

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
SPECIAL MEETING MINUTES

Meeting Date and Time: Tuesday, April 23, 2024, 10:00 AM

Meeting Location: This was a virtual meeting. Meeting materials can be found at <https://portal.ct.gov/OPM/Marb/Full-Board-Meetings-and-Materials>

Call-In Instructions: Telephone: 1-860-840-2075
Meeting ID: 271 948 080 090

Members in Attendance: Secretary Jeffrey Beckham, Kevin Alvarez (State Treasurer’s Designee-Alternate), Stephen Falcigno, Thomas Hamilton, Lisa Hammersley, Sal Luciano, and Susan Weisselberg. TEAMS: David Biller, Mark Waxenberg and Robert White.

Municipal Officials in Attendance: Mayor Dorinda Borer, David Taylor, and Rick Spreyer. TEAMS: Nicholas Pascale, Brian Laucks, Paul Dorsi, Chris Tiberio, Abdul Qadir, Matthew Cavallaro, Paul Foster, Julian Freund, Leigh Ann Rails, and Maureen Colman.

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

- I. Call to Order & Opening Remarks by Secretary Jeffrey Beckham and Kevin Alvarez (State Treasurer’s Designee-Alternate)

The meeting was called to order at 10:01 a.m. This is a Special meeting that has been rescheduled from April 11, 2024. The Secretary requested that all MARB members and those addressing the MARB speak directly into the microphone so to be recorded for minutes. Mr. Alvarez stated that he will be the State Treasurer’s Primary Designee for all future meetings.

- II. Public Comment Period

There was no public comment.

- III. Approval of Minutes

- a. March 21, 2024, Special Meeting

Mr. Luciano made a motion to approve the Special Meeting Minutes of March 21, 2024, with a second from Ms. Weisselberg. The motion carried.

- IV. City of Hartford

- a. Subcommittee Update

The Subcommittee did not meet in March to allow the City and the Board of Education (BOE) time to complete their FY2025 budgets. The next meeting was scheduled for April 25th but is being moved to May 2nd. The City and BOE will present their budgets at this meeting.

b. Review and Discussion: City and BOE Monthly Financial Report: February 2024

Mr. Freund reviewed the City's February 2024 financials. Hartford is projecting a surplus of \$14.1 million which is about \$5.86 million larger than last month's projection. Total revenues are projected to be favorable by \$13.5 million. Revenues increased for investment income, building permits, and for State Aid to municipalities for PILOT and for Municipal Revenue Share program with both exceeding the budget amounts. Expenditures projections decreased by \$2.9 million compared to last month with favorable health insurance expenses and reduction in projected payroll expenses of \$635,000.

Mr. Foster reviewed the Board of Education financial results through February 2024. There are no current projections for the year end with the focus being on the budget. Spending was up month in February due to early tuition payments in the amount of \$38 million. The schools are no longer able to enter requisitions as of April 4. As of the end of February, the COVID relief grant spending is at 85.6%. Secretary Beckham asked about the school's federal dollars. Mr. Foster stated it is a challenge, aggressively spending down the COVID relief dollars. Without it in the next fiscal year, the Board adopted budget reflects a reduction of about 384 positions, about 11% of the workforce.

V. City of West Haven

a. Subcommittee Update

Secretary Beckham noted that the Subcommittee met on March 28th. A memorandum was included in the packet. Mr. Mehr shared that the primary focus of the meeting was the Mayor's Recommended FY2025 Budget with the Mayor also providing her City of West Haven Executive Summary. Also, an overview was provided on the newly created Protiviti Matrix that tracks the audit findings from the FY2022 audit. Mr. Taylor provided the status of the FY 2023 audit. The next meeting was scheduled for April 30th, however, will now be held virtually on May 9th. The City Council has to approve the West Haven budget by May 2nd.

b. Review and Discussion: Mayor Recommended Budget FY2025

Mayor Borer started by running through the budget process. Each department reviewed each line item in its budget and provided their recommendations for operational efficiencies, cutting expenses, and revenue drivers in the department. The Mayor then met with each of the departments to discuss their budgets before making her recommendations. The City Budget was submitted to the City Council and to the public on March 21st. By Charter, the City Council needs to adopt the City Budget by May 2nd.

The Mayor pointed out highlights in the budget. Reducing significant overtime and the high costs of priced consultants by filling full-time positions. Creating an Economic Development Director with a modest marketing budget. Adding a new position for youth, elderly, and veterans' outreach. Doing a review for job eliminations where there were redundancies. Forming a blight task to focus on blight and collecting associated fees. Legal services restructuring and reduction

in energy costs. Did cost sharing with the Housing Authority to reduce the cost of senior transportation. Increased the City funding to the Board of Education by \$2 million. The City is aggressively seeking grants

Mr. Taylor reviewed with the MARB a PowerPoint presentation detailing the FY2025 Budget and 5-Year Plan. The City is presenting a responsible and conservative budget. The PowerPoint presented the City's financial goals and objectives, and how the 5-year plan meets those financial goals. It shows the assumptions used in putting this budget together.

The MARB discussed the pension plan liabilities, the general liability insurance, the cash flow, the job positions, the healthcare costs, the return of COVID funds, and the fire districts. Also, a discussion about West Haven exiting as a Tier IV municipality.

c. Review and Discussion: 5-Year Plan

Mr. Taylor reviewed with the MARB a PowerPoint presentation detailing the 5-Year Plan. He mentions that the City has had surpluses over the last four years. The 5-Year Plan presents a balanced budget in each of the four years. The plan does use a higher inflation rate, the impact of the revaluation of the grand list and reflects the mill rate calculations. The general fund balance has increased from \$3.9 million in FY20 to an estimated \$19.2 million in FY24.

Mr. Waxenberg asked if the 5-Year Plan does or does not include any negotiated in or arbitrated changes to the police pension plan. Mr. Taylor responded that the 5-Year Plan does reflect the increased cost to the pension as calculated by the City's actuary. Over the next five years, if the pension was approved as submitted, those costs are reflected in here. These amounts were calculated by our actuary anticipating that the City would add the post 2009 officers to the plan. Secretary Beckham asked if the proceedings happen, you have accounted for it. Mr. Taylor said yes, I believe so based on the information provided by the actuary.

d. Mayor's Executive Summary

The Mayor mentions that the audit for fiscal year FY2023 has been completed over a month ahead of schedule. The City is recapturing some funding from various grants for previous years city project expenditures in the amount of \$2 million. Filling the finance director and payroll manager positions, and in the personnel department, hiring a human resource director and a generalist.

e. Tier IV Action Plan Update:

i. Organizational Assessment – Whittlesey

A copy of Whittlesey's City of West Haven Assessment Status Report as of April 18, 2024, was provided for the MARB members' review.

ii. Finance Manager – Protiviti

A copy of the City of West Haven Status Report as of April 4, 2024, prepared by Protiviti for MARB members to review was provided

f. Review, Discussion and Possible Actions: Non-Labor Contracts:

i. PKF O'Connor Davies – Audit Service

The City of West Haven is looking to hire PKF O'Connor Davies to provide auditing services for the fiscal year ending June 30, 2024, at a proposed fee of \$178,400. PKF O'Connor Davies was the only firm that submitted a bid for this work and has been auditing West Haven for the past few years.

The West Haven City Council did approve PKF O'Connor Davies to provide auditing services for the fiscal year ending June 30, 2024, at a proposed fee of \$178,400, at its April 22, 2024, council meeting.

Mr. Luciano made a motion to approve the PKF O'Connor Davies audit service contract with a second by Ms. Weisselberg. The motion passed unanimously.

ii. Rehrig Pacific Company – Purchase of Recycle Bins

This purchase is for the City of West Haven Recycling Program for 16,000, 65 gallon recycle bins, that will be provided to city residents to replace a smaller bin. The recycle bins total delivery price is \$846,350. The vendor is Rehrig Pacific Company, which is part of the Sourcewell contract, a purchasing type co-op used by the City of West Haven.

The City Council at its May 31, 2022, Special Meeting approved the use of \$1,000,000 of ARPA funds for Recycling and Reuse Center. At its April 8, 2024, meeting, the City Council discussed and approved the purchase of the residential curbside recycling – containers.

This purchase will be funded by ARPA funds and a grant from the Recycling Partnership – Residential Curbside Recycling Cart.

Mayor Borer provided an overview of the bins purchase and the City's Recycling Program. Mr. Hamilton asked if the recycling is contracted to an outside vendor. Mr. Spreyer replied that the same vendor that collects the municipal solid waste, also does the recycling. Mr. Luciano asked if this went out Bid. Mr. Spreyer responded that the City went through Sourcewell, that offers cooperative procurement for municipal governments that had Rehrig Pacific under contract. Gehrig Pacific could meet West Haven timeline for providing the bins.

Mr. Luciano made a motion to approve the purchase of 16,000 recycle bins contract with a second by Mr. Alvarez. The motion passed unanimously.

g. Review and Discussion: City and BOE Monthly Financial Report: February 2024

Mr. Taylor reviewed the City's February 2024 financials. The City is projecting a \$4 million surplus at year end. Through 8 months, the City is tracking favorable for investment income, building planning and zoning fees. Unfilled positions are becoming filled, and the finance director will be starting Monday.

Mr. Cavallero reviewed the Board of Education financial results through February 2024. The school's budget is in line with historical spending and is on pace to end the year with a balanced budget.

h. Other Business

There was no other business. The next regularly scheduled MARB meeting is May 16, 2024, scheduled for the Legislative Office Building (LOB).

i. Adjourn

Mr. Luciano made a motion to adjourn, seconded by Mr. Falcigno. Motion passed. The meeting was adjourned at 11:42am.