

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD

SPECIAL MEETING MINUTES
West Haven Subcommittee of the MARB

Meeting Date and Time: Thursday, November 30, 2023, 10:00 AM –12:00 PM

Meeting Location: West Haven City Hall, Council Chambers, 3rd Floor, 355 Main Street, West Haven, CT 06516

Members in Attendance: Kimberly Kennison (Secretary of OPM Designee), Susan Weisselberg, Robert White, and Thomas Hamilton. TEAMS: Andrea Comer (State Treasurer’s Designee) and Steven Falcigno who departed at 11:30 a.m.

Municipal Officials in Attendance: Dorinda Borer, Ron Quagliani, David Taylor, Rick Spreyer. TEAMS: Attorney Karen Kravetz.

Staff in Attendance: John Mehr and Simon Jiang. TEAMS: James Caley, Bill Plummer, Michael Reis and Lori McLoughlin.

I. Call to Order and Opening Remarks

The meeting was called to order at 10:28 AM due to technical difficulties in West Haven. Ms. Kennison reminded the Board that this is a Special Meeting as the regular meeting had been rescheduled. Mr. Hamilton addressed an article in the paper regarding his initial participation on Mayor Borer’s transition team. Upon further inflection, he is no longer participating as he thought it was a conflict of interest.

II. Approval of Minutes

a. September 19, 2023, Regular Meeting

Mr. White made a motion to approve the minutes with a second by Ms. Weisselberg. The motion passed unanimously.

III. Status Updates:

a. FY 2022 Audit and FY 2023 Audit

The FY22 Audit was submitted to OPM on November 28, 2023, and to Moody’s to meet the November 30th deadline. Mr. Taylor commented on the financial statements and findings. There were no surprises and, as projected, a \$2.3 million surplus. First time it has been positive since 2018. The Corrective Action Plan had nine repeated findings, seven have been addressed with policies, procedures and controls currently in place. Protiviti will work to make sure all future deliverables are completed for the FY 2023 Audit to meet the June 2024 deadline. The plan is to complete the FY 2024 Audit by December 31, 2024.

b. Bond/BAN Issuance

According to Mr. Taylor, the new administration will be meeting with the bond attorney and financial advisory in the next week or two. After the meeting a new timeline will be prepared for the debt

issuance. It is anticipated that this issuance will be in January 2024. Mr. Hamilton asked if this would be a negotiated or a competitive sale. Mr. Taylor said yes.

IV. Review, Discussion and Possible Action: 5-Year Plan

Ms. Kennison thanked David Taylor and his team for their efforts with the 5-Year Plan, as recommended by the members. She also acknowledged his willingness to take advice and for providing transparency.

Mr. Taylor thanked the OPM team for their support. He stated that every year of the 5-Year Plan is balanced. There are mitigation plans to improve the bottom line. The plan is to fund the general fund and the internal service funds and accelerate the funding of Other Post-Employment Benefits (OPEB). The pension plans are funded at the actuarially determined contribution (ADC) following the actuary's guidance. The plan has some levers to handle emergencies by delaying noncritical items. Capital spending decisions looked at the needs to keep the City running and also an update to the water pollution capital spending. The unallocated contingency line was greatly increased to ensure there are funds to make changes or to hire for new positions that are not in the plan but are being suggested by Whittlesey. The Board of Education is at its original ask with no changes and no changes to the teachers' contract. The 5-Year Plan does not reflect the changes to the police pension plan, the brewery lease, and the effects from the grand list with revaluation. The changes in debt service are an outgrowth of the capital plan changes.

Mr. White stated that this report can be used to open conversations about priorities before the next report is issued. The Subcommittee discussed the OPEB situation. Mr. Hamilton provided insight into how the City of Norwalk addressed the OPEB situation. He would like to have a deep dive analysis into the OPEB large increase in the City's liability.

Ms. Weisselberg questioned the Water Pollution Control section about a new incinerator. Mr. Taylor said no decision has been made on the incinerator and it is not in the plan. The City is looking for a third party to handle the treatment of bio solids. Mr. Taylor believes a FEMA grant and clean water funds will be applied for.

Mr. White made a motion to recommend to the full MARB approval of the City of West Haven 5-Year Plan, with a second by Mr. Hamilton. The motion passed unanimously.

V. Review, Discussion and Possible Action: Non-Labor Contracts

a. Rock Street Brewery, LLC – Land Lease

Attorney Karen Kravetz provided an overview of the land lease. She stated that the initial proposal was approved by Planning and Zoning and City Council. After appeals and the granting of variances by the Zoning Board of Appeals and the Planning and Zoning Commission, the size of the building was reduced, and scope of activities was limited to brewing only what will be consumed at the site. The term of the lease is initially a 20-year term with one (1) 20-year option and one (1) ten-year option. The rent is \$6,000 /month, with a 10% increase every 10 years.

In the future, if the tenant receives approval to manufacture and distribute off-site, the rent will increase to \$8,333 with a 10% increase thereafter. There is a total cap on what is paid for rent and for real property tax. The City maintains ownership of the land. The tenant owns the improvements until termination of lease. Once the land lease is signed, insurance costs and all liabilities become the responsibility of the tenant.

Ms. Weisselberg asked about the status of zoning appeals and whether any new litigation has been filed. Ms. Kravetz replied that the planning and zoning commission granted conditional approval on November 28, 2023. The existing appeals are still pending but they are based on an approval and variances that are not going to be required for the tenant to proceed on its current proposal. Ms. Kravetz confirmed that there is no new litigation.

Mr. White asked about the timetable for the construction. Ms. Kravetz stated the tenant would start interior renovation work once the lease is signed, with the hope of opening this summer.

Ms. Weisselberg made a motion to recommend the land lease agreement between the City of West Haven and Rock Street Brewery, LLC to the full MARB for approval with a second by Mr. Hamilton. The motion passed unanimously.

b. Coastal Technical Sales, Inc. – Water Pollution Control Authority (WPCA) Hypochlorite Storage Tanks

Mr. Spreyer stated that the City of West Haven is looking to remove an existing 9,150-gallon tank and install two (2) 6,600-gallon tanks at the City’s Water Pollution Control Plant. The tank bid was published on October 3, 2023, with only one bid being received. Coastal Technical Sales, Inc. was awarded the bid to remove existing tanks and to install new tanks for \$92,159.63, funded by the WPCA operating budget.

Mr. White made a motion to recommend to the full MARB approval to award the bid to Coastal Technical Sales, Inc. for the WPCA Hypochlorite Storage Tanks, with a second by Ms. Weisselberg. The motion passed unanimously.

c. West Shore Fire District – ARPA Grant

The West Shore Fire District is using \$975,000 of ARPA funds for fire station improvements, including upgrades to living quarters and repair of drainage issues. Mr. Spreyer stated these ARPA funds are for waterproofing the basement floor and walls at a fire station and expanding and renovating living quarters to establish separate male and female spaces. Trimco, a national company, did the scope review but the contract has not been assigned to a subcontractor to perform the work. The remaining ARPA Grant funds will be combined with the other two Fire Districts to fund a comprehensive master plan to study the overall fire service operations for the City.

Mr. White expressed his concerns about this appropriation to one fire district, unless the three fire districts commit to working together to reduce expenditures. The Subcommittee discussed the short-term need of the fire districts and its tour of all three fire districts in July 2023.

Ms. Weisselberg made a motion to recommend to the full MARB approval of the West Shore Fire District-ARPA Grant, with a second by Mr. Hamilton. The motion carried with one opposed.

d. Bridges Healthcare, Inc. – ARPA Mental Health Grant

Mr. Spreyer stated that Bridges is a local healthcare advocacy center that provides behavioral and therapeutic assistance to at-risk youth and adults. Bridges was the only organization to apply for this \$100,000 ARPA grant. The Bridges will be reimbursed for services provided to West Haven citizens. The grant begins when signed and the funds must be spent by December 2026. The RFP was clear that this is a one-time \$100,000 grant, not recurring.

Ms. Weisselberg made a motion to recommend a Mental Health Grant of \$100,000 to Bridges Healthcare, Inc. to the full MARB for approval with a second by Mr. White. The motion passed unanimously.

e. New Reach, Inc. – ARPA Food Insecurity Grant

Mr. Spreyer explained that New Reach is a deliverable food service to West Haven families in need. The grant request is \$75,000 which was approved by the ARPA Committee and City Council. This is a reimbursable grant whereby New Reach would submit invoices to the ARPA Committee for review and approval of payment from the Grant.

Ms. Weisselberg made a motion to recommend to the full MARB approval of the New Reach, Inc. – ARPA Food Insecurity Grant, with a second by Ms. Comer. The motion passed unanimously.

f. Living Word Ministries, Inc. - ARPA Food Insecurity Grant

Mr. Spreyer explained Living Word Ministries, better known as the Vertical Church, opened a newly renovated Dream Center located on Center Street. Dream Center is designed to combat food insecurities in the City as well as handling clothing donations. This ARPA grant is for \$150,000 to offset some of the building costs, equipment, and needed supplies for the Dream Center.

Ms. Kennison questioned the budget within the contract regarding the reference to “Westie Care.” Mr. Spreyer requested that this contract be withdrawn so that a revised contract can be submitted with the reference removed. Mr. Hamilton asked if there could be a Church and State situation with this grant. Mr. Spreyer stated that he would seek a legal opinion from the attorney and present it at the next meeting.

No action was taken was taken on the Living Word Ministries Grant.

VI. Update: Open Items List

Mr. Taylor and Mr. Speyer discussed several updates to the list but failed to provide them to OPM in a timely manner.

VII. Other Business

a. State Grants Update

Mr. Spreyer reported that the City Council accepted four State Urban Grants.

VIII. Adjourn

A motion to adjourn was made by Mr. White with a second by Ms. Weisselberg. The motion carried unanimously. The meeting was adjourned at 12:05 P.M.