

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING NOTICE AND AGENDA
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, May 7, 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: 815-614-635

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

City Officials in Attendance: Mayor Bronin, Jolita Lazauskas, Leigh Ann Ralls, Clarence Zachery

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

I. Call to Order & Opening Remarks

The meeting was called to order at 10:04 AM.

II. Approval of Minutes:

- a. January 23, 2020 regular meeting

III. Review, Discussion and Possible Action: Proposed FY 2021 Budget

The City submitted the mayor's recommended FY 2021 budget on April 27. The City's assumptions for State aid, property tax revenues and the mill rate require MARB approval. Mayor Bronin provided an overview of the budget assumptions and overall budget. No mill rate increase or borrowing is assumed and the budget does not include any one-time revenues. The collection rate, by Charter, is based on the last three years of actual collections. The budget is 1% lower in expenditures than the current year and is a status quo budget with regard to service levels. A modest surplus at the end of FY 2020 is projected. Members discussed revenue details including the impact of property tax appeals, the 2021 revaluation and potential impact of the economic downturn on property tax collections. Discussion of expenditures covered payroll and employee benefits and the City's plans for capital investments. The City was asked for a breakdown of authorized, funded, filled and vacant positions. Mr. White made a motion, seconded by Mr. Biller, to recommend to the MARB approval of the City's budget assumptions for FY 2021. The motion passed unanimously.

IV. Review and Discussion: FY 2021-2025 5-Year Forecast

The City's Contract for Financial Assistance with the State requires an updated 3-year forecast to be submitted with the budget. The City includes a 5-year forecast of overall revenues and expenditures in the budget document as well as the underlying assumptions of the forecast. In a supplementary document, the City provided the detailed revenues and expenditures by category for each year of the 5-Year Plan. Members discussed the need for further development of planned measures to close projected budget gaps in the out-years of the plan.

V. Update: Revenue and Expenditure Initiatives

Mayor Bronin updated the subcommittee on several initiatives including development projects that are progressing in the City. Members asked about the types of structural changes that would ensure budgetary balance in the future. Mayor Bronin suggested that the types of changes that could make a material difference would include measures that address the high percentage of tax exempt property in the City, or the related PILOT payments, and development and redevelopment efforts.

VI. Update: Corrective Action Plan re: FY19 Audit

Ms. Ralls provided an update on the status of correcting certain audit findings regarding Information Systems. The Information Systems department attempted to apply encryption to some older laptops, but were unsuccessful due to the age of the devices. During the pandemic, as more staff have transitioned to remote work, a number of new laptops have been issued which are outfitted with encryption. There will continue to be replacement of older laptops with newer more secure laptops. Ms. Kennison asked that the subcommittee be updated monthly on the progress of these replacements. The Information Systems department is in the process of working with its security vendor on policies and procedures. Ms. Kennison asked that updates be provided on the finding regarding disaster recovery at future meetings.

The Board of Education was asked about its financial closing process. Mr. Zachery noted that based on his observations since joining the district in January, he concurs with the findings that documentation of procedures is lacking. Ms. Kennison suggested he consider a phased approach to developing policies and procedures to resolve the audit finding. Mr. Zachery indicated that it is his intent to phase this project in over multiple fiscal years.

VII. Other Related Business

VIII. Adjourn

The meeting adjourned at 11:34 AM.