

**NORWALK
FINANCE/CLAIMS COMMITTEE MEETING
May 14, 2015**

ATTENDANCE: Bruce Kimmel, Chair: John Igneri; Douglas Hempstead; David McCarthy: Travis Simms (7:30)

ABSENT: Jerry Petrini: David Watts.

STAFF: Thomas Hamilton, Finance Director; Lisa Biagiarelli, Tax Collector, Frederic Gilden, Comptroller

The Chair called the meeting to order at 7:00 pm. A quorum was present.

PUBLIC PARTICIPATION

There was no public comment.

2. APPROVE THE MINUTES OF THE FINANCE COMMITTEE MEETING APRIL 9, 2015.

**** MR. HEMPSTEAD MOVED TO APPROVE THE MINUTES OF APRIL 9, 2015.
** MOTION PASSED UNANIMOUSLY.**

3. CLAIMS COMMITTEE: RECEIVE THE MONTHLY CLAIMS REPORT; REVIEW AND APPROVE CLAIMS AS REQUIRED FOR CLAIMS REPORT DATED: MAY 14, 2015

Ms. Biagiarelli reported there was one special request by virtue of the dollar amount, an adjusted sewer use fee of about \$15,000 over the \$10,000 threshold. Other than that the report is as per the usual.

**** MR. KIMMEL MOVED THAT THE CLAIMS COMMITTEE RECEIVE THE MONTHLY CLAIMS REPORT AND APPROVE CLAIMS REPORT AS REQUIRED FOR THE REPORT DATED: MAY 14, 2015.
** MOTION PASSED UNANIMOUSLY.**

4. NARRATIVE ON TAX COLLECTIONS DATED MAY 14, 2015 RECEIVE REPORT AND DISCUSS

Ms. Biagiarelli reported that as of the end of April report the city was at 98.28% for collections, slightly ahead of collections last year and meeting goals. Delinquent collections are at \$4.7 million. Ms. Biagiarelli said in the past month the tax collectors' office had collected with the

marshal approximately \$80,000, the cost of the salary of the delinquent tax collector, so the work pays off.

**5. MONTHLY TAX COLLECTOR'S REPORTS-RECEIVE REPORTS AND DISCUSS:
APRIL 31, 2015**

There was some discussion about the exceptional percentage of collections achieved by the department, best of any city in the state. Ms. Biagiarelli attributed success to aggressive collections as well as support from the Committee.

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

Mr. Kimmel indicated there would be a future meeting with the administration to discuss the Golf Course.

Mr. Hamilton reported there was not much activity in March., although over all expenses were down slightly. He said YTD the income was down by about \$22,000. He said the Authority has been drawing down on its credit line, and it was wise for them to put it in place. The Authority has met with the Mayor and is working to put together a proposal to bring before the Committee.

**7. CLEAR OUT THE FOLLOWING THREE COMPLETED CAPITAL PROJECTS,
WITH THE BALANCES NOTED: LIBRARY TEEN ROOM (C0381) WITH AN
AVAILABLE BALANCE OF \$6,552; LIBRARY FIRE DOOR REPLACEMENT (C0470)
WITH AN AVAILABLE BALANCE OF \$15,707; AND LIBRARY CARPET/CEILING
LIGHT REPLACEMENT, WITH AN AVAILABLE BALANCE OF \$998.**

**8. RESOLUTION; APPROVE A SPECIAL CAPITAL APPROPRIATION IN THE
AMOUNT OF \$23,257 TO FUND ELEVATOR REPAIRS AT THE BELDEN AVENUE
LIBRARY. ACCOUNT (C0476)**

Mr. Kimmel said items 7&8 were related and should be considered together.

Mr. Hamilton said the library needed an immediate elevator repair. He said the project was being managed by the City's Building Management Department, which oversees the Library. The repairs were immediately funded from an emergency account within the Buildings Management Department, which has about \$50,000. To replenish the funds, Alan Lowe of the Buildings Management Department, has requested for past library projects be closed out.

**** MR. MCCARTHY MOVED TO CLEAR OUT THE FOLLOWING THREE
COMPLETED CAPITAL PROJECTS, WITH THE BALANCES NOTED:
LIBRARY TEEN ROOM (C0381) WITH AN AVAILABLE BALANCE OF
\$6,552; LIBRARY FIRE DOOR REPLACEMENT (C0470) WITH AN**

AVAILABLE BALANCE OF \$15,707; AND LIBRARY CARPET/CEILING LIGHT REPLACEMENT, WITH AN AVAILABLE BALANCE OF \$998.

**** MOTION PASSED UNANIMOUSLY**

**** MR. MCCARTHY MOVED TO APPROVE A SPECIAL CAPITAL APPROPRIATION IN THE AMOUNT OF \$23,257 TO FUND ELEVATOR REPAIRS AT THE BELDEN AVENUE LIBRARY. ACCOUNT (C0476)**

**** MOTION PASSED UNANIMOUSLY**

9. RESOLUTION: APPROVE A SPECIAL CAPITAL APPROPRIATION IN THE AMOUNT OF \$28,195 TO FUND HAVAC REPAIRS AT THE HEALTH DEPARTMENT BUILDING. ACCOUNT (C0453)

Mr. Hamilton said the project was identified in the fiscal 2014-15 budget with a \$150,000 appropriation. He said the Department had received the bids and needed additional funds to accept the bid from the lowest and most appropriate bidder.

Mr. Hempstead asked about the overage. Mr. Hamilton said there had been several false starts, including starting with a vendor paying them \$4,800 to begin the project, and then discovered this vendor would be too expensive, so did not go forward. The Department then hired a new vendor. The account also was used to fix a heating problem, for \$12,000.

Mr. Kimmel said, as it was a burden on Mr. Hamilton, it would be good for representatives of the library and Health Department to be at the meeting. Mr. Hamilton said it was probably his fault as he did not ask the representatives to be there. It was decided representatives would be at the general Council meeting.

Mr. Hempstead said Mr. Lowe handled the library, what about the Health Department? What should be under Building Management's pursue? Mr. Hamilton said the Building Department had added extra staff to cover a Fire Station and the libraries. He said long term it would be good for all city buildings to be under the Building Departments supervision. He said Mr. Lowe is a bit reluctant, however it would still be good to have professional management. Mr. Kimmel suggested speaking to Mr. Bonn enfant regarding the issue.

Mr. Simms arrived at the meeting at 7:30.

**** MR. KIMMEL MOVED TO APPROVE A SPECIAL CAPITAL APPROPRIATION IN THE AMOUNT OF \$28,195 TO FUND HAVAC REPAIRS AT THE HEALTH DEPARTMENT BUILDING. ACCOUNT (C0453)**

**** MOTION PASSED UNANIMOUSLY**

10. RESOLUTION WITH RESPECT TO AUTHORIZATION. ISSUANCE AND SALE OF UP TO \$18,000 CITY OF NORWALK GENERAL OBLIGATION REFUNDING BONDS.

Mr. Hamilton said this was a continual process with the Financial Advisor to identify re-funding opportunities to the City's financial advantage. This particular deal would produce a present value savings of 4.95% of the refunded bond, a savings of a bit over \$600,000.

**** MR. IGNERI MOVED TO APPROVE A RESOLUTION WITH RESPECT TO AUTHORIZATION. ISSUANCE AND SALE OF UP TO \$18,000 CITY OF NORWALK GENERAL OBLIGATION REFUNDING BONDS.**

**** MOTION PASSED UNANIMOUSLY.**

11. RESOLUTION MAKING APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING \$23,822,000 FOR THE 2015-2016 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF \$17,193,000 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE 2015-2016 CAPITAL BUDGET.

Mr. Hamilton said this resolution confirms the budget already approved, and authorizes issuance of bonds. He said the delta between the amount of bonds issued (approximately \$17 million) and improvement appropriations (\$23 million) comes from WPCA funding its own projects and a state grant program for capital projects.

**** MR. HEMPSTEAD MOVED TO MAKE APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING \$23,822,000 FOR THE 2015-2016 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF \$17,193,000 GENERAL OBLIGATION BONDS OF THE CITY TO MEET CERTAIN APPROPRIATIONS IN THE 2015-2016 CAPITAL BUDGET**

**** MOTION PASSED UNANIMOUSLY.**

12. DISCUSSION OF SENATE BILL #1

Mr. Kimmel said he had three questions regarding SB #1. First, it seemed the PILOT increase seemed rather small compared to other municipalities. Second, if the capital spending went over cap of 2.5%, how would penalties be assessed, a fraction of the amount or full amount? Third, where are the revenues coming from to give Norwalk approximately \$9 million? It seems too good to be true. Mr. Hamilton replied he was not an expert, and did not have a current version of

the Bill to review. He said he would try his best to explain based what was available. He said the PILOT program was based on how much tax exempt property existed in each municipality: for example New Haven, with Yale and Hospitals, and Hartford. Mr. Hamilton said has he understood the proposed bill, the top 10 municipalities with tax exempt property would get a 42% reimbursement on colleges and hospitals and a 32% reimbursement on state owned property. The next 25 would get 37% and 28% and all others 32% and 24%... There is also a hold harmless provision that no municipality would receive less money under the PILOT than it is already receiving. Mr. Hamilton said towns with a mill rate below 25 would get rated in the bottom tier. Mr. Hamilton said he did not know where Norwalk would fall within the categories. Although based on a current mill rate just below rate below 25, Norwalk would fall in the bottom tier. He said the cap on the motor vehicle rate was also a factor, and although Norwalk would not face any changes, other municipalities would have to reduce mill rates, and the PILOT program might be formulated to make up for this. He said the municipal revenue sharing portion of the Bill gets Norwalk the projected \$9 million. Mr. Hempstead asked how exactly we got to \$9 million in this new version of the bill. Mr. Hamilton again said all he know is what he was told and that OPM would be required to require money to municipalities on a per capita basis and then on a specified formula regarding mill rates, with 25 mill rate being the over/under indicator. Mr. Hempstead said he was trying to understand if a city is better off not getting enough tax revenues so it stays under the mill rate and gets more money? Mr. McCarthy said it would be interested to see regarding mill rate whether it was relevant the city just went under 25 due to re-evaluation effecting the mill rate. Mr. Hamilton said it would be interesting to see if the State meant the equalized mill rate, because it would be correct that revaluation would distort the formula. Mr. Hamilton said at the most recent revaluation the mill rate went up. Mr. Hamilton said the equalized mill rate would be in the 17 or 18 range. Mr. Hamilton said the questions were good but he was not sure he could really answer them based on the information he had available, which he had go from a lobbyist who monitors issues for the tax collectors organization. He said regarding the 2.5% increase, OPM was required to reduce distribution for municipalities going over 2.5% increase in budget (adjusted for inflation) by a specified percentage. He said he did not know what the percentage would be, but probably under 100%. Mr. Hempstead noted that the budget had increased by 3% this past fiscal year. He said he understood the reason for the cap and the penalty, but he said the town did try to keep things as reasonable as possible and still ended up by over 2.5%. Mr. McCarthy said there may be unforeseen circumstances, like school population going up, where the City would be penalized. Mr. Kimmel said if SB #1 did kick in, when would the possible additional funds of \$9 million be available in order to plan the budget, and would the fact the town went over the cap last year be a factor? Mr. Hamilton said has was not sure. He said the \$9 million would mostly likely be used for property tax relief. He said the \$9 million figure was an annualized figure and would start being collected in October of this year and into next year, and there might be years it goes up and year it goes down. He said, again, as he doesn't have the law he wasn't certain.

Mr. Hempstead asked about the PILOT program, he said had they not gone down over the years? Mr. Hamilton said they had been pretty stable. He asked if the reimbursements for buildings like

the courthouse the same now as they were 10 years ago. Mr. Hamilton said he could not say but as a percentage the numbers had been pretty flat. Mr. Hempstead asked if there was a way to look up and see the actual numbers, for example the DMV. What does the term “flat?” mean? Mr. Hamilton said he did not have the numbers broken down by facility and he could not tell with certainty if the rate had been flat but his recollection the numbers have been stable over the years. Mr. Hempstead it might be a good idea to investigate the various facilities regarding reimbursement. Mr. McCarthy said he guessed that if sales tax revenues were not the same the reimbursement from the state might be lower, given the state might have to move money around to balance the budgets? Mr. Hamilton replied that the committee is probably just as or more aware of policies as he was. Mr. McCarthy said he understood regional sharing was made voluntary, and his question was if something was put into law as voluntary, and it was changed the next year from “May” to “shall” Norwalk may be in a position of getting \$9 million in while paying \$13 million out. Mr. Kimmel said we are discussing the outlines of something where we do not know the exact parameters, and it was important to get as much information as possible. Mr. McCarthy said the majority of municipalities have been against the bill, including COGs. Mr. McCarthy said there was a municipal waste fee now of \$5.00, and wondered how it was distributed, with a \$2.50 fee at the transfer station, and then a \$2.50 when it was received at the state facility. There was a discussion of whether this money would then come back to the City. Mr. Hempstead said he was curious as the City did not allocate for the fee in the budget. Mr. Hamilton said for residential collection the fee would come back on the residents, but he was not sure about commercial collection.

ADJOURNMENT

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

Meeting adjourned at 8:15 pm.

Respectfully submitted,

A. Lund
Telesco Secretarial Services