

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, July 23, 2020 10:00 AM – 12:00 PM

Meeting Location: This was a telephonic meeting. Meeting materials may be accessed at the following website: <https://portal.ct.gov/OPM/Marb/West-Haven-Committee-Meetings-and-Materials>

Call-In Instructions:

Telephone Number: (860) 840-2075

Meeting ID: 787-043-799

Members in Attendance: Secretary McCaw, Christine Shaw (State Treasurer designee), Mark Waxenberg, Robert White, Stephen Falcigno

City Officials in Attendance: Mayor Bronin, Jolita Lazauskas, Robert Dakers, John Philip, Clarence Zachery, Leigh Ann Ralls

OPM Staff in Attendance: Kimberly Kennison, Bill Plummer, Julian Freund

I. Call to Order & Opening Remarks

The meeting was called to order at 10:06 AM.

II. Approval of Minutes:

a. June 25, 2020 regular meeting

A motion was made by Mr. Waxenberg with a second by Ms. Shaw, to approve the minutes of the June 25, 2020 meeting. The motion passed 4-0-1, with Secretary McCaw abstaining.

III. Review and Discussion: 5-Year Plan Efficiencies and Mitigation Measures

Mayor Bronin outlined the major revenue assumptions that form the basis of the City's updated 5-Year Plan. Grand List growth assumptions range from 0.7% to 1.5%, with an exception for the revaluation year which assumes an increase of 3.5%. Mayor Bronin noted that the City may seek to delay the next revaluation. Mr. Dakers described the mitigation measures the City has developed to close projected budget gaps in the out-years of the 5-Year Plan. Mitigation measures include the option of reducing pay-as-you-go capital contributions, potential savings from procurement of insurance third party administrator services, and savings from workers compensation measures. Mitigation efforts also include several revenue measures in the areas of tax collection and collection for private duty services. The City is currently projecting a surplus of \$17.6 million for FY 2020. Mayor Bronin indicated about \$5 million may be Assigned as contingency for unreimbursed COVID related expenses, which, if unneeded, would eventually roll into Unassigned Fund

Balance. About \$5 million would likely be set aside for capital projects and \$5 million for the planned crisis response team. Secretary McCaw asked for updated Fund Balance projections including a breakdown by fund balance category to illustrate growth in Unassigned Fund Balance.

Members discussed several approaches to adjusting municipal aid including relief mechanisms to compensate for tax exempt property that is not reimbursed through PILOT programs as well as regional approaches that recognize the services provided to constituencies outside a given municipality's borders. Secretary McCaw suggested the topic be a continued discussion by the subcommittee.

Secretary McCaw noted the progress made by the City in detailing the measures to be taken to close projected budget gaps in the out-years of the 5-Year Plan.

Mr. Waxenberg made a motion to recommend to the full MARB the acceptance of the City's 5-Year Plan. Mr. White seconded the motion. The motion was approved unanimously.

IV. Update: Corrective Action Plan re: FY 2019 Audit

a. City

Mr. Dakers and Ms. Ralls updated the subcommittee on the status of open items, referring to the written report that was provided. Three of the 11 items related to information technology remain open. The process of securing laptops continues, with about 25% completed. The development of Policies and Procedures and a disaster recovery plan are both part of security assessment project in process and are scheduled to be completed in December. The City will clarify whether Police and Fire operations were included in the Blum Shapiro review.

b. Board of Education

Mr. Zachery described steps taken to fill positions that will enable the BOE to address previous audit findings. Ms. Kennison asked that the plan and timetable for closing the findings be provided for the next subcommittee meeting. Mr. Zachery will provide the plan and timetable for the September meeting.

V. Update: Status of Board of Education RFP for Special Education Study

Superintendent Torres presented work completed by Civic Solutions Group assessing the current state of special education and identifying areas to improve special education services in the district. She explained the work represents the first phase of consulting services that will develop recommendations and a work plan for developing in-district capacity to provide special education services. Secretary McCaw asked the Superintendent to provide the subcommittee with a proposal regarding how the MARB could support the district in the next steps in developing and implementing recommendations to strengthen the special education infrastructure and capacity. She also invited the Superintendent to provide input on statewide special education policy that could be raised with the State Department of Education, as well as legislative recommendations.

VI. Update: FY 2021 Board of Education Budget

Mr. Zachery reported that the FY 2021 budget was adopted in June in the amount of \$426.9 million. Current projections for expenditures total \$439 million representing a gap of about \$12 million that will need to be mitigated in the current year. The BOE is working on identifying measures to close the gap. Some of the gap will be closed through vacancy savings. Among the other measures being considered is a transfer of \$4.9 million from the OPEB trust as a result of recent collective bargaining negotiations that have resulted in a

reduction in OPEB liability. Secretary McCaw requested that a copy of the updated OPEB valuation reflecting collective bargaining changes be provided to OPM. The BOE is projecting an FY 2020 surplus between \$6 to \$10 million.

VII. Other Related Business

VIII. Adjourn

The meeting adjourned at 12:13 PM.