

**CITY OF NORWALK  
FINANCE/CLAIMS COMMITTEE  
REGULAR MEETING  
FEBRUARY 12, 2009**

**ATTENDANCE:** Carvin Hilliard, Chair; Anna Duleep, Amanda Brown, Michael Geake, Douglas Hempstead

**OTHERS:** Lisa Biagiarelli, Tax Collector, Fred Wilms, BET Chair; Thomas Hamilton, Finance Director, Fred Gilden, Comptroller, Bruce Mellion, NFT Union President, Dr. Lynn Moore, West Rocks Principal; Dr. Salvatore Corda, Superintendent of Schools; Dr. Dan Cooke, NPS Interim Budget Director; Glenn Iannaccone, Board of Education; Jack Chiamonte, Board of Education; Jody Bishop Pullan, Board of Education; Rosa Murray, Board of Education Chair

**CALL TO ORDER**

Mr. Hilliard called the meeting to order at 7:30 p.m.

**Monthly Tax Collections dated January 31, 2009 – Receive Report and discuss.**

Ms. Biagiarelli said that the January information was not available yet because the last day that resident could pay was February 2, 2009.

**Claims Committee: receive the monthly Claims report; review and approve claims as required for Claims Report dated February 12, 2009.**

Ms. Biagiarelli said that there were no special refunds this month, and the rest of report was for the information of the Committee.

**Narrative on Tax Collection dated February 12, 2009 – Received Report and discuss.**

Ms. Biagiarelli said that the Tax Department would be filing liens against property owners who have outstanding taxes and other steps have been taken to collect delinquent bills. Three pieces of property that were in the tax sale have actually been deeded over to the bidders. Businesses that have health department permits and also have delinquent taxes will not be able to renew their health licenses until the taxes are paid. Ms. Biagiarelli said that next month she will have good news. Ms. Brown said that she would hold Ms. Biagiarelli to that.

**Resolution, reducing \$100,000 Veteran's Park Project (Account No. 09076030-5777-C0367)**

**Resolution, appropriating \$100,000 for Calf Pasture Lighting Project (Account No. 09076030-5777-C0365)**

Mr. Hamilton then reviewed the request for Recreation and Parks. He explained that the Calf Pasture lighting project has a time line because of the sports that will start in April. The original Veterans Park lighting plan was to put in pedestrian lighting, but that it was decided to wait until the Master Plan is done for the Park. Mr. Mocciae said that the bids for the lights came in very high. The City then went to the manufacturing company and purchased direct, which greatly reduced the cost. Ms. Brown asked if the Master Plan funding had been allocated. Mr. Mocciae said that it had been allocated last year. He then reviewed the details of the new lights, which will be controlled by satellite, so the supervisor can turn them on or off simply by making a phone call. He added that there was new baffling and that the lights would not have much light leakage.

**\*\* MR. HEMPSTEAD MOVED TO APPROVE THE FOLLOWING:**

**RESOLUTION, REDUCING \$100,000 VETERAN'S PARK PROJECT (ACCOUNT NO. 09076030-5777-C0367)**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**\*\* MS. BROWN MOVED TO APPROVE THE FOLLOWING:**

**RESOLUTION, APPROPRIATING \$100,000 FOR CALF PASTURE LIGHTING PROJECT (ACCOUNT NO. 09076030-5777-C0365)**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**To pay for property acquired for new Police Stations that has been constructed and completed:**

**Resolution appropriation \$275,000 for the new police facility and authorizing the issuance of \$275,000 bonds of the City to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose.**

Mr. Hamilton explained that this was a capital appropriation for the new Police Station in South Norwalk. Mr. Hamilton explained that there had been a taking when the new police station was built. The claim of the property owner has gone to trial and a

judgment has been rendered. Part of the final amount includes the interest, appraisal fees and expert fees. Mr. Hamilton said that the City expected to issue bonds because this was part of the building process and the bonds are issued in \$5,000 blocks.

**\*\* MS. BROWN MOVED TO APPROVE THE FOLLOWING:**

**RESOLUTION APPROPRIATION \$275,000 FOR THE NEW POLICE FACILITY AND AUTHORIZING THE ISSUANCE OF \$275,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

**Discussion with School System on their Operating Budget.**

Dr. Corda said that the Finance Committee had been meeting just prior to this meeting. Mr. Hilliard said that he would like to hear what the District had to say. Dr. Corda indicated that Dr. Dan Cooke was the interim Budget director.

Dr. Corda said that the District budget was running very close to what the District projection was. He then gave a brief overview of the other expenditures and informed the Committee that the District would not be able to stay within the budget. He indicated that while most of the categories were within budget, the District had some significant legal costs this past year. He reminded everyone that there was six more weeks of winter to come and that the heating and fuel costs could go either way. He added that there was no way to predict if there would be any major health insurance claims.

Mr. Hempstead asked what would happen if the District was not able to give the City the potential \$900,000 give back. Mr. Hamilton said that if the worst-case scenario happened, there would be a larger draw from the fund balance. There was already planned draw down on the fund balance, but any additional shortfalls would increase the draw down on the fund balance. Discussion then followed.

Ms. Brown asked Dr. Corda if there had been any additional discussion about the duplicated services between the City and the Board of Education. Dr. Corda said that there had been a meeting with the BET and that it was agreed to have a work group formed to coordinate the efforts. Dr. Cooke then reviewed a number of possible areas such as postage and copying costs where there could be savings for both the City and the Board. Discussion then followed.

Mr. Geake asked about the joint working group. Dr. Corda said that there were two members of the BET and two members from the BOE. He added that there would be others invited when particular areas, such as payroll were discussed. Ms. Brown said that

she believed that Ms. Murray had wanted to have the Chair of the Finance Committee in the work. Ms. Murray agreed.

Mr. Hilliard then asked about combining the health insurance. Discussion then followed about the details of this issue. Mr. Hamilton reminded everyone that the real savings in the health insurance area is located in the plan design. Unfortunately, neither the City nor the Board has control on this.

Mr. Hempstead asked if there had been any discussion about school consolidation. Dr. Corda said that there had not been. He stated that the Board has not entertained any discussion about this. Dr. Corda then outlined the process that would have to take place if an elementary school closing was being considered. Mr. Hempstead said that he had many deep concerns about the economy and pointed out that there are towns on the West Coast that are filing for bankruptcy. Discussion followed.

Ms. Brown asked what kinds of figures Dr. Corda anticipated for next year. Dr. Corda said that if the figures that Mr. Hamilton projected happened for this year, the district would not be able to make the budget. Next year, there would be more difficult conversations. Dr. Corda then reviewed the funding from the States and Federal governments.

Ms. Brown said that she would like to congratulate the Board because 87% of all Norwalk public school students graduate. Mr. Hempstead said that he felt that the Norwalk teachers were excellent.

#### **RECESS**

Mr. Hilliard declared a recess at 8:55 p.m. The meeting reconvened at 9:05 p.m.

#### **Presentation on WPCA consumption based billing.**

Mr. Hilliard announced that this presentation would be done at another meeting.

#### **Discussion on the Operating Budget and Operating Cap for Fiscal Year 2009-2010 and to take any action needed.**

Mr. Hamilton then distributed copies of the FY 2009-2010 Budget Presentation to the Committee members.

Mr. Hamilton then said that this had been a difficult budget and that this had been the most severe recession since 1981. He said that there had been 600,000 jobs lost in the month of January. The credit markets seized up last fall and it appears to be a protracted down period. State governments have seen their income tax and sales tax receipts drop dramatically. Businesses are failing.

Mr. Hamilton then reviewed the impact of the economic conditions on Norwalk's budget. The Real Estate Conveyance Tax had dropped dramatically, along with the State Aid. Building Permit revenue, Town Clerk Recording fees, and interest income all have declined. This means that Business as Usual is not an option.

He then reviewed the following figures with the Committee: Settled labor contracts are at 3.5%, Debt Service is + 2.2M or 8.5%. Health insurance is increasing about 1.6M or 7.7%. A standstill budget would require a 4.7% expenditure increase and 7% tax increase.

Some of the cuts include 30 % of the full time City positions – 10% of non-uniformed workforce; elimination all vehicles and equipment purchases, scaling back numerous discretionary services, such as Sunday Library hours, recreation programs, Tree removals, Health Department Laboratories and other programs. There will also be elimination of funding for conference and seminars. The City will be offering Office Retirements Incentives to reduce layoff and mitigate bumping impacts on Departments.

Mr. Hamilton explained that approximately 1/3 of the positions that are being cut are already vacant. He then reviewed the details for the "bumping" process in the union sector and said that the City was trying to reduce this practice as much as possible.

Mr. Hamilton said that the City had a meeting with Standard & Poor's the previous day and that the meeting went well. The City should hear from S&P in the coming week and the results should help the City with its debt service.

Mr. Hamilton stated that the Early Retirement Incentive would be coming before the Council in the near future. This is being done to reduce layoffs and to mitigate the impact of bumping which is where those union employees have the right to bump out those with less seniority in their bargaining group. Mr. Hamilton then reviewed the details of how this would work.

Mr. Hamilton then gave an overview of how the fund balance and the rating agency work with the Committee. Mr. Hempstead asked what impact the drop in the real estate conveyance tax was. Mr. Hamilton said that the City had already seen a drop of 3.5 million in revenue funds from the real estate conveyance tax. Discussion then followed.

**Receive Comprehensive Annual Financial Report for the year ended June 30, 2008.**

**Receive Federal and State Financial and Compliance Report for the year ended June 30, 2008.**

**Receive Capital Project Quarterly Status Report dated December 31, 2008.**

Mr. Hamilton said that in regards to the Compliance Reports, the City had no deficiency, and that this included the Board of Education.

The committee received the above reports.

**Approve the minutes of the following Finance Committee Meetings: January 8, 2009.**

**\*\* MR. HEMPSTEAD MOVED TO APPROVE THE MINUTES OF JANUARY 8, 2009.**

**\*\* THE MOTION PASSED WITH FOUR IN FAVOR (HEMPSTEAD, GEAKE, HILLIARD AND BROWN AND ONE ABSTENTION (DULEEP)).**

**ADJOURNMENT**

**\*\* MS. BROWN MOVED TO ADJOURN.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 10:25 p.m.

Respectfully submitted,

Sharon L. Soltes  
Telesco Secretarial Services

