

**CITY OF NORWALK
SPECIAL FINANCE/CLAIMS COMMITTEE
JUNE 18, 2012**

ATTENDANCE: Carvin Hilliard, Chair; Douglas Hempstead; John Igneri;
Nicholas Kydes; David McCarthy; Matthew Miklave; Warren Pena

STAFF: Thomas Hamilton, Finance Director; Lisa Biagiarelli, Tax Collector;
Gerald Foley, Purchasing Agent; Fred Gilden, Comptroller;
Diane Barry, DB&R Consulting

OTHERS: Bruce Kimmel; Michele Maggio; Joanne Romano; David Watts,
Common Council members

Mr. Hilliard called the meeting to order at 7:42 p.m.

**1. APPROVE THE MINUTES OF THE FOLLOWING FINANCE COMMITTEE MEETING:
APRIL 12, 2012**

** MR. HEMPSTEAD MOVED TO ACCEPT THE MINUTES AS PRESENTED
** MOTION PASSED WITH ONE (1) ABSTENTION (MR. KYDES)

**2. CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT; REVIEW AND
APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT DATED: JUNE 14, 2012**

Ms. Biagiarelli reported that there were no claims that required a vote by the Committee.

**3. NARRATIVE ON TAX COLLECTIONS DATED JUNE 14, 2012- RECEIVE REPORT AND
DISCUSS.**

**4. MONTHLY TAX COLLECTOR'S REPORT DATED MAY 31, 2012 - RECEIVE REPORTS
AND DISCUSS.**

Ms. Biagiarelli highlighted the Tax Collection narrative that was included in the meeting packet. She reported that the tax bills were mailed and the last day for payment without penalty is August 1st.

The Tax Sale is scheduled for July 16th. Currently there are over 130 properties listed on the sale, including boat slips. Ms. Biagiarelli said that she is trying to get more publicity about the Tax Sale and asked everyone to spread the word. She said there is a good feature on the City's website where people can go and click on the field card for each property on the Tax Sale.

Ms. Biagiarelli reported that the collection rate has been slow. Mr. Pena asked what happens to the money if there is a surplus. Mr. Hamilton explained that all tax revenue goes into the general fund. It encompasses all of the major departments of the City. About 90% of the revenue to support the City comes from taxes. If revenues exceed expenditures, that would generate an operating surplus that would flow to the City's fund balance.

Mr. Hamilton said that in addition to tax revenue, there is State aid and permit fees; however, they can go up and down based on various factors. He said that he can't look at one single account in isolation. Mr. Hamilton said that he expects to end the year at a breakeven level.

**** MR. KYDES MOVED TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE AN AMENDMENT TO THE CITY'S EXISTING AGREEMENT WITH RICOH PROFESSIONAL SERVICES, A DIVISION OF RICOH AMERICAS CORPORATION, FOR A PERIOD NOT TO EXCEED THREE (3) MONTHS, FOR CONTINUED MAILROOM SERVICES, FOR A TOTAL THREE (3) MONTH AMOUNT NOT TO EXCEED \$16,389.75. ACCOUNT 011362-5259.**

Mr. Foley explained that he was here to request an extension of the current contract to give them more time to review the submissions.

**** MOTION PASSED UNANIMOUSLY**

**** MR. KYDES MOVED TO TAKE THE AGENDA OUT OF ORDER AND MOVE ITEM 6 TO THE END OF THE AGENDA**

**** MOTION PASSED UNANIMOUSLY**

**** MR. MCCARTHY MOVED TO APPROVE THE FOLLOWING:**

7. Resolution with respect to the issuance and sale of not exceeding \$26,000,000 City of Norwalk, Connecticut General Obligation bonds, series 2012.

Mr. Hamilton explained that Mr. Gilden provided a schedule and cover letter for this resolution that allows the City to go out into the market to sell bonds for existing

approved capital projects. He said that the largest project is the Fire Station. Mr. Hamilton described the bid opening procedure.

Mr. Miklave said that he would vote in favor of this resolution. All of the projects have already been approved by a prior Common Council.

**** MOTION PASSED UNANIMOUSLY**

**** MR. MCCARTHY MOVED TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE TENANT'S/USERS LIABILITY INSURANCE PLACEMENT FOR THE FY2012-13 FISCAL YEAR WITH THE SHOFF DARBY AGENCY IN THE DEPOSIT AMOUNT OF \$1,500. ACCOUNT #168510-5418.**

Ms. Barry explained that this is a request for a deposit for the renewal of the tenant's/users liability insurance

AND TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE GENERAL LIABILITY INSURANCE PLACEMENTS FOR THE FY 2012-13 WITH CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY (CIRMA) FOR AN AMOUNT NOT TO EXCEED \$352,045. ACCOUNT #168510-5418.

Ms. Barry explained that the City has been with CIRMA for many years. This year's increase was 3%; last year was over 5%.

AND TO AUTHORIZE THE MAYOR, RICHARD A. MOCCIA, TO EXECUTE PROPERTY INSURANCE PLACEMENT FOR THE FY2012-13 FISCAL YEAR WITH THE H.D. SEGUR INSURANCE AGENCY IN AN AMOUNT NOT TO EXCEED \$493,093. ACCOUNT #168510-5418.

Ms. Barry explained that this is a request for property insurance. The broker went to 32 markets and the worst case scenario is \$493,093. They are hoping that the amount will come in lower than that. She reviewed the claims and noted that the City got hit with a large increase in its deductible last year. She said that she is requesting a not to exceed amount.

Mr. Hamilton said that it was important to acknowledge that several of the claims were Board of Education claims. The City's insurance funds them and takes on the liability. All other departments make a contribution to the insurance fund, except the Board of Education.

Mr. Kydes asked if the City could go back to the Board of Education and reallocate that portion of the expenses that the City incurs. Mr. Hamilton said that they used to do that, but there was a great deal of debate about that under the former superintendent.

He noted that there are significant expenses in the City budget in support of the Board of Education. Mr. Kydes said that the issue needs to be corrected.

Mr. Kydes asked Ms. Barry to be sure the City gets the best level of coverage. Ms. Barry said that they went to 32 markets. She apologized for not providing a final number.

Mr. Igneri said that the Sixth Taxing District uses Segur Insurance Agency and they do a great job and provide good rates.

**** MOTION PASSED UNANIMOUSLY**

**** MR. PENA MOVED TO RECEIVE BOARD OF ESTIMATE AND TAXATION APPROPRIATIONS FROM JUNE 4, 2012.**

Mr. Hamilton explained the Appropriations:

Item 1: \$409,946 from Contingency to the police Department to cover the cost of FY2011-2012 Police contract settlement and DROP/severance payments.

Finance recommends approval.

Item 2: \$396,993 from Contingency to Various Departments to cover the cost of the AFSCME Local 2405 contract settlement.

Finance recommends approval.

Item 3: \$34,675 from Contingency to cover the cost of increased Medicare and Social Security employer contributions.

Finance recommends approval.

Mr. Kimmel asked what the contingency budget was in FY 11/12 and what it is for FY 12/13. Mr. Hamilton said that FY 11/12 was \$1,348,537 and FY 12/13 is \$1,532,686. Mr. Miklave asked how much will be left over in contingency this year. Mr. Hamilton said that he is projecting less than \$400,000.

**** MOTION PASSED UNANIMOUSLY**

A recess was called at 8:27 p.m.
The meeting resumed at 8:48 p.m.

6. DISCUSSION OF SCHOOL SYSTEM BUDGET AND CRAFT AND VOTE ON ANY ALL RESOLUTIONS NEEDED BASED ON THE DISCUSSION

Mr. Hilliard said that he had hoped that all parties could come together, including the Norwalk Federation of Teachers, but that did not happen as of yet. He said that he is an optimist. He said that they need to do whatever they can to cause as little havoc on the Norwalk school system. He said that education is important and has a lot to do with the strength and vitality of the City. People do not move to a city with the reputation of having a bad school system.

Mr. Hilliard said that he is not in favor of mass layoffs in the school system and will do what he can to prevent that. He said that he was ready to begin the discussion.

Mr. Miklave said that he appreciated the spirit and sentiment of what was expressed. He said that it is clear that they have not yet reached a consensus on the Common Council. They are running out of time, but there is time to help. He said that the Board of Education is in crisis.

Mr. Miklave said that he felt there are 4 – 5 tools in the tool box. He outlined those tools.

Mr. Kimmel said that he feels the fund balance can absorb \$1.8 million. It would restore the Board of Education to where they were in February. He said that he would be willing to compromise to get something done; the clock is running. Mr. Kimmel told Mr. Mellion and the teachers that in his school district, when they were confronted with the question of a major layoff or a salary increase, they found a way to compromise and save jobs. He said that he does not like union bashing. He said that they are dealing with the prospect of layoffs and there is nothing left in the budget.

Mr. Hilliard said that he has always supported the school system.

Mr. Kydes said that this is a major systemic problem with the Board of Education. He explained that once the funds go to the Board of Education, the Common Council has no control over how it is appropriated. He said that he does not think asking the tax payers to carry the burden will help. He suggested waiting for the numbers that the Board of Education is working on. He said that the Union has to come to the table in good faith and work with the City and Board of Estimate and Taxation and the Superintendent has to come up with a solution.

Mr. Kydes said that if there was a zero increase in pay scale for the teachers they could make up the difference. He said that this can't be done in a vacuum and that they can't develop a long term solution by putting the City in jeopardy. He said that there are a lot more questions than answers about the funds that have been misappropriated.

Mr. Hempstead said that he knows that both sides of the aisle are trying to work out something meaningful. He described how appropriations work. He said that there is another tool in the tool box and that is to have a discussion with the State. They have a larger pot of money to work with. He said that they need to understand the Board of Education's long term plan. He said that he would like to understand their approach as to how they will pay back the money. Mr. Hempstead said that this is a work in progress and everyone is trying to avoid people losing their jobs.

Mr. Hilliard said that he is not in favor of any tax increase. He said that there has been a lot of talk at the Board of Estimate and Taxation and the Common Council has to play an important role in saving the school system.

Mr. McCarthy said that he has not yet heard about having an examination. He said that he would be in favor of doing that for the peace of mind for the people of Norwalk. Mr. Hilliard said that is part of the problem, but first they have to come up with significant funds to avoid layoffs.

Mr. Pena said that he is hearing great things and everyone is trying to work this out. He said that this is a legislative body of the City and they have the power to influence. He suggested maximizing that influence. He suggested setting up a meeting prior to June 30th and meeting with open minds to come out with a win-win solution for everyone.

Mr. Pena said that they have heard six different avenues to solve the issue; he asked Mr. Hamilton if there are any more. Mr. Hamilton said that the Board of Estimate has uncertainty as to where they are going to end the fiscal year.

Mr. Pena said that they have to be careful about bashing people and the unions. He said that he feels the State is a great option and hopes that the elected officials will help. He said that he feels that fuzzy accounting got the Board of Education into trouble and going forward they need to be transparent.

Mr. Igneri said that there are wonderful ideas, but he is not feeling the sense of urgency. He said that they have to come up with a quick solution so they can come up with a long term solution. He said that they all have to feel the sense of urgency to get this done by the next Common Council meeting. Mr. Igneri said that they need to give to the school system so that people are not laid off. It disrupts the school and the families. He said that they have to restore the public's faith in the school system.

Mr. Hilliard agreed and said that they have to fix this now. They have to fix the reputation of the City and educate the students. He said that they need an immediate solution.

Mr. Miklave said that since he has been back on the Common Council, this has been one of the better discussions around the Board of Education short fall. He commended all of his colleagues on both sides of the aisle. He thanked Mr. Hempstead for the tool to go to the State.

Mr. Miklave said that while he respects all comments, they have to explore the validity of all of the tools for the sake of fixing the problem. He said that it is likely that people will lose jobs and that it is the Common Council's fault for not overcoming pre-conceived notions. He said that he was encouraged to hear Mr. McCarthy call for an examination.

Mr. Miklave suggested turning this discussion and rolling it into a bi-partisan joint Education Committee of the Common Council. He recommended that it be made up of equal numbers of members from both parties and co-chaired by a member from each party.

Ms. Maggio said that she has been publically criticized by the outgoing PTO president who suggested that her school should be impacted. She said that she has issues that the elementary schools are being impacted the most. Ms. Maggio said that the only person in a child's life in addition to their parents is their teacher. She noted that most of the people present were parents and they all want to be sure the community stays whole.

Mr. Hempstead asked Dr. Marks if the layoff notices that went out today could be recalled. Dr. Marks said that they could. There is a reduction in force clause in each contract and they would follow that in the call backs.

Mr. Hilliard asked if anyone else wished to speak. No one else wished to speak. Mr. Hilliard said that in closing, they want ideas. He said that his number is listed on the City website. He said that he does not want to see layoffs.

**** MR. KYDES MOVED TO ADJOURN**
**** MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 9:35 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services