

**CITY OF NORWALK
FINANCE CLAIMS COMMITTEE
MARCH 12, 2015**

ATTENDANCE: Bruce Kimmel, Chair; Douglas Hempstead; John Igneri;
Jerry Petrini; Travis Simms (7:08 p.m.)

STAFF: Thomas Hamilton, Finance Director; Robert Barron, Director
Management and Budgets; Frederick Gilden, Comptroller

OTHERS: Ernest DesRochers and Clyde Mount, Oak Hills Park Authority

Mr. Kimmel called the meeting to order at 7:02 p.m. A quorum was present.

PUBLIC PARTICIPATION

There were no members of the public present who wished to speak this evening.

**** MR. HEMPSTEAD MOVED TO APPROVE THE MINUTES OF THE
FOLLOWING FINANCE COMMITTEE MEETINGS:**

FEBRUARY 12, 2015 & FEBRUARY 19, 2015

**** MOTION PASSED UNANIMOUSLY**

**CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT;
REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT
DATED:
MARCH 12, 2015**

**NARRATIVE ON TAX COLLECTIONS DATED MARCH 12, 2015- RECEIVE
REPORT AND DISCUSS.**

**MONTHLY TAX COLLECTOR'S REPORTS - RECEIVE REPORTS AND
DISCUSS:
FEBRUARY 28, 2015**

Ms. Biagiarelli reviewed her written reports. She reported that they are slightly ahead of last year. Demand notices were sent out on March 6th. When the notices were sent, they heard from residents how said that they had mailed their checks.

Mr. Simms joined the meeting at 7:08 p.m.

Ms. Biagiarelli said that Mr. Foley has tried to meet with the new Post Master to discuss the issue. The Finance Director is aware of this and has heard from other departments having problems with their mail.

There were no special requests this month.

**RECEIVE OAK HILLS AUTHORITY MONTHLY FINANCIAL STATEMENTS
FOR JANUARY 31, 2015.**

Mr. Hamilton noted that the key is that this Committee is getting financial statements. January is a slow month for Oak Hills and there is not a lot of financial activity to report. Their cash position is tight, but they have not yet drawn down on their line of credit.

**DISCUSSION OF OAK HILL AUTHORITY FINANCIAL OBLIGATIONS TO
THE CITY.**

Mr. DesRochers said that the Oak Hills Park Authority wanted to give an update of where they stand. They will have a formal proposal next month. He said that they want to know why it cost over \$500.00 per square foot to build the restaurant.

Mr. DesRochers said that the Master Plan Committee got a proposal from the National Golf Foundation; they are the arbiter of data for golf courses. The total cost for a feasibility study is \$15,000 and they would like to City to pay for the study to determine how an unbiased third party feels about the proposal for a golf school.

Mr. DesRochers said that they wanted to review the financial statements and they are close to completing that review. They reviewed the appropriate files to get an understanding of the restaurant costs. He said that if they stay on course, he believes their revenues will result in their third or fourth best year. The average rate collected has gone up since 2004 and their overall profitability peaked in 2008. Mr. DesRochers gave a financial snapshot and said that they feel the City should help them to re-capitalize Oak Hills Park.

Mr. Petrini thanked Mr. DesRochers and said that the members of the Oak Hills Park Authority are volunteers and have a herculean job ahead of them. He said that they are spending \$232,000 per year on debt service for the restaurant. He said that there should be a way to reduce the debt service. Mr. Petrini noted that the City forgave a lot of debt for The Maritime Aquarium and gave Stepping Stones Museum choice property. He said that if the City could lower their debt, they would be able to get their numbers up.

Mr. Petrini said that having an independent firm do a feasibility study is a good idea. Mr. DesRochers said that they need to figure out how to make the park tremendous. He noted

that there are specific requirements to how the park is permitted to be used. He said that he feels so strongly about the feasibility study, that he almost wrote the check himself.

Mr. Kimmel said that it seems that the request for \$15,000 should go through the Board of Estimate and Taxation. Mr. Hamilton said that would be an operating request. He said that he asked Mr. Barron to prepare some of the history of debt at Oak Hills Park and how the payment schedule has been modified over the years. He said that the original debt was \$2.2 million and the balance is \$1.8 million; \$136,000 of the debt service is based on the restaurant.

Mr. Hempstead said that the restaurant has been an albatross around their necks and suggested wiping it off the books. Mr. Kimmel said that he wants to do this in a deliberate way and wants to delve into this deeply.

Mr. Barron reviewed the Oak Hills Park restructured debt. He said that a lot of improvements have happened over the last few years. They had two restructures that moved the debt service for the restaurant down to \$160,000. In fiscal year 2013/013 the City reduced over \$500,000 in payments in a second restructure. They acknowledged that the debt service was too much and they removed over \$130,000 per year from the debt service. He said that the current debt service at \$160,000 is at a reasonable level. Mr. Barron said that he would rather see their revenues go up and have them work at creating a rainy day fund. He said that he would not make a decision based on their not having an affordable debt service level.

Mr. Hempstead said that they can't go backward and the practical way to look at this is to ask how this would be built today. He said that The Maritime Aquarium went for over 20 years without paying their debt. Mr. Hamilton said that it was a different lease agreement in the case of The Maritime Aquarium; they had to modify their lease agreement just after they opened.

Mr. Igneri said that he was not against looking at restructuring the debt, but the analogy to The Maritime Aquarium is not a good one; they produce revenue in the City.

Mr. Mount said that they used reserves to pay the debt service. They can't pay more and they can't go over 45,000 rounds or it will kill the course. The Oak Hills Park Authority is very passionate about doing the right thing for the City; they want to make this work.

Mr. Petrini said that he did not want to see the golf course drown because of the debt; he feels the driving range is a good idea.

**** MR. HEMPSTEAD MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO SUBMIT AN APPLICATION TO THE STATE OF CONNECTICUT FOR GRANT FUNDS PROVIDED UNDER THE STATE**

**OF CONNECTICUT'S LOCAL CAPITAL IMPROVEMENT FUND FOR
2015 LOCAL CAPITAL IMPROVEMENT PROGRAM (\$631 ,512 - 2015
ENTITLEMENT).**

Mr. Hamilton explained that this is an annual grant the City receives from the State to help underwrite a portion of the capital budget.

**** MOTION PASSED UNANIMOUSLY**

**** MR. IGNERI MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE A CONTRACT WITH INDEPENDENT BOND AND INVESTMENT CONSULTANTS, LLC (IBIC) TO PROVIDE FINANCIAL ADVISORY CONSULTING SERVICES FOR THE PERIOD COMMENCING MARCH 1, 2015 AND ENDING FEBRUARY 28, 2020, WITH PRICING FOR SERVICES BASED UPON THE PROPOSAL SUBMITTED BY IBIC TO THE CITY ON DECEMBER 11, 2014. ACCOUNT #09151340-5523.**

Mr. Hamilton explained that this is a financial service relative to the City's issuance of bonds. They assist the City with the entire credit rating process.

Mr. Hamilton said that they received five proposals and interviewed the top three candidates. The current firm is IBIC and they have been very pleased with their services. The selection panel recommended continuing with IBIC. Mr. Hamilton reviewed the pricing structure and they presented the lowest of the proposals. He noted that they can't issue bonds without having a financial advisor.

**** MOTION PASSED UNANIMOUSLY**

**** MR. PETRINI MOVED TO AUTHORIZE THE MAYOR, HARRY W. RILLING, TO EXECUTE A RETAINER WITH PULLMAN & COMLEY, LLC TO PROVIDE BOND COUNSEL SERVICES, WITH PRICING FOR SERVICES BASED UPON THE PROPOSAL SUBMITTED BY PULLMAN & COMLEY TO THE CITY ON JANUARY 7, 2015. ACCOUNT #09151340-5523**

Mr. Hamilton explained that this is for the bond counsel service; they are the legal advisors on bond issuance for the City. They render legal opinions on the validity of the offerings. He said that this is a specialized area of the law and reviewed the official statement.

Mr. Hamilton reviewed the RFP process. He said that based on their pricing and strong proposal, he feels this change from Robinson and Cole is warranted.

**** MOTION PASSED UNANIMOUSLY**

JUNE 30, 2014 AUDIT REPORT - PRESENTATION AND DISCUSSION

Mr. Hamilton said that the audit was completed in December and reviewed by the Audit Committee. He reviewed the audit and said that the City had a favorable year. He said that he was satisfied with the fund balance; of all 18 AAA municipalities, Norwalk is the only City.

Mr. Hamilton said that no deficiencies were identified in the audit this year for both the City and the Board of Education.

**** MR. PETRINI MOVED TO ADJOURN**

**** MOTION PASSED UNANIMOUSLY**

There was no further business and the meeting was unanimously adjourned at 9:25 p.m.

Respectfully submitted,

Rosemarie Lombardi
Telesco Secretarial Services