**DRAFT**

STATE OF CONNECTICUT

MUNICIPAL ACCOUNTABILITY REVIEW BOARD

**RESCHEDULED MEETING MINUTES**

West Haven Subcommittee of the MARB

**Meeting Date and Time:** Tuesday, February 6, 2024, 10:00 AM –12:00 PM

**Meeting Location:** West Haven City Hall, 355 Main Street, West Haven, CT 06516

**Members in Attendance**: Kimberly Kennison (Secretary of OPM Designee), Thomas Hamilton, Stephen Falcigno, and Susan Weisselberg. Robert White (TEAMS).

**Municipal Officials in Attendance**: Mayor Dorinda Borer, David Taylor, Rick Spreyer, Ron Quagliani, Brian Laucks, Paul Dorsi, Neil Cavallaro, Matthew Cavallaro, Stefania Larry, and Raffaela Fronc.

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

1. Call to Order
	1. The meeting was called to order at 10:05 AM. Ms. Kennison noted that this is a Special Meeting rescheduled from January 23, 2024.
2. Approval of Minutes
	1. November 30, 2023, Special Meeting

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

1. Mayor’s Executive Summary

Mayor Borer thanked everyone for attending the Subcommittee meeting in West Haven and introduced Brian Laucks as the new City Council Liaison to the MARB.

The Mayor noted that the City recently received an upgrade in its long-term credit rating from S&P Global Ratings from a BBB to a BBB+ with the outlook being positive. She thanked the hired consultants, Whittlesey and Protiviti, for their assistance, as well as Ron Quagliani, David Taylor, and Rick Spreyer.

The Mayor shared that the City identified 26 vacant critical positions. The job descriptions have been revised and will be posted in the appropriate professional organizations. The City created a Payroll Manager position, received approval for an Economic Development Director, and will be upgrading the Grants position to Director. They are also working to recruit members to Boards and Commissions to get them active again. The City renewed its membership with the South-Central Regional Council of Governments (SCROG) in anticipation that they can tap into funding for transportation. SCROG provided a grant for the City to fund a temporary Economic Development Director that is being filled by a retiree.

Additional changes have been made, including the installation of debit/credit card machines in several departments, to replace cash collections with electronic payments and improve cash receipts controls. The State of Connecticut Ethics Commission held Ethics training, free of charge, for all City employees. The elected officials went on the road to hold public meetings in ten districts to encourage two-way communications. A monthly meeting is scheduled between the fire chiefs, commissioners, firefighter’s union representatives, and city employees to foster collaboration.

Responding to a question about payroll issues, Ms. Borer stated they are conducting interviews for a payroll manager, a senior accountant, and a junior accountant but not finding the right match.

Mr. Taylor stated that mitigating measures for payroll and payables have been implemented to ensure review and approval prior to payment. A communication was sent to all departments that comp time and overtime are no longer allowed without justification and prior authorization.

1. Review and Discussion – Board of Education Recommended FY 2025 Budget

Mr. Cavallaro, the City’s School Superintendent, presented the 2024-2025 Board of Education (BOE) School Budget. The noted due to the status of the Teachers’ Labor Contract it was difficult to prepare this school budget. Ms. Kennison stated that the Teacher’s contract should be handled in the same manner as all other Board of Education contracts for budget purposes. The Teacher’s contract will be discussed at the full MARB meeting on February 22, 2024.

Mr. Cavallaro’s discussion included the use of Elementary and Secondary School Emergency Relief Funds (ESSER), a High School lecture hall named after former principal, Pamela Belmore, adding space at the middle school cafeteria, and setting up modular classrooms. Dr. Stefania Larry provided updates on Special Education outplacement and Raffaela Fronc spoke on English as a Second Language. The total operational budget for 2024-2025 West Haven BOE is approximately $91.9 million, a 2.2% increase over the current year’s budget. In prior fiscal years, the BOE has been flat funded by the City. The BOE FY2025 Budget included a $2 million increase from the City. However, the City’s 5-Year Plan includes a $1.5 million increase. Mr. Cavallaro stated it does not hurt to ask for more. This gap will need to be resolved. Salaries and benefits take up 76% of the budget. Special Education tuition is about 9%. West Haven is one of 33 Alliance Districts in the State.

Mr. Hamilton inquired if this was the first year that the 2% ECS program was included in the All-Funds Budget. Mr. Cavallero replied yes. Mr. Hamilton inquired if the City had been notified because the City has the right to say no. Mr. Cavallaro stated that this was the first year the BOE had requested the funds, and he was not aware that this was a requirement. Mr. Hamilton said that in full transparency the City ought to be aware of it because this is not new money but really shifting money to the City over to the BOE. The BOE received notification prior to the start of the current administration. Mr. Hamilton stated that, if this was the case, the City would need to reduce the amount budgeted for ECS by $1.1 million as well otherwise the BOE and the City would be double counting these funds. Ms. Kennison stated that this matter needs to be resolved. The MARB approved the 5-Year Plan, and questioned if this was included in the City’s plan.

Mr. Hamilton questioned the Workers Comp budget which was reduced by $200,000. Historically, this has been under budgeted resulting in a rather large deficit in the internal service fund. He would like confirmation that this reduction was agreed to by the City. The Subcommittee discussed the internal service fund’s large deficit balance.

The 2024-2025 school budget has been approved by the Board of Education and has been sent to Mayor Borer for review.

1. Status Updates
	1. Credit Rating

Mr. Taylor reported that Moody Investors Services has assigned a Baa3 rating to the City of West Haven’s long-term debt with an outlook that is stable. The Mayor noted they recently received an upgrade on their S&P Ratings from a BBB to a BBB+ with the outlook being positive on West Haven’s general obligation bond outstanding.

* 1. Bonds and BAN Insurance

Mr. Taylor discussed the issuance of $19.335 million of general obligation bonds and $10.135 million of Bond Anticipation Notes (BANS) that are scheduled to close around February 15, 2024. The City qualified for municipal bond insurance at a cost of 58 basis points on both the long-term bonds and the short-term notes from Build America Mutual. The bond insurance will help reduce the debt service over the life of the bonds and help to attract more interest in the marketplace. The bonds closed with a yield rate of 3.9% and were 8.0 times oversubscribed. The notes were 6.3 times oversubscribed with a coupon rate of 5.0% and closing with a 3.7% yield rate.

* 1. ARPA Funds

 Mr. Taylor provided an update on the status of the City’s $29 million in ARPA funding. The City has allocated $21 million for capital infrastructure, $2 million for grants to nonprofits and to small businesses, $2.4 million for police retention, $2 million to Internal Service Fund for Workers’ Compensation, and $1 million for EMS hazard pay. To date, the City has paid $12.7 million of ARPA related invoices. To strengthen controls and to ensure compliance, the City hired an accounting firm and an attorney both with ARPA backgrounds to assist in overseeing the ARPA process. Ms. Kennison requested an updated summary of ARPA projects.

* 1. RFP of Fire Districts Public Safety Assessment

Mr. Spreyer reported that Emergency Services Consulting International (ESCI) provided the City with a proposal in the amount of $31,232 to provide a Public Safety Assessment Study. This Study will be funded from allocations of AARP funds to each of the fire districts. ESCI, who conducted a Public Safety Assessment Study in July 2019, proposed a four-phase process conducted over four months. This will include site visits, to evaluate current conditions and future system demands, and station locations, with apparatus and staffing recommendations. Ms. Kennison questioned whether the proposal included a master plan. Ms. Weisselberg requested a copy of the 2019 Fire Service Consolidation Study be sent to the subcommittee members for review. Mr. White questioned the use of West Haven ARPA funds for the two independent fire districts. Mayor Borer expressed concern that there were immediate needs at the fire houses and time constraints on the ARPA funding. Ms. Kennison suggested that the board consider additional proposals to ensure that the analysis is thorough. The board will review and discuss at a future Subcommittee meeting.

1. Review, Discussion and Possible Action – Non-Labor Contracts:
	1. Gengras Ford – Municipal Fleet Vehicle Purchase

Mr. Spreyer stated that this contract from Gengras Ford is to purchase n Ford F-350, in the amount of $66,395, to replace an inoperable 2004 Ford Ranger for the Building Maintenance Department. This purchase is included in the Fleet Maintenance 2023 Capital Plan, and the State Contract was utilized for the quote.

Mr. Hamilton made a motion to recommend to the full MARB approval of this vehicle purchase with a second by Ms. Weisselberg. The motion passed unanimously.

* 1. Colonna Concrete & Asphalt Paving, LLC – Sidewalk, Curb, Patch and Paving Contract

Mr. Spreyer stated that this contract was publicly bid by the City. Five bids were received, and Colonna was the lowest bidder. The scope of work is the repair and/or replacement of sidewalks, driveways, and curbs, and the replacement patching for road repairs with set pricing over a two-year term. Ms. Kennison recommended that the contract be revised to reflect the actual start date. Mr. Spreyer responded that the contract will be corrected and resubmitted at the next meeting.

Ms. Weisselberg made a motion to recommend to the full MARB approval of this two-year sidewalk maintenance contract with a second by Mr. Falcigno. The motion passed unanimously.

* 1. Gengras Ford – Allingtown Fire Department Cab and Chassis Replacement

Mr. Spreyer explained that this contract is between Gengras Ford and Allington Fire Department to purchase a new cab and chassis for the department’s rescue unit. The ambulance portion of the current rescue vehicle would be installed onto the new cab and chassis to avoid the expense of purchasing a brand-new ambulance. The contract price is $57,820; however, a diesel engine was not included in the quote provided to the Subcommittee. Mr. Spreyer estimated that it would be an additional $9,800.

Mr. Falcigno made a motion to recommend to the full MARB approval to purchase this new cab and chassis vehicle with a diesel engine with a second by Ms. Weisselberg. Motion passed unanimously.

* 1. Gengras Ford – West Haven Police Department Vehicle Purchases

Mr. Spreyer stated that this contract is between Gengras Ford and the Police Department to purchase a 2024 Ford Expedition for $62,230 and a 2024 Ford F-250 Crew Cab truck for $53,108. These purchases are funded through the approved 5-Year Capital Plan using bonded funds. Pricing was based on the State Contract.

Ms. Weisselberg made a motion to recommend to the full MARB approval to purchase these two vehicles with a second by Mr. Falcigno. Motion passed unanimously.

1. Update: Open Items List

Ms. Kennison recognized that the new administration is working to close areas of weakness and has been working with the financial manager to implement those processes. She also proposed that the Board consider closing the prior Cohn Reznick open items.

1. Adjourn

A motion to adjourn was made by Mr. Falcigno with a second by Mr. Hamilton. The motion carried unanimously. The meeting was adjourned at 12:20 P.M.