

**APPROVED MINUTES**  
STATE OF CONNECTICUT  
MUNICIPAL ACCOUNTABILITY REVIEW BOARD  
**REGULAR MEETING**

**Meeting Date and Time:** Thursday, April 9, 2020 10:00 AM –12:00 PM

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

**Telephonic Meeting:** Telephone 1 860-840-2075  
Meeting ID: 704 427 842

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Matthew Brokman, Stephen Falcigno, Robert White, Thomas Hamilton, Sal Luciano, Mark Waxenberg

City of Hartford Officials in Attendance: Mayor Bronin, Jolita Lazauskas, Leeann Ralls, Kim Oliver, Zachery Clarence

Town of Sprague Officials in Attendance: First Selectman Blanchard, Superintendent Hull

City of West Haven Officials in Attendance: Mayor Rossi, Frank Cieplinski, Matt Cavallaro

OPM Staff: Julian Freund, Bill Plummer, Michael Milone (liaison to West Haven)

**Agenda**

I. Call to Order & Opening Remarks by Secretary Melissa McCaw and Treasurer Shawn Wooden

The meeting was called to order at 10:05 AM.

II. Public Comment\* Period

There was no public comment.

III. Approval of Minutes:

a. February 13, 2020 regular meeting

A motion was made by Ms. Shaw with a second by Mr. Hamilton to approve the minutes. All voted in favor.

IV. City of Hartford Issues and Items

a. Review and discussion: Monthly Financial Report February 2020

Mayor Bronin noted that the monthly report does not yet factor in the full impact of the pandemic. A reduction in projected parking revenue is factored into the projections, but further deterioration of revenues in the current fiscal year is possible. The City is using conservative projections for expenditures and a surplus is currently forecast. However, the end of year projections are subject to change. Mr. White asked about ongoing impacts of the pandemic. Mayor Bronin explained that current year taxes have already been collected, but collections in next fiscal year could be negatively effected considerably. Mr. Hamilton asked if the City intended to extend or delay its budget adoption process. Ms. Shaw asked about the City's disaster planning and impact of the pandemic on operations. Mayor Bronin noted that the most visible change is the reduction in in-person services, but also pointed out that a large percentage of the City's workforce is in public safety and public works. Both continue to operate, but measures have been put in place to ensure worker safety.

b. Review and Discussion: Non-labor Contracts

i. Compass – Youth Violence Prevention Program

Kim Oliver, Director of Family, Children, Youth, and Recreation, and Aisha Clark of Compass, described the City's contract with Compass for the Peacebuilders youth violence prevention program.

ii. Raptor Technologies

Clarence Zachery, Chief Operating and Financial Officer of the Hartford Public Schools, explained the contract with Raptor Technologies which provides instantaneous background checks and other technologies to manage visitors and ensure safety at schools.

V. Town of Sprague Issues and Items

a. Subcommittee update

Mr. Freund provided an update on the subcommittee's meeting of March 30. The Subcommittee reviewed the FY 2019 audit report and the Board of Education's proposed budget for FY 2021.

b. Review and discussion: FY 2019 Audit

Ms. Kennison reported that the Town received an unmodified opinion on their financial statements. A General Fund operating surplus of approximately \$265,000 resulted in a fund balance as of June 30, 2019 of -\$819,291 compared to -\$1,084,244 as of June 30, 2018. The positive results in FY 2019 was largely a result of the one-time revenue from sale of scrap metal. The financial statements report a negative fund balance in the Capital Fund of -\$451,523 at fiscal year end. This appears to have been attributable to capital expenditures for which no funding had been appropriated. The auditor had also reported that the land lease revenue will be amortized over the life of the lease.

There are four audit findings which are repeat findings. One from a prior year has been closed. First Selectman Cheryl Blanchard reported on progress the Town has made and steps taken to close the remaining findings as well as two new findings related to a state grant.

c. Update: Corrective Action Plan

The corrective action plan related the addressing findings in the FY 2019 audit were covered in the FY 2019 audit discussion.

d. Review and discussion: Monthly Financial Report February 2020

The First Selectman reported on current year budget status. Tax collections are comparable to last year, while expenditures are down somewhat compared to the same period for last year. The Town is projecting positive cash flow until June. A request for an advance on ECS was approved, but not yet received. Ms. Kennison asked about steps the Town can take to mitigate the projected cash deficit in June until tax revenues begin to be received. First Selectman Blanchard indicates they would either hold invoices until tax revenues come in or request additional assistance. She noted that her office reviews cash flow weekly. The subcommittee briefly discussed the impact of the pandemic on the Town and Board of Education operations and finances.

VI. City of West Haven Issues and Items

a. Subcommittee update

Mr. Freund provided an update on the subcommittee meeting of April 1. The subcommittee reviewed the two items that appear on this meeting's agenda, the FY 2019 audit and the FY 2021 recommended budget.

b. Review and Discussion: FY 2019 Audit

Ms. Kennison referred to a presentation of the FY 2019 prepared by the auditor. As had been reported at prior meetings, the audit process had found a significant number of instances, primarily in the Education department, of invoices recorded in the incorrect fiscal year. Additional testing was performed by the auditor which determined this had also occurred in prior fiscal years. These findings necessitated a restatement of prior year fund balance. As a result of prior period adjustments totaling - \$3.59 million, the ending fund balance as of 6/30/18 was restated at -\$1.4 million.

An operating surplus in FY 2019 would have brought the ending fund balance as of 6/30/19 to approximately \$358,000. As a result, Secretary McCaw exercised her authority to issue an additional \$1 million of the Restructuring Funds that had been held back from FY 2019. This brought the City's ending fund balance as of June 30, 2019 to \$1.358 million, approximately 0.85% of total expenditures. The City's other funds' results were briefly outlined as well as the auditor's findings and recommendations.

Mr. Hamilton asked for background on the conditions that led to a need for a restating prior year financials and which accounts were inaccurately reported. Mr. Cieplinski explained the processes that led to incorrect reporting, which primarily occurred in Education tuition and transportation accounts. Further discussion regarding the restatement and steps the Board of Education is taking to correct procedures followed. Mr. Cavallaro, of the Board of Education, described some of the steps taken already to correct practices.

Rates of return on the pension funds were discussed. Ms. Shaw suggested the West Haven subcommittee take up the subject of pension issues, including management of the pension funds, at a subsequent subcommittee meeting.

c. Review and Discussion: Recommended FY 2021 Budget

Mayor Rossi provided brief comments on the Recommended FY 2021 Budget, indicating the City will be looking for alternative revenue sources to reduce the mill rate further from what was proposed. Mr. Cieplinski outlined certain features of the recommended budget. He noted that the adjustment to the

mill rate from the current 5-Year Plan is offset by additional grand list growth. The budget relies on \$4 million of restructuring funds. The proposed budget includes a detailed 5-year capital improvement plan with related debt service included.

Members discussed with the City the need to review the budget in the context of an updated 5-Year Plan and projected future year mill rate adjustments.

Questions were raised regarding the Board of Education plan for whether to transition to the State Partnership and how it is reflected in the budget. Mr. Cavallaro responded that the Board is moving forward as though it is staying as self-insured, but is still considering a transition to the Partnership. Mr. Waxenberg noted significant balances left in the BOE health insurance accounts over several years. He asked for clarity regarding health insurance on the BOE side.

d. Review and discussion: Monthly Financial Report February 2020

Mr. Cieplinski reported that revenues are projected to end on target, but they include a lien sale planned for the fourth quarter. If the pandemic impacts that schedule, it would have an effect on current year revenue. The City is projecting an overall surplus of approximately \$600,000.

VII. Other Business

VIII. Adjourn

\*Public Comment (from Board's Adopted Policies and Procedures): The MARB may provide for a public comment period on its board meeting agendas. When a public comment item is on the agenda, there shall be sign-up sheet provided at least 15 minutes prior to the meeting. The speakers will be called in the order that they signed up, but the MARB may reserve the first 10 minutes of the public comment period for state and local elected officials. Each speaker may be limited to no more than three minutes. In the interest in enabling members of the public to attend board meetings for their full duration, the Chairperson may limit the public comment agenda item to 30 minutes.