

**CITY OF NORWALK
SPECIAL FINANCE/CLAIMS COMMITTEE MEETING
DECEMBER 2, 2009**

ATTENDANCE: Nicholas Kydes, Chair; Kelly Straniti, Andrew Conroy, Nora King, David Jaeger, Doug Hempstead;

STAFF: Lisa Biagiarelli, Tax Collector; Thomas Hamilton, Finance Director; Frederic Gilden, Comptroller; Karen Del Vecchio, Director, Information Technology

The meeting was called to order at 8:05 p.m. by Mr. Kydes who welcomed the new members to the committee.

1. Claims Committee: Receive the monthly Claims report; Review and approve claims as required for Claims Report dated: October 8, 2009; November 12, 2009; December 2, 2009.

Ms. Biagiarelli, Tax Collector, presented the reports as listed above along with a narrative report outlining the process of tax refunds, tax collections, the role of the Tax Collector's office, and reviewed the following points:

1. It is the Tax Collector's Office role to interact with the Finance Committee and Claims Committee on a limited basis to issue refunds in accordance with CT General Statutes and accepted accounting principles.
2. Refunds in an amount less than \$5,000 are processed by the Tax Collector's Office without requiring special approval.
3. Refunds in an amount of \$5,000 or more are considered "special requests" which require the formal approval of the Finance and Claims Committee.
4. Due to the high volume of accounts, the office processes thousands of refunds per fiscal year.
5. Committee members carefully review the listings, and if a conflict with an acquaintance, relative or associate appears, may consider recusing from the discussion and vote.

Mr. Kydes asked for questions or comments on the claims reports, and Ms. Staniti recused herself from the discussion due to client associations.

Ms. King asked about tax abatements and Ms. Biagiarelli replied that the Committee is asked periodically to approve tax abatements for various housing projects stemming from agreements approved by prior Councils. She added that partial tax abatements are granted by the City and submitted to the state for full or partial reimbursement.

Ms. Biagiarelli added there is extensive information on the City's website where taxpayers can look up their taxes and payment history, and credit card payments can be done on line. She added that they have recently changed the credit card payment vendor to Point 'n Pay and would speak to that in more detail in the next item on the agenda.

**** MR. CONROY MOTIONED TO APPROVE THE CLAIMS REPORTS AS PRESENTED DATED OCTOBER 8, 2009; NOVEMBER 12, 2009; DECEMBER 2, 2009.**

**** THE MOTION PASSED SEVEN VOTES WITH FIVE VOTES IN FAVOR, NONE OPPOSED AND ONE ABSTENTION (MS. STRANITI).**

2. Narrative on Tax Collections dated December 2, 2009 - Receive Report and discuss.

Ms. Biagiarelli presented her written report and highlighted the following points:

1. Current collection of taxes as of the end of October 2009 were 52% of adjusted levy or \$127,420,149 up slightly by .13%.
2. Collection of delinquent taxes and interest is over \$2.4 million, which is \$101,000 less than prior fiscal year.
3. Collections by state marshals continue well with nearly \$817,000 in delinquent business personal property taxes collected since September 2008. Recent collection letters sent mid November brought in close to \$78,000 in just two weeks.
4. On November 1, credit card processing transitioned to a new vendor that charges taxpayers lower fee and offers more payment options, which now include credit, debit or ATM card, e-check either by mail, in person, on-line or by toll free phone number.
5. The IPP (Industrial Pretreatment Program fee on behalf of the WPCA was implemented to restaurants and food preparation establishments that emit large amounts of grease and kitchen waste into the sewer systems.

Mr. Hamilton added that wage garnishments for City of Norwalk employees have also been implemented for those who owe delinquent taxes.

3. Monthly Tax Collector's Report Dated September 30, 2009 and October 31, 2009. -
Receive Report and discuss.

Ms. Biagiarelli presented the Tax Collector's reports and explained the reason for two months of reports was that last month's meetings were post-poned due to the elections and re-formation of City committees.

Mr. Kydes questioned the negative sewer use of nearly \$84,000 and asked what was the reason for the change in the levy. Mr. Hamilton explained that it was the impact of the tax sale from June-July along with the downturn of the economy versus last year.

Mr. Kydes asked if bank auctions are being counted on for tax revenue and Mr. Hamilton responded that they have factored in revenues coming in, as the tax sale is a revenue generator.

Ms. King asked how the tax sale works and how many properties were sold. Ms. Biagiarelli responded between eight and ten, and Mr. Hamilton provided an overview of the tax sale process and it is a revenue source for the city and has helped to reduce delinquent taxes.

**** MR. JAEGER MOTIONED TO APPROVE THE TAX COLLECTOR'S
REPORTS DATED SEPTEMBER 30, AND OCTOBER 31, 2009 AS
PRESENTED.**

**** THE MOTION PASSED UNANIMOUSLY.**

4. Authorize the Purchasing Agent to issue purchase orders in accordance with City Procurement Guidelines for personal computers workstations, laptops, printers and obsolete asset disposal according to City IT Department specifications, for an amount not to exceed \$59,555.00 account 09100600-5777-C0375 (approved IT Capital item; no special appropriation required)

Ms. Karen Del Vecchio, Director of Information and Technology, presented the 2009-10 Technology Refresh Program and provided a background and overview of the database inventory process. She summarized the program as an electronic asset disposal program, in place since 2005, which inventories, sanitizes the disk drives and disposes of obsolete computer equipment in accordance with City Procurement Guidelines in an environmentally responsible manner.

Ms. King asked if the City can work with the Norwalk Public Schools to have a more efficient data base for the City, since the schools account for so much of the computer equipment, and Ms. Del Vecchio answered yes, they do share best practices.

Mr. Hempstead asked what portion was for recycling, and Ms. Del Vecchio responded that they now use the same recycling process as the Board of Education and the costs are down considerably than the past and are estimated at only about \$200.00 total.

Mr. Hempstead requested a deviation from the agenda to discuss the city's e-mail system for Council members, and Ms. Del Vecchio answered that she needs a list of names and signed acceptable use policy agreements before e-mail accounts can be set up. Mr. Hamilton stated that he first needs to be sure that every council was a City e-mail account rather than using their own personal e-mail. Ms. Straniti stated she did not want to have to check two separate e-mail accounts.

Mr. Hempstead said he will call everyone to survey their e-mail preferences, and Ms. Del Vecchio added she will wait for a wish list from the Council. Ms. King added that she would prefer to receive meeting agenda packets by e-mail rather than the courier service, which is a waste of paper and courier expense. Ms. Straniti suggested that the e-mail system be changed to accommodate "out" response messages when City employees. Ms. Del Vecchio stated she would look at more efficient ways to manage the e-mail and website communications systems.

**** MS. STRANITI MOTIONED TO APPROVE THE AUTHORIZATION FOR THE PURCHASING AGENT TO ISSUE PURCHASE ORDERS IN ACCORDANCE WITH CITY PROCUREMENT GUIDELINES FOR PERSONAL COMPUTERS WORKSTATIONS, LAPTOPS, PRINTERS AND OBSOLETE ASSET DISPOSAL ACCORDING TO CITY IT DEPARTMENT SPECIFICATIONS, FOR AN AMT. NOT TO EXCEED \$59,555.00 ACCT 09100600-5777-C0375 (APPROVED I.T.CAPITAL ITEM; NO SPECIAL APPROPRIATION REQUIRED)**

**** THE MOTION PASSED UNANIMOUSLY.**

5. RESOLUTION, reducing the Capital Project for the Fire Pumping Engine by \$1,750. (Account No. 09063110-5777-C0339). RESOLUTION, reducing the Capital Project for the Fire Training Tower by \$6,750. (Account No. 09073310-5777-C0386). RESOLUTION, reducing the Capital Project for DPW Fleet Replacement by \$53,500. (Account No. 09104031-5777-C0313). RESOLUTION, Increasing the City's Information Technology Project by \$62,000. (Acct No. 09100600-5777-C0375).

Mr. Hamilton explained the process of re-appropriations of capital funds for the benefit of new members.

He stated that there is a request for \$62,000 special capital appropriation from the Department of Public Works to fund additional costs associated with the procurement of a new Fleet and Fuel Management System and explained that the Department has identified three other capital projects which can be reduced which fully covers the cost of the system.

Mr. Alvord presented the back-up materials and provided background overview of the system and explained that the Department maintains all City vehicles and equipment and operates the City's largest fueling facility. He added that working in concert with the Fire Department, they went through the RFP process for the procurement of new software to enhance the fleet management efficiency. Following the panel's determination, AssetWorks, an off the shelf product that be easily adapted to the City's needs has been recommended, as it offered the best price-to-performance ratio.

Mr. Kydes asked if annual maintenance was included and Mr. Alvord responded that service fees were included. Mr. Hamilton reiterated that they had identified three other capital projects which can be reduced which fully covers the cost of the system and stated that this appropriation will not increase the City's overall debt.

**** MR. HEMPSTEAD MOTIONED TO APPROVE THE FOLLOWING RESOLUTION, REDUCING THE CAPITAL PROJECT FOR THE FIRE PUMPING ENGINE BY \$1,750. (ACCT. 09063110-5777-C0339). RESOLUTION, REDUCING THE CAPITAL PROJECT FOR THE FIRE TRAINING TOWER BY \$6,750. (ACCT. NO. 09073310-5777-C0386). RESOLUTION, REDUCING THE CAPITAL PROJECT FOR DPW FLEET REPLACEMENT BY \$53,500. (ACCT. NO. 09104031-5777-C0313). RESOLUTION, INCREASING THE CITY'S INFORMATION TECHNOLOGY PROJECT BY \$62,000. (ACCT. NO. 09100600-5777-C0375). ** THE MOTION PASSED UNANIMOUSLY**

6. Receive Board of Estimate and Taxation Appropriations from November 4, 2009.

Mr. Hamilton presented item 1:
\$20,000 from Increased Estimated Revenues to the Recreation and Parks Department to cover the cost of Pool Rental at Norwalk High School.

Mr. Hamilton provided back-up information and memorandum from Michael Moccoiae to the Board of Estimate stating that the City had recently decided to charge rental to all groups utilizing the facility to defray operating costs. He stated that the Department of Recreation utilizes the pool for many aquatic programs, has increased the cost of lessons to accommodate the new rental fee, and is thereby requesting a special appropriation of \$20,000 from the estimated revenue to cover the cost of the pool rental.

Mr. Jaeger added that this is the first year of covering costs, as previously the expenses of pool heating and ventilation were buried in the Board of Education operating budget. Mr. Hempstead stated that the City put \$1.5 million into the capital improvements of upgrading the pool and it is about time they recapture the investment. Mr. Kydes stated that the back-up material indicates a charge of \$7.50 per lesson, which is extraordinarily low for a swim lesson, and the increase of \$1.50 per lesson is minimal.

- ** MR. HEMPSTEAD MOTIONED TO APPROVE THE FOLLOWING:
RESOLVED, THAT A SUM NOT TO EXCEED \$20,000 FROM
INCREASED ESTIMATED REVENUES TO THE RECREATION AND
PARKS DEPARTMENT TO COVER THE COST OF POOL RENTAL AT
NORWALK HIGH SCHOOL. (ACCT. NO. 01-6024-5451)
** THE MOTION PASSED UNANIMOUSLY.**

Mr. Hamilton asked to add two other items that were not on the agenda, as follows:

Tentative Operating Budget Review Schedule and Preliminary Operating Budget

Mr. Hamilton distributed copies of the schedule outlining the dates, room locations and budgets to be reviewed as part of the 2010-11 budget process. Mr. Conroy noted that room 231 was not correct for February 9, and Mr. Hamilton changed it to Council Chambers. Mr. Hamilton stated that a meeting would be needed prior to February 12 to discuss the budget.

Mr. Kydes asked what the budget process timing was and Mr. Hamilton stated that preliminary budgets have been received from most of the Departments, and he will meet with the Department heads by mid December to review the final budgets.

Mr. Kydes asked when the Board of Education budget is finalized and Mr. Hamilton said mid January. Ms. King stated that the new Board members plan to work more closely with the City budget process this year to avoid the difficulties of last year and since Education is such a large piece of the budget.

Preliminary Operating Budget

Mr. Hamilton then presented a preliminary view of 2010 Operating Budget and stated he wanted to provide a preview of the very difficult upcoming budget process.

Mr. Hempstead asked about the fund balance and Mr. Hamilton explained that last year was the last time the fund balance could be tapped and further adjustments would potentially negatively affect the City's bond rating.

Mr. Hamilton expressed his concern over the impending difficult process, where last year an early retirement package was negotiated to help recover the extreme budget cuts in salaries and programs. He added that he needs the input of this committee to review the budget with a fine-toothed comb. Mr. Kydes asked if an executive session could be held to review the budget, and Mr. Hamilton answered it is not possible under the city guidelines to hold an executive session without having a specific reason, case or issue to deliberate and vote on.

Ms. King questioned the Pension Fund variance of 220% and Mr. Hamilton responded that compared to other city's the pension Fund has not fared too badly all things considered with the economy. He explained that the Pension Board is an active committee comprised of well-experienced individuals, who closely monitor Evaluation Associates, the firm that manages the fund. He added that they meet monthly to review the investments, asset allocations, managing partners, etc. and they deliberate and work very hard to provide sound direction and guidance for the City pension funds.

Mr. Conroy suggested one approach would be to start with a balanced budget with no increase and ask each Department Head how they would meet that budget.

Mr. Hamilton stated he would run several budget scenarios with various assumptions and the committee could review them prior to the next meeting.

Mr. Kydes suggested the members plan their schedules for the next meeting on January 13 to start at 6:00 p.m. – two hours prior to the regularly scheduled time, to allow time to review the 2010 budget in greater detail.

Adjournment

**** MR. HEMPSTEAD MOTIONED TO ADJOURN.
** MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 9:45 p.m.

Respectfully submitted,

Marilyn Knox
Telesco Secretarial Services