



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

DRAFT MINUTES

MUNICIPAL FINANCE ADVISORY COMMISSION

REGULAR MEETING

WEDNESDAY, APRIL 19, 2023

Meeting Location: Telephonic Meeting

Date/Time: April 19, 2023, at 10:00 A.M.

Members Present: Ms. Kathleen Clarke Buch, Commission Chair
Mr. Anthony Genovese
Ms. Kimberly Kennison
Mr. Michael LeBlanc
Mr. Glenn Rybacki
Ms. Rebecca A. Sielman
Ms. Diane Waldron

Others Present: Simon Jiang, OPM Staff
William Plummer, OPM Staff
Michael Reis, OPM Staff
Morgan Rice, OPM Staff
Austin Tanner, First Selectman, Town of Brooklyn
Shelley Cates, Finance Director, Town of Brooklyn
Dan Garrick – Director of Finance, City of Danbury
Roger Palanzo – Chief of Staff, City of Danbury
Scott Bassett – RSM, External Auditor, City of Danbury
Richard Dziekan, Mayor, City of Derby
Walt Mayhew, Chief of Staff, City of Derby
Nancy Balsys, Deputy Finance Director, City of Derby
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools
Robert Trainor, Business Manager, Derby Public Schools
John Accavallo, External Auditor, City of Derby
Kevin Seery, First Selectman, Town of East Lyme
Kevin Gervais, Finance Director, Town of East Lyme
Lauren Garrett, Mayor, Town of Hamden
Curtis Eatman, Finance Director, Town of Hamden
Carol Hazen, Director of Grants & Capital Projects, Town of Hamden
David Cappelletti, External Auditor, Town of Hamden
Joseph Kilduff, Mayor, Town of Plymouth
Grace Zweig, Finance Director, Town of Plymouth
Victoria Carey, Vice-Chair, Plymouth Board of Finance
Santo Carta, CLA, External Auditor, Town of Plymouth

1. Call to order

The meeting was called to order at 10:03 a.m. by Commission Chair Buch.

A quorum was not present at the start of the meeting to approve the minutes. Commissioner Buch stated that she would delay the vote on the minutes as two Commissioners had indicated that they would be late in attending the meeting.

Commissioners Genovese and Waldron joined the meeting at 10:17 a.m. and 10:24 a.m., respectively.

2. Approval of the meeting minutes of February 15, 2023

Moved to agenda item 8.

3. Status of Outstanding June 30, 2021, Municipal Audit Reports

a) City of Danbury

Commissioner Buch requested that the City provide the Commission an update on the outstanding June 30, 2021, audit. Mr. Garrick stated the audit firm provided a draft report that was shared with OPM. The City expects the audit to be completed by April 30th. As to the status of the FY 2022 audit report, Mr. Garrick stated that the auditors have not begun the audit. Mr. Bassett indicated that they have assigned staff through June 30th to complete both the FY 2021 and FY 2022 Audits. Mr. Bassett indicated that he does not believe there will be any significant changes in the draft FY 2021 audit report. However, the quality review process needs to be completed. He could not commit that the audit report will be issued by April 30th.

Commissioner Buch asked if the issues that caused such a significant delay had been addressed and what the prospects were of the FY 2023 audit report being completed on time. Mayor Esposito indicated that he spoke to the Board of Education to make sure they are prepared for the audit. Ms. Kennison suggested that the City hire additional staff in order to complete their audits on a timely basis. Mayor Esposito assured the Commission that he is working with HR to fill vacancies and he is committed to staffing the finance office at 100-percent. Mr. Garrick shared that the FY 2023-24 Proposed Budget has additional funding for the finance department allowing the City to issue timely audits.

b) Town of East Lyme

Mr. Gervais stated he has been in communication with the auditors and hopes to have the FY 2021 finalized in the next couple of weeks. Commissioner Buch inquired as to the status of the FY 2022 audit report. Mr. Gervais indicated that the auditors were expected to begin field work during the second and third week of May. The Town recognizes that the need for additional staffing and is presently hiring a Deputy Finance Director.

Commissioner LeBlanc inquired if the audit firm has been engaged to plan the reporting requirements of GASB 87 Lease Accounting. Mr. Gervais indicated that he plans to retain a Finance Director from another town to assist in producing the financial statements. She

is expected to start in the next few weeks. Ms. Kennison encouraged Mr. Gervais to have the proper staffing as the new legislation makes East Lyme a candidate for MFAC oversight if the financials are not completed in a timely manner.

4. Town of Brooklyn

Ms. Cates indicated that the FY 2022 audit has not be completed due to the staff shortage on the auditor's side but hopes to complete by the end of the month. First Selectman Tanner stated that the Town is providing more information to the auditors, including recording journal entries, establishing policies and procedures and incorporating all of the WPCA's financials. Ms. Cates also shared that the Dog Fund revenue was now part of the Town Clerk revenue line item as it had been moved from its own Dog Fund line item. The Town has begun to address the pooled cash fund and is separating larger accounts and keeping smaller accounts that are easier to manage. The budget is being presented to the Board of Finance tonight for review. Commissioners thanked the Town for its attendance at today's meeting.

5. City of Derby

Commissioner Rybacki indicated that the City was a client of his firm.

Commissioner Buch noted that the Finance Director position was advertised on the Government Finance Officers Association (GFOA) website. Mr. Mayhew acknowledged the posting and also indicated that the staff member currently serving as the part-time Human Resource Director will fill the role on a full-time basis.

Mr. Mayhew provided a financial update on the City. Commissioner Buch indicated that from the information provided by the City, it appears that property tax collections on real property for FY 2023 was being collected at a 95% collection rate which was below what the City had projected. The City had budgeted real property tax collections at 99% but Mr. Mayhew believes property taxes on real property will ultimately come in fairly close to the amount budgeted for FY 2023. He also acknowledged that motor vehicle supplemental is coming in at a substantial lower rate than what was projected, and he will need to review why. Concerns were raised by Commissioners regarding the City's workers compensation costs including the lack of reserves and actuarial claim estimates. Mr. Mayhew responded to a number of other questions including accounting for police private duty costs and associated revenues, implementation of the new financial accounting system, etc. Commissioners requested additional information on the financial software due to not being familiar with its use for municipalities.

Commissioner Kennison commented on the April financials provided. She would not advocate for the Board of Education to consolidate its operations with the City, given the number of fiscal related issues the City needs to resolve. She requested an organization chart of City positions and a written report on ARPA projects/costs by month. In the future she would like the budgetary information provided to the Commission, be accompanied with a list of key budget assumptions. Mr. Accavallo provided an update on the FY 2022 audit and indicated that he was targeting issuing the report by April 30th. He also described preliminary audit findings observed during the audit.

6. Town of Hamden

Mayor Garrett advised the Commission that on Monday, the City Council adopted the City's revised policies and procedures manual. The City's charter was recently revised creating a finance commission that reviews the proposed budget and makes recommendations to the legislative council. The legislative council would then vote on the budget at its May 17th meeting. The City provided information on its transfer station and receipts that come in from the transfer station. As a result of Commissioner LeBlanc's inquiry, Mayor Garrett provided information on the City's ARPA funds and projects planned for use of the ARPA funds. Commissioner Genovese inquired about police private duty and to whether it was run through the General Fund and police/private duty costs/revenues. Mayor Garrett indicated that the accounting was run through the General Fund and provided details regarding associated revenues/expenditures. A number of other questions were posed by Commissioners and answered by Mayor Garrett. Commissioner Buch indicated that the Town appeared to be making significant progress and thanked the Mayor and her staff for attending today's meeting.

7. Town of Plymouth

Commissioner Sielman indicated that her firm provides actuarial services for the Town.

Ms. Zweig introduced herself and Vicky Carey, the Vice-Chair of the Board of Finance. She indicated that Mayor Kilduff had a conflict but would still try to attend today's meeting. She also indicated that her audit firm was in attendance.

Mr. Carta provided an update on the FY 2021 Single Audit reports for the Town. At this time, he is projecting issuing the audit reports by May 5th. In regard to the issuance date of the FY 2023 audit report, this would be up to the Town's finance office as to when the information the audit firm needs to complete the audit will be made available. Ms. Zweig believes that the Town will be able to provide the information needed in a timely manner for the audit firm to issue the audit by the December 31st deadline.

Ms. Zweig indicated that she believes the Town will end fiscal year 2023 with a small operating deficit of approximately \$60,000. As to the FY 2023-24 budget, the proposed budget was recently submitted to the Town Council and the Board of Finance has increased the Board of Education by 4.3% which triggered a referendum due to an increase over the 3.57% rate. The referendum will be on April 29th. She projects that by May 3rd the Town should have an adopted FY 2023-24 budget. The FY 2023-24 budget includes an additional staff accountant position. Commissioner Waldron inquired about the ARPA projects the Town has planned. Ms. Zweig provided information on the planned ARPA spending. Commissioner Genovese noted that interest income for FY 2022-23 appeared to be budgeted at a much lower amount than actual amounts being received. Commissioners noted that this would also affect the FY 2023-24 budget. Commissioners noted the progress the Town has made in getting up-to-date on its reconciliations that were significantly behind in the past. Commissioners thanked the Town for its attendance at today's meeting.

8. Approval of the meeting minutes of February 15, 2023

The minutes to the February 15, 2023, meeting were unanimously approved by all Commissioners as presented.

9. Other Business

A brief discussion occurred among Commissioners on current and anticipated future vacancies on the Commission.

10. Adjourned.

The meeting adjourned at 11:32 a.m.

Respectfully submitted,

Kimberly Kennison
Acting Commission Secretary