Mr. Kydes said that he will do what he can to keep the Norwalk Museum open.

Mr. Steve Forcier, DPW employee said that privatizing the garbage will not benefit the City. He said that sewage was privatized and now residents have to pay a sewage fee. He said that when they figure out that privatizing garbage does not work, they will impose a fee. He said that Mr. Alvord and Mr. Hasselkamp do not live in Norwalk and the repercussions do not impact them.

Mr. Don Bradley, DPW employee said that the men work their tails off and that he is not in favor of privatizing garbage. He said that the entire Union asks that the City not privatize garbage.

Ms. Lisa Wilson Grant spoke in support of keeping the Norwalk Museum open. She said that she wrote a book about Roton Point and is now being asked to write a book about Norwalk. She said that she was shocked and dismayed over the possibility that she won't be able to go to the Museum to access information that she needs.

Ms. Grant said that the Norwalk Museum should be re-energized and would be saddened to think it would be closed and the information there could not be shared.

Mr. Michael Campbell said that he volunteers and is an Intern at the Norwalk Museum. He said that the decision to close the Museum would be outrageous and impulsive. He asked that the Museum be kept open for the sake of the public and the community.

Dr. Lynn Moore, Principal West Rocks Middle School told Mr. Campbell that she was proud of him and his sister Catherine. She said that DPW provides a valuable service and is not in support of privatization. She spoke in support of keeping the Museum open. Dr. Moore said that they need to consider raising the cap.

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There were no other members of the public who wished to speak and the public hearing was closed at 8:30 p.m.

SPECIAL MEETING

Mr. Hilliard called the special meeting to order at 8:40 p.m.

Fiscal Year 2012-013 Operating Budget and Cap Review and Discussion and Recommendation

Mr. Hilliard read the following resolution:

WHEREAS, Section 1-289 of the Norwalk Charter requires that a majority of the Common Council vote to establish a specific spending limitation on locally funded expenditures during the process of establishing the next fiscal year’s operating budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF NORWALK THAT:

The maximum limit on total appropriations for the City of Norwalk for Fiscal Year beginning July 1, 2012 shall be no more than \$_____. This appropriation cap represents total expenditures of \$_____ less estimated intergovernmental grants of \$_____.

Be it further resolved that the result of this vote and resolution, together with the attached 2012-13 Budget Guide, be forward by the Clerk of the City of Norwalk to the Board of Estimate and Taxation.

ADOPTED BY MAJORITY

VOTE: _____ in favor _____ against

Mr. Hilliard said that he would like to hear from Committee members. Mr. Kydes asked Mr. Hamilton to remove \$216,000 for the Museum funding. He asked Mr. Hamilton where they could move the Museum. Mr. Hamilton said that it makes sense to move it to the Lockwood House, because it is a City owned property. He said that once the Fire Department opens and they vacate the property, there are no other tenants lined up.

Mr. Kydes asked about the square footage of the Lockwood House and if it would be able to hold all of the artifacts. Mr. Hamilton said that has to be looked into as well as storing historical documents at the Library. He said that the Librarians are trained in dealing with preserving materials. He said that they are evolving as they move into this further.

Mr. Hamilton said that the proposal generated a lot of discussion. He understands that the collection is important and wants to make it available to people. He said that a non-profit corporation set up could run the museum. Typically they engage in fundraising and have a board of directors that have the skill sets to manage a museum. Mr. Hamilton said that you very rarely see a municipal museum; it is far more common to have a 501 (c) 3 corporation. The Lockwood Mathews Mansion Museum receives \$40,000 from the City, but the City is not looked at as a sole source of funding.

Mr. Petrini asked about the costs associated with the closing. Mr. Hamilton said that he put \$75,000 into contingency to cover the transition and storage expenses. He said that the Mayor expressed interest in leaving the collection where it is and negotiating a deal with the owner of the building at a reduced rate. The lease expired in June 2011 and the Museum was there on a month to month.

Mr. McCarthy expressed concern with damaging the collection during the moves and said that it makes sense to transition only once.

Mr. Miklave had a series of factual questions. He asked what would have to change to bring the tax increase down. Mr. Hamilton said that the easiest way would be to reduce expenditure in a line item. \$2,468,372 represents 1% which would bring the increase down to 2.8%. Mr. Miklave asked if closing the Museum would save the City \$216,000. Mr. Hamilton said that the total savings would be \$274,000, which would include employee benefits.

Mr. Miklave asked what would be saved by privatizing garbage. Mr. Hamilton said that the City would save \$360,000. Mr. Miklave asked about post employment benefits. Mr. Hamilton said that the accrued liabilities are from members who have already retired. Active employee benefits will be paid out in their retirement. The pension liability is based on years of service. Health insurance is based on whether or not the employee

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qualifies for it. Mr. Hamilton said that he increased the other post employee benefits budget by \$250,000. Mr. Hamilton said that the City is underfunded by about 10%, but is phasing into full funding. The City is attempting to make changes to the benefit where new employees will pay a sliding scale for health benefits depending upon years of service. The strategy is that the City is attempting to share the burden with the beneficiaries.

Mr. Kimmel asked about the interest income. Mr. Hamilton said that the City has a certain amount of core cash in government agency investments. As they mature, they have to replace them with lower yielding investments.

Mr. Hempstead asked about the amounts if they go to a 1.9% tax increase. Mr. Baron explained that \$294,537,313 equals a drop off of 4,803,071 to achieve 1.9%.

Mr. Hilliard asked how much would have to be added to the budget to fund the Board of Education at their requested amount. Mr. Hamilton said that \$299,340,384 would add \$5,199,559 which would fully fund the Board of Education request for a total of \$304,539,943 which would result in a 5.85 mill rate increase. Mr. Hilliard asked to add the Norwalk Museum to that amount. Mr. Baron said that the total amount would be \$304,756,338 which would equal a 5.85 mill rate. Mr. Hilliard asked to add garbage to that amount. Mr. Baron said that the total expenditure with the Board of Education, Norwalk Museum and garbage would be \$305,116,338 which would equal a 6% mill rate.

Mr. Kimmel asked about Police staffing levels. Mr. Hamilton said that the Police asked for additional positions, but he said that they were unable to recommend that. Mr. Baron said that they reduced their 10 recruit request to 5. Mr. Hamilton said that the budget for this year funded 197 positions and funds 197 next year. The Patrol Division is 131 positions if fully staffed.

Mr. Kimmel asked Mr. Hamilton if he budgeted for increase over time for the Patrol Division. Mr. Hamilton said that has been well controlled over the last 2 -3 years. He said that there is a raise built into the Police Union. He said that all other City contracts are unsettled so he can't talk about them in open session.

A recess was called at 9:41 p.m.

The meeting resumed at 9:50 p.m.

Mr. Miklave said that this is one of the most important decisions the Common Council makes during the course of the year. He said that he did not believe this budget process

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is a good process. He said that he means no disrespect to the professionals. Mr. Miklave said that they are talking about what they can cut, rather than what they spend. He said that the Charter does not give them line item authority; they can only vote on the cap and he said that he takes that responsibility very seriously.

Mr. Miklave said that he believes there are considerable opportunities for savings in the budget. He said that he would be more comfortable with a 2.8% cap without closing the Museum and privatizing garbage. He said that he is dead set against these and will vote against any effort to close the Museum or privatize garbage. Mr. Miklave said that he will not support a 3.8% increase.

Mr. Hilliard said that he agreed with Mr. Miklave and was opposed to closing the Museum and privatizing garbage. He said that the Museum is a definite value to the City. He said that he was in support of fully funding the Board of Education's proposed budget. He said that we have to educate our kids and prepare them for the best future possible. He said that we can pay on this end instead of adding to the prison system.

Mr. Watts said that he agrees with Mr. Miklave and Mr. Hilliard. He said that as a parent, he wants to make sure his son gets a first rate education. He said that he can't understand on the cheap. Home values are tied into the school system. He said that if you value your home, you will support education. He said that we have to do the right thing for the kids in Norwalk and fully fund the Board of Education.

Mr. Watts said that he would like to see his son able to compete with the surrounding communities. He said that if you are a Democrat you will believe these things. He said that closing the Museum and privatizing the garbage and still raising taxes is a radical budget. Mr. Watts asked his colleagues on the Committee to do the right thing and stand up for the kids, the City workers and the history of the City.

Mr. Kimmel noted that he is not on the Committee and could not vote. He said that he wanted to remind folks that in Connecticut, collective bargaining is governed by state statute. He said that there has to be a give and take in contract negotiations and would be very careful before adopting a cap that is predicated on a certain level salary increase. He said that he has always argued that the budget has to be a balance. He said that he feels that 6% is too far one way. He said that 1.9% is also too far to one side.

Mr. Kimmel said that under 2% is a little too low and that the recommended budget put forth by the Finance Director is practical.

Mr. Pena said that he has heard a lot of passionate statements tonight. He said that he is not in favor of closing the Museum or privatizing garbage. He said that it is difficult to

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process because they do not have line item control. He said that he agrees with Mr. Kimmel that they have to take a balanced approach. Mr. Pena said that he feels the need to fund the Board of Education, but has to be sensitive to the taxpayers.

Mr. Pena suggested looking at the pension and how to start changing the dynamics. He suggested getting folks to start saving on their own.

Mr. Igneri said that he agreed with his colleagues that there needs to be a balance approach. He said that he is concerned that with a 1.9% increase, the unfunded liability will grow. He said that the numbers are small to keep the Museum open and not privatize garbage.

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

WHEREAS, Section 1-289 of the Norwalk Charter requires that a majority of the Common Council vote to establish a specific spending limitation on locally funded expenditures during the process of establishing the next fiscal year's operating budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF NORWALK THAT:

The maximum limit on total appropriations for the City of Norwalk for Fiscal Year beginning July 1, 2012 shall be no more than \$278,140,966. This appropriation cap represents total expenditures of \$294,537,313 less estimated intergovernmental grants of \$16,396,347.

Be it further resolved that the result of this vote and resolution, together with the attached 2012-13 Budget Guide, be forward by the Clerk of the City of Norwalk to the Board of Estimate and Taxation.

Mr. Hempstead said that he was concerned about people on Section 8 or whose homes are under water. He said that it kills him to ask for \$1.9%. He said that Norwalk taxes are not cheap. The median in the fourth district is \$6,000 and on that basis 3.8% is a \$220.00 increase. He said that the Governor told the City deal with it, because of what it got last year. He said that if the State gives the City extra money, it would go directly to the Board of Education.

Mr. Watts asked what the Republican leader has done in Hartford. He said that he feels that Norwalk has been short changed for the last few years when we have had Republican leaders in Hartford.

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Mr. Hilliard said that they have to make a very important decision. He said that they all agree that they want more money from the State, but we still have a job to educate our kids. Mr. Hempstead said that the State has been under control of both Houses for the past 20 years.

Mr. Kydes said that it is important to realize that they were voted into office to be the fiduciary of the budget. High taxes will not bring new business into the City. He said that for the last seven years that he has been on the Common Council, he doubts they have every cut any Board of Education budget. He said that they decreased the amount of the increase. He said that as a parent, we all want the best for our children. Throwing money at the issue will not give them a better education. What is going to enlighten a child will be to have the proper system in which to learn.

Mr. Kydes suggested looking at the top heavy administrative slant at the Board of Education. He said that since he has been on the Common Council, they have never cut the Board of Education. Mr. Kydes said that he has heard a 6% increase, which he finds irresponsible. He said that he would love to have a 0% increase. He said that he has not had a raise in three years, but still has to pay a portion of his insurance. He asked why other people can't live in the real world. He asked why we have to support someone's pension and insurance. He said that it is time to tighten belts and open our eyes to reality.

Mr. Kydes said that the answer is to tighten our belts. Globally there is a major crisis. He said that he can live with a 1.9% increase, but can't vote for any more than that.

Mr. Miklave said that they have to be careful about the language they use when having these important debates. He said that this is a broken budget and the language of distrust is through around by both sides. He said that they need to be careful that they don't demonize people of good will that feel passionately. Mr. Miklave said that 1.9% is too radical of a cut. He said that he believes that 2.8% can fully fund the Board of Education budget.

Mr. Miklave said that regarding the question about why they have to support the pension and health benefits. He said that it is a promise the City made and a deal they made with the City employees. Mr. Miklave said that the reason why we keep those promises is because we gave our word and that is important and that is why we honor those promises.

Mr. Kydes said that is not the issue he is trying to present. He said that the public lives in one world and the public servants live in another world. He said that he was not

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talking about not honoring promises made. He suggested developing a more financially sound path to follow. He said that the fix is to look at the expense side.

**** MOTION FAILED WITH THREE (3) VOTES IN FAVOR (MR. KYDES, MR. HEMPSTEAD AND MR. MCCARTHY) AND FOUR (4) VOTES IN OPPOSITION (MR. HILLIARD, MR. IGNERI, MR. MIKLAVE AND MR. PENA)**

**** MR. MIKLAVE MOVED THE FOLLOWING RESOLUTION:**

WHEREAS, Section 1-289 of the Norwalk Charter requires that a majority of the Common Council vote to establish a specific spending limitation on locally funded expenditures during the process of establishing the next fiscal year's operating budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF NORWALK THAT:

The maximum limit on total appropriations for the City of Norwalk for Fiscal Year beginning July 1, 2012 shall be no more than \$282,944,037. This appropriation cap represents total expenditures of \$299,340,384 less estimated intergovernmental grants of \$16,396,347.

Be it further resolved that the result of this vote and resolution, together with the attached 2012-13 Budget Guide, be forward by the Clerk of the City of Norwalk to the Board of Estimate and Taxation.

Mr. Miklave said that this represents a 3.8% mill rate which equals \$229.00 median property value increase in the fourth district.

Mr. Miklave said that he is putting this up as a place holder, but will vote against it.

**** MOTION FAILED WITH NO VOTES IN FAVOR**

**** MR. PENA MOVED THE FOLLOWING RESOLUTION:**

WHEREAS, Section 1-289 of the Norwalk Charter requires that a majority of the Common Council vote to establish a specific spending limitation on locally funded expenditures during the process of establishing the next fiscal year's operating budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF NORWALK THAT:

The maximum limit on total appropriations for the City of Norwalk for Fiscal Year beginning July 1, 2012 shall be no more than \$282,944,037. This appropriation cap represents total expenditures of \$296,872,012 less estimated intergovernmental grants of \$16,396,347.

Be it further resolved that the result of this vote and resolution, together with the attached 2012-13 Budget Guide, be forward by the Clerk of the City of Norwalk to the Board of Estimate and Taxation.

This represents a 2.8% mill rate increase which equals \$171.00 median property value increase in the fourth district.

**** MOTION FAILED WITH THREE (3) VOTES IN FAVOR (MR. MIKLAVE, MR. PENA AND MR. IGNERI) AND FOUR (4) VOTES IN OPPOSITION (MR. KYDES, MR. HEMPSTEAD, MR. MCCARTHY AND MR. HILLIARD)**

Mr. McCarthy proposed a 2.4% increase.

Mr. McCarthy asked for a recess and said that he withdrew his proposal.

A recess was called at 10:46 p.m.

The meeting resumed at 10:52 p.m.

Mr. Miklave said that there is not a majority vote for any proposal. The Chair has the authority to put this resolution on the Common Council floor. Mr. Hempstead said that the numbers have to go into the Common Council meeting packet tomorrow morning. Mr. Hamilton said that he needs to know the numbers. Mr. Hilliard said that he did not have to do that now. He would do it tomorrow.

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**** MR. MIKLAVE MOVED TO ADJOURN**

**** MOTION PASSED WITH FOUR (4) VOTES IN FAVOR (MR. HILLIARD, MR. MIKLAVE, MR. PENA AND MR. IGNERI) AND THREE (3) VOTES IN OPPOSITION (MR. KYDES, MR. HEMPSTEAD, MR. MCCARTHY)**

There was no further business and the meeting was adjourned at 10:55 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services