

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING NOTICE AND AGENDA
West Haven Subcommittee of the MARB

Meeting Date and Time: Thursday, September 23, 2021 10:30 AM – 12:00 PM
(Rescheduled from 9/21/21)

Meeting Location: This will be a virtual 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: 628 137 696

Agenda

- I. Call to Order & Opening Remarks
- II. Approval of minutes:
 - a. July 20, 2021 Regular Meeting
- III. Review and Discussion: FY 2021 MOA and Open Issues
- IV. Other Business
- V. Adjourn

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
West Haven Subcommittee of the MARB

Meeting Date and Time: Tuesday, July 20, 2021 10:00 AM – 12:00 PM

Meeting Location: This was a virtual 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: 613 367 44

Members in Attendance: Secretary McCaw, Christine Shaw (State Treasurer designee; joined after approval of minutes), Stephen Falcigno, Thomas Hamilton, Robert White, Patrick Egan (joined after approval of minutes)

City Officials in Attendance: Mayor Rossi, Frank Cieplinski, Chief Terenzio (Allingtown Fire Department), Chief Scafierello (West Shore Fire Department), Chief O'Brien (First District Fire Department)

OPM Staff in Attendance: Kimberly Kennison, Michael Milone (OPM Liaison), Julian Freund

I. Call to Order & Opening Remarks

The meeting was called to order at 10:01 AM.

II. Approval of minutes:

a. June 10, 2021 Special Meeting

A motion to approve the minutes was made by Mr. White, with a second by Mr. Hamilton. The motion passed 4-0-0.

III. Review and Discussion: Update from Fire Districts

The Fire Study prepared by ESCI in 2019 included a set of recommendations to help the districts rein in costs, begin to address long-term liabilities, and to create some efficiencies. The chiefs from each of the districts presented an update on their progress in implementing the recommendations from the report, including the creation of a Tri-District Commission, the adoption of more conservative budgeting practices, and increasing their contributions to their respective pension funds. The districts are also working collaboratively on a plan for a joint apparatus purchase that will acquire six pieces of apparatus over the next three years. Members discussed the districts' long-term liabilities and their impact on long term financial planning. Additional amounts of State Aid that was unbudgeted in the current fiscal year may, in part, be directed toward reducing long-term liabilities

as well as setting aside for capital expenditures. If the higher level of funding is sustained, a portion may help provide property tax relief. Follow-up steps identified by the Secretary and the Subcommittee members include detailing plans for consolidating pension investment management, finalizing plans for improving the funded status of pension and OPEB funds, linking those plans to the districts' multi-year financial plans, and developing reserves policies.

IV. Review and Discussion: ARPA Funding Overview and City Priorities

Mr. Freund provided an overview of the structure of ARPA funding to municipalities, eligible uses of the funds and reporting requirements. Mr. Milone described the City's efforts to calculate their revenue loss which will correspond to one of the categories of eligible uses of the funds. He also outlined some possible priority areas for the City's consideration. Mayor Rossi indicated that the City will likely use the additional PILOT funding in FY 2022 to offset the \$1.5 million of ARPA funding that was included in the budget. She referenced several options for helping businesses in the community.

V. Other Business

There was no other business.

VI. Adjourn

Ms. Shaw made a motion to adjourn, with a second by Mr. White. The meeting adjourned at 11:48 AM.

**MEMORANDUM
CT OFFICE OF POLICY AND MANAGEMENT**

To: Municipal Accountability Review Board
From: Julian Freund, OPM
Subject: City of West Haven FY 2021 Memorandum of Agreement
Date: September 22, 2021

The agenda for the September 23, 2021 meeting of the West Haven Subcommittee includes a discussion of the City's FY 2021 Memorandum of Agreement (MOA) with OPM regarding the distribution of Municipal Restructuring Funds. The MOA contains a number of requirements to be met by the City as conditions for the distribution of up to \$4 million of Municipal Restructuring Funds.

At the September 9 meeting of the MARB, Secretary McCaw noted that the City is out of compliance with several requirements and that the MOA would be a topic of discussion at the West Haven Subcommittee meeting. The attached document provides a summary of the requirements contained within the MOA and the current status of each item.

A letter from the Secretary was sent to the City on September 17 requesting that a written plan for bringing the City into compliance with the MOA be submitted in advance of the Subcommittee meeting. That written plan has not yet been received from the City by OPM.

Summary Status of City of West Haven Compliance with FY 2021 MOA

<u>Section:</u> 6.a	<u>Requirement:</u> Remit to OPM \$100,000 MARB Fee for FY 2021	<u>Current Status:</u> Complete
<u>Discussion:</u> Received within 2 weeks of execution of MOA		
<u>Section:</u> 6.b and 6.c	<u>Requirement:</u> Provide MARB fee expense detail to City	<u>Current Status:</u> Complete
<u>Discussion:</u> Transmitted 2/8/21. Updated version transmitted 5/13.		
<u>Section:</u> 7 and 7.a	<u>Requirement:</u> By May 1, the City shall submit to OPM a revised Munis training plan based on recommendations in 2018 Blum Shapiro report. The City shall implement the plan.	<u>Current Status:</u> Delayed
<u>Discussion:</u> Delays due in part to vacancies and demands of ADP project. Schedule outline included first training phase in July; second phase in October. Training not yet implemented.		
<u>Section:</u> 8 and 8.a	<u>Requirement:</u> By April 20, the City and Board of Education shall complete implementation of all corrective actions addressing FY 2019 audit findings. Monthly updates are to be provided to the MARB Subcommittee.	<u>Current Status:</u> Pending verification
<u>Discussion:</u> Written reports on FY 2019 findings not provided since Nov. 2020. Verbal updates only. Verification of closed items is pending (upcoming FY 2021 audit).		

<p><u>Section:</u> 9.a and 9.b</p>	<p><u>Requirement:</u> By April 20, the City shall submit to OPM a corrective action plan to address FY 2020 audit findings. The City shall implement the plan and include funding necessary for closing findings in its FY 2022 budget.</p>	<p><u>Current Status:</u> Pending verification</p>
<p><u>Discussion:</u> Corrective action plan submitted for April Subcommittee meeting Monthly reporting provided only in June and July only FY 2022 budget included funding for restructuring of Finance Department Closed items pending verification (upcoming FY 2021 audit) Last status report (July) shows two items remaining open</p>		
<p><u>Section:</u> 10.a and 10.b</p>	<p><u>Requirement:</u> By April 1, the City shall submit to OPM for approval a revised Human Resources (Personnel Department) Action Plan to address the findings in the Nov. 2019 HR Consulting Group report. The plan shall include milestone dates and responsible parties assigned to specific tasks. Monthly status reports are to be provided, and the FY 2022 budget shall include any funding necessary to implement the revised plan.</p>	<p><u>Current Status:</u> Delayed</p>
<p><u>Discussion:</u> No revised plan submitted</p>		
<p><u>Section:</u> 11.a and 11.b</p>	<p><u>Requirement:</u> By May 1, the City shall submit to OPM for approval an Information Technology Security Action Plan to address a 2020 review of IT controls. The plan shall be implemented and the FY 2022 shall include any funding needed for implementation. After concern expressed by City about documenting potentially sensitive information, OPM advised City to prepare summary plan referencing recommendations in study, steps to be taken and resources needed</p>	<p><u>Current Status:</u> Delayed</p>
<p><u>Discussion:</u> No plan submitted referencing 2020 review No itemization of resources required</p>		

Section: 12	Requirement: The City shall ensure that sufficient staffing and resources are in place to address FY 2019 audit findings regarding the procurement function and for efficient operation and management of the Finance Department.	Current Status: Open
Discussion: Procurement Manager position created and filled (currently pulled away to help backfill A/P vacancy) Accounts Payable position vacant since end of June (retirement announced by April) Other Finance Department positions filled based on restructuring funded in FY 2022 budget		
Section: 13.a and 13.b	Requirement: The City shall coordinate the preparation of a 3-Year Fire Districts Plan by 5/30, including projected revenues, expenditures and mill rates. Quarterly updates on the status of the creation of the Tri-District Commission and plan development are to be provided.	Current Status: In compliance (ongoing)
Discussion: Tri-District Commission created 3-Year Financial Plans developed Written status reports provided in May and July; presentation at the July Subcommittee meeting Follow-up on numerous elements to continue		
Section: 14	Requirement: By April 1, the City shall provide an update on the preliminary results of the revaluation.	Current Status: Completed
Discussion: Results of 2020 revaluation presented to Subcommittee at March meeting		
Section: 15	Requirement: By April 1, the City shall submit to OPM an update comparing the assumptions used in the FY 2021 budget to actual revenues and expenditures	Current Status: Completed
Discussion: Relevant comparative data included in proposed FY 2022 budget document		

<u>Section:</u> 16	<u>Requirement:</u> By April 1, the City shall submit to OPM written recommendations regarding proposed future proceeds from the sales of City property.	<u>Current Status:</u> Ongoing
<u>Discussion:</u> Draft policy prepared in 2019; No property sales proposed in FY 2022 budget		
<u>Section:</u> 17.a – 17.e	<u>Requirement:</u> The City shall submit its proposed budget for FY 2022 by March 18. Proposal to include detailed assumptions regarding school enrollment projections, tuition projections and various education related grants and expenditures. Budget data from the independent fire districts was also required. The MOA also required certain procedural steps to ensure that the City Council adopted a budget that was responsive to MARB feedback.	<u>Current Status:</u> Complete
<u>Discussion:</u> Proposed budget submitted on time Certain supporting data regarding schools was not provided with the submitted budget and needed to be requested during the review process The budget ultimately adopted was consistent with MARB guidance and input		
<u>Section:</u> 18.a – 18.f	<u>Requirement:</u> The City shall submit an updated 5-Year Plan with the proposed FY 2022 budget.	<u>Current Status:</u> Complete
<u>Discussion:</u> The 5-Year Plan was submitted after the submittal of the proposed FY 2022 budget Certain supporting data was not provided with the original submittal and needed to be requested during the review process The 5-Year Plan ultimately approved by the MARB was consistent with MARB guidance and input and was approved by the City Council		

Note: The deadlines shown in the above table reflect the revised timelines requested by the City in its April 1 status report.