

**APPROVED**

STATE OF CONNECTICUT  
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES  
Hartford Subcommittee of the MARB

**Meeting Date and Time:** Thursday, October 22, 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:** Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 256 607 967

**Members in Attendance:** Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Mark Waxenberg, Robert White, David Biller (joined 10:09), Matthew Brokman (joined 10:13), Stephen Falcigno (joined 10:29).

**City Officials in Attendance:** Mayor Bronin, Jolita Lazauskas, Leigh Ann Ralls, Mike Lupkus, David Fleig

**OPM Staff in Attendance:** Julian Freund

I. Call to Order & Opening Remarks

The meeting was called to order at 10:07 AM.

II. Approval of Minutes:

a. July 23, 2020 regular meeting

Mr. Waxenberg made a motion, with a second by Mr. White, to approve the minutes of the July 23, 2020 meeting. All voted in favor.

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

a. City

The City reported on the actions to implement the auditor's recommendations concerning IT controls. Of the 11 recommendations, 8 have been closed. The process of encrypting laptops continues. Implementation of two recommendations regarding IT policies and procedures and the

development of a disaster recovery plan may be delayed as a result of the ransomware attack that occurred earlier this fall.

b. Board of Education

Mr. Fleig reviewed a status report on the Board of Education corrective action plan. Most of the corrective measures, including steps to update and formalize the year-end closure process, have either been completed or are expected to be completed by the end of the calendar year. The most significant challenge has been in filling an Accountant position.

IV. Status of FY20 close

The City presented a tentative audit timeline. Blum Shapiro plans to begin field work on October 26 continuing through week of November 9. The targeted date for submittal of a draft report to the City is December 11. Although some delays in the process were caused by the ransomware attack, the City is expecting to meet the 12/31/20 deadline for submitting its FY 2020 financial statements.

V. Update BOE projected final expenditures FY 2020

The Board of Education's updated final expenditures in FY 2020 project an end of year balance of \$5.1 million. Of this amount, it is expected that approximately \$2.7 will be set aside as Committed Fund Balance for a subsequent BOE budget. When combined with the approximately \$3 million previously set aside as Committee Fund Balance for the BOE, the total Committed Fund Balance for the BOE would reach \$5.7 million, which is roughly 2% of the BOE budget and the maximum that may be set aside for that purpose.

The remaining \$2.4 million end-of-year balance that is not expected to be set aside as Committed Fund Balance, would roll to General Fund Balance as either Assigned or Unassigned Fund Balance (though some portion of that amount may be needed for outstanding claims related to a transportation contract).

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

This item was tabled.

VII. Other Related Business

The City provided a number of items in response to questions raised by the Subcommittee at prior meetings. Among these, was an update on the City's projected General Fund balance as of June 30, 2020. Based on a projected FY 2020 surplus of \$14 million, the City anticipates a total General Fund Balance of approximately \$31.4 million. Of that amount, \$5.7 million is expected to be Committed for subsequent BOE budgets and \$5 million will be Assigned as a contingency for economic uncertainty. The remaining \$20.7 million would be Unassigned Fund Balance. Mayor Bronin noted that a subsequent Assignment in Fund Balance may be made to pre-fund a violence reduction initiative. A previous transfer of \$5 million to pre-fund the development of a crisis response team is already reflected in the fund balance projections.

In response to questions regarding the City's Golf Enterprise Fund, several years of historical financial information was reviewed. Some discrepancies in the FY 2021 budget figures for the enterprise fund were noted, and the City was asked to provide clarifying information for the next meeting.

The City presented a sensitivity analysis of Grand List Projections depicting the impact of potential variances between projected and actual grand list growth rates. A similar analysis was presented that projects the potential budget impact of future general wage increases.

The Subcommittee also reviewed information concerning potential Workers Compensation provisions regarding return to work practices as well as additional information regarding Information Technology planning in the public safety departments.

Mr. Waxenberg indicated that he intends to submit a proposal for State legislation that would make certain municipalities, including Hartford, eligible for additional State financial assistance. Mayor Bronin noted that the implementation of the previously adopted municipal revenue sharing account was delayed in the State budget process and that he would advocate that the State move forward with that program as a form of revenue diversification for municipalities.

#### VIII. Adjourn

A motion to adjourn was made by Mr. White with a second by Mr. Waxenberg. The motion passed and the meeting adjourned at 11:56 AM.