

**CITY OF NORWALK
FINANCE/CLAIMS COMMITTEE
REGULAR MEETING
JULY 9, 2015**

ATTENDANCE: Bruce Kimmel, Chair; Jerry Petrini, John Igneri, David McCarthy; Douglas Hempstead (7:07 p.m.)

STAFF: Thomas Hamilton, Finance Director; Robert Barron, Finance Department; Fred Gilden, Comptroller.

OTHERS: Shannon O'Toole-Giandurco, Paul Cantor, Yvonne Lopair, Ernie DesRochers, Oak Hills Park Authority; Clyde Mount; Oak Hills Park Authority

CALL TO ORDER.

Mr. Kimmel called the meeting to order at 7:03 p.m. A quorum was present. Mr. Kimmel noted that neither Mr. Simms nor Mr. Watts were in attendance. He commented that it had been some time since Mr. Watts last attended the Committee.

PUBLIC PARTICIPATION.

Mr. Paul Cantor came forward to address the Committee about the golf course driving range. He said that the driving range does not belong in the area and that the City had been told that they would not be asked for tax payers dollars. Other arrangements had been made for construction. He said that the original attempt to raise the funds failed and now the Authority has flip flopped and is seeking tax payer funding. The course wants to have a \$25,000 study done at the taxpayers' expense. The study will conclude that a driving range is appropriate and should be funded because that is what the firm that is being paid to do.

The City should not restructure the loan again. While the capital costs were higher when the City loaned the Authority the money, more information is needed to determine the true costs to the taxpayers, such as the precise terms of the loan and the general obligation bonds that the City took out to fund them. He added that he wished to know the details of the loan restructuring. Mr. Cantor said that until that information was produced, the cost to the taxpayers could not be determined. He said that the Committee should not agree to restructure the loan until this information is provided.

He then spoke about the mis-characterization of the OHPA as a business and pointed out that it was set up as an autonomous body that was intended to manage the course so that the users' fees covered the cost. It is not a business, contrary to the OPHA's claims. The OHPA's mandate is to manage a golf course in order to cover its costs. The park that has

not been able to cover their costs and had to depend on loans and a 1.5 million dollar grant to survive. A business run like this would be bankrupt. If it was a business operating on tax free land, it would be competing unfairly with private golf courses such as Shorehaven and Silvermine.

Mr. Hempstead joined the meeting at 7:07 p.m.

Mr. Cantor then read a number of quotes from a Mr. Raymond Keating, an economist of a small business group, about the government's involvement in the golf business. He said that there has been a nationwide decrease in golfers playing 18 holes rounds and when on to quote a recent article published in Municipal Finances about the negative financial results of municipalities that own and operate golf courses.

He also included the following quote:

“It is striking that while the Republican candidates for president are calling for cutbacks in welfare programs and a reduced role for government in the economy, Norwalk’s Republican Common Council members are calling for increased government support for a golf course that only serves the recreational interests of a small (portion of) their most privileged constituents.”

Mr. Cantor then claimed that Mr. DesRochers had denied this and had said that the user fees were covering the costs. If that was the case, then Mr. Cantor said, there would no longer be any need for taxpayer dollars for a driving range.

Mr. Cantor then responded to a comment that Mr. McCarthy made at a previous Committee meeting about fear tactics. The land could not be sold for real estate development because of deed restrictions.

He then listed several reasons why the funding for the study should not be approved, including the fact that it was in a residential neighborhood and the fact that OHPA can not obtain private funding on its own.

Ms. Yvonne Lopair then came forward and made the following statement.

As Mr. Hamilton points out in his remarks on the city’s 2015 – 2016 capital budget, the city does not have the financial capacity to fund all of the many worthwhile capital projects requested by its various departments. And, in his words, “there is a maximum amount of additional debt that the City can safely afford, while still maintaining favorable debt ratio benchmarks and limiting the impact on future operating budgets.”

How then can you on this committee justify spending \$25,000 on a study to determine whether or not you should loan the OHPA 3 million of our taxpayer dollars to construct a driving range?

Already you have rejected requests for \$30,000 to repair the Perry Avenue Bridge in Norwalk, \$2 million in requests by the Board of Education, and millions more for storm water management.

Do you think the desire of some golfers for a driving range should take precedence over the needs of our school children or the city's infrastructure? What are your priorities?

The OHPA was supposed to be an autonomous body that would manage the golf course so that user fees would cover its costs without the help of the city. Yet again and again and again it has come back to taxpayers for loans and loan restructurings and grants and now a study to determine whether or not we should loan it millions more for a driving range. It is a veritable outrage.

**APPROVAL THE MINUTES OF THE FOLLOWING FINANCE
COMMITTEE MEETING**

June 11, 2015

**** MR. MCCARTHY MOVED THE MINUTES OF THE JUNE 11, 2015 MEETING.**

The following correction was noted:

Page 4, paragraph 1, line 4: please change the following from:

”said when the parkland was not a golf course, it was 100% City funded”

to: “said when this golf course was 100% City funded”

**** THE MOTION TO APPROVE THE MINUTES OF JUNE 11, 2015 AS CORRECTED PASSED WITH (KIMMEL, PETRINI, MCCARTHY AND HEMPSTEAD IN FAVOR) AND ONE ABSTENTION (IGNERI).**

**Narrative on Tax Collection dated July 9, 2015 – Receive Report and discuss.
Monthly Tax Collector's Report – Receive Report and discuss: June 30, 2015.**

Ms. Biagiarelli presented her report. She distributed copies of her narrative report to those present. She note that the DMV would be closed for a week as they change computer systems.

Mr. Hempstead asked about the change over regarding the motor vehicle taxes and who would be responsible for the billing. Mr. Hamilton said the DMV would not be doing the billing and would check into the details of the change. He then gave a brief overview and said that for the City of Norwalk it was a non-event. The City's mill rate for the vehicles is below the cap of 30 mills. Other cities have very high mill rates, such as Hartford.

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However, the State will reimburse the City of Hartford. There are other aspects of SB-1 that will impact the City.

Mr. Kimmel asked Mr. Hamilton if he had seen the final legislation on this. Mr. Hamilton replied that he had not. Mr. McCarthy commented that the legislation was included in the Budget Implementer and was all over the place. Discussion followed.

Authorize the Purchasing Agent to issue purchase orders to innovative Interfaces Incorporated for a new database server, installation services, and warranty, per quotation dated June 11, 2015, in support of the Sierra upgrade phase 2 for an amount not exceed \$27,100.00. Account 09160600-5777-C0375 (budgeted capital item; no special appropriation required)

**** MR. IGNERI MOVED THE ITEM.**

Ms. del Vecchio came forward and said that Ms. Bradley from the Norwalk Library was present to answer questions. The new software handles the operation of the system such as purchasing books and the day to day operations. She said that this was the second phase of a project. Ms. Bradley said that the system also handles the fines.

Mr. Kimmel pointed out that if this had to do with a school library, they would be going to the Land Use Committee, which was somewhat unusual.

Ms. Bradley said that Ms. del Vecchio's department has been a wonderful help along with Land Use and Building Management.

**** THE MOTION PASSED UNANIMOUSLY.**

Receive Oak Hills Authority Monthly Financial Statements for May 31, 2015.

Mr. Hamilton said that the financial statements had been sent out and that May was a good month in terms of revenue. He gave a brief overview and said that a number of the Oak Hills Authority Board was present to answer questions. Mr. Hamilton said that the Authority spent more on Capital project this year rather than last year.

Mr. DesRochers said that one capital expense was for a new boiler for the restaurant and the Superintendent's truck died. Rounds are up and the Authority has caught up on expenses. The rounds for June were similar to last year's.

Authorize the Mayor, Harry W. Rilling, to execute any and all documents necessary to amend the loan agreement between the City of Norwalk and the Oak Hills Park Authority to restructure its existing debt to the City for the detailed Restaurant, Cart Path, and Irrigation projects' debt.

Mr. Hamilton asked Mr. Barron to come forward to update the Committee. He said that this proposal would restructure the existing loan structure, there is no forgiveness of the debt. There are no capital appropriations included for a driving range. However, the original request from Oak Hills to have the City finance the analysis for \$25,000.

Mr. Barron then explained why the interest rate was different. The restructuring is a change with the interest and there is no reserve required. He then said that the effective interest rate was around 4.8% before the 2007 crash. The restaurant was the largest portion of this. When it was re AUDIO 30:00

Mr. Petrini said that it was much clearer. Mr. Hamilton said that The City would be acting as the financial agent, but the Authority would be paying for the study to be done. He said that he liked the fact there would be a second set of eyes on the study so that there was no question of transparency.

Mr. McCarthy asked Mr. Barron if another agency borrowed money at a set interest rate from the City, they would be responsible for paying the loan back at the originally agreed upon rate. Mr. Barron said that this was so. Mr. McCarthy said that since the City was now borrowing funding at a lower rate and theoretically, that meant that the city was actually making money on the loan. He added that this meant that the loan did not cost the City money.

Mr. Hempstead said that he felt that the new management team that was on the Authority was doing a good job. He said that the undercapitalization of the Authority has been a struggle for them. He added that this was a wonderful idea.

Mr. Hempstead then went on to point out that this golf course had been built by a Democratic mayor, and acquired by a Democratic mayor. It was later supported by Democratic and Republican mayors since then. Back in the '80s and '90s, before there was an Authority, the golf course was constantly begging for money from the City. When they had a bad year, they had a bad year. It just came out of the general fund. He concluded his remarks by saying he thought in the end the Authority was a good choice. Having people who are professional enough to understand how to do it and know something about golf is critical. He added he was offended by all the labeling.

Mr. Igneri said that this was very details and would continue to support it.

Ms. O'Toole Giandurco thanked Mr. Barron and the Finance Department for all their work.

Mr. Kimmel thanked the Committee, the Finance Department, and the Authority. He added that the Mayor was not present at the meeting, but was involved in this. There

were no back room deals made. He said that he appreciated the opposition and that it was consistent. Mr. Kimmel also said that he wanted the collaboration with the Authority to continue as the plans move forward. Having collaboration with the various departments was very important. He pointed out how much progress had been made with the Board of Education and the Finance Committee, also. The item would go to the full Council for approval.

**** MR. PETRINI MOVED THE ITEM.**

**** THE MOTION TO APPROVE AUTHORIZING THE MAYOR, HARRY W. RILLING, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO AMEND THE LOAN AGREEMENT BETWEEN THE CITY OF NORWALK AND THE OAK HILLS PARK AUTHORITY TO RESTRUCTURE ITS EXISTING DEBT TO THE CITY FOR THE DETAILED RESTAURANT, CART PATH, AND IRRIGATION PROJECTS' DEBT PASSED UNANIMOUSLY.**

ADJOURNMENT

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

Mr. Mount came forward to thank everyone from the City. He said while he was Chairman during the last 18 months, both he and Mr. DesRochers had been treated with respect and they appreciated that. Mr. Barron was wonderful to work with and to have on their team. Mr. Hamilton has also been supportive. Oak Hills is a wonderful golf course and the Authority is in a good spot now. He said that he believed it would continue to get better.

Mr. Mount said that when he started with the Authority three and a half years ago, the boilers, the roofs, the sewers and many other things needed immediate attention. It's not that way anymore. He reiterated his appreciation of the Committee's actions to bring the course forward.

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:59 p.m.

Respectfully submitted

S.L. Soltes
Telesco Secretarial Services

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