

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

**Meeting Date and Time:** Thursday, May 21, 2020 10:00 AM –12:00 PM

**Meeting Location:** This meeting was held telephonically. 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: 408 195 782

**Members in Attendance:** Secretary McCaw, Christine Shaw (State Treasurer designee), Stephen Falcigno, Thomas Hamilton, David Biller, Robert White, Mark Waxenberg, Patrick Egan (joined meeting after adoption of minutes)

**City of West Haven Officials in Attendance:** Mayor Rossi, Frank Cieplinski, Council President Quaqliani, Council Members Hoskie, Massaro, Cohen, and Bruneau

**City of Hartford Officials in Attendance:** Mayor Bronin, Jolita Lazauskas, Clarence Zachery

**Town of Sprague Officials in Attendance:** First Selectman Cheryl Blanchard, Melissa Sevigny, Superintendent Hull, Michele DeMicco

**OPM Staff in Attendance:** Kimberly Kennison, William Plummer, Julian Freund, Michael Milone, Mike Walsh

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

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

II. Public Comment Period

Collen Bailey, Director of the West Haven public library read a letter into the record opposing reductions made by the City Council to the public libraries budget.

III. Approval of Minutes:

a. April 9, 2020 regular meeting

Ms. Shaw made a motion to approve the minutes with a second by Mr. Waxenberg. The motion passed 6-0-1 with Mr. Falcigno abstaining.

IV. City of West Haven Issues and Items

a. Subcommittee update

An overview of the subcommittee meetings of April 28 and May 19 was provided. The subcommittee has conducted reviews of the City's FY 2021 budget and a draft 5-Year Plan. The independent fire district chiefs and some of their commissioners participated in the May 19 meeting to discuss their proposed budgets for FY 2021 and the status of steps taken toward financial sustainability.

b. Review, Discussion and Possible Action: FY 2021 Budget

Mr. Freund provided an overview of the FY 2021 budget as proposed and adjustments to the budget made by the City Council. The City Council approved a budget that shifted funding for a number of capital projects and other expenses to Contingency, with no significant change to total expenditures and no change to the proposed mill rate. City officials were asked if the changes made by the City Council to certain operating expenditures and capital projects were feasible. The Mayor and Finance Director expressed concerns with reductions that would delay the hiring of a purchasing position and the elimination of funding for an information technology position. Members discussed the reallocation of funding to the contingency account and the City sticking with a mill rate increase. The assumed tax collection rate of 98.4% was raised as a concern by several members. The City was asked about collection rates during the previous recession and whether collections would be likely to be maintained in the current downturn. The City was advised to prepare a contingency plan in the event of a significant downturn in the collection rate. Members expressed additional concerns with the impact of the budget on library services. Secretary McCaw noted that the MARB's review is directed at the sustainability and validity of the budget, and less so on decisions about service levels which are made at the local level. Mr. Hamilton made a motion, with a second by Mr. White, to approve the City's FY 2021 budget, contingent upon the ratification of a 5-Year Plan by the City Council and approval of the 5-Year Plan by the MARB. The motion was approved by a vote of 5-3-0 with Mr. Biller, Mr. Egan and Mr. Falcigno opposed.

c. Review and discussion: 5-Year Plan FY 2021-2025

The MARB is seeking to take action on an updated 5-Year Plan after it has gone before the City Council for action. The plan has been submitted to City Council and is expected to be on an upcoming Council agenda in May. Members discussed the revisions to the projected mill rates that have been made in successive versions of the plan and expressed concern regarding the City's commitment to the plan. The next step for the MARB will be to review and act upon a plan after it has been ratified by the City Council.

d. Review and discussion: Monthly Financial Report March 2020

Finance Director Frank Cieplinski updated the board on the status of the current year budget. Projections have been adjusted since the last monthly report. Current projections are for a surplus of approximately \$250,000 at year end.

Mr. Hamilton left the meeting at 12:00 PM.

V. City of Hartford Issues and Items

a. Subcommittee update

An update on the Hartford subcommittee meeting of May 7 was provided. In addition to reviewing the FY 2021 budget and updated 5-year forecast, the subcommittee discussed the City's revenue and expenditure initiatives and corrective action plan related to the most recent audit.

b. Review, Discussion and Possible Action: FY 2021 Budget Assumptions

The Hartford Subcommittee reviewed the Mayor's Recommended FY 2021 Budget and approved a motion to recommend to the MARB approval of the budget assumptions. The budget assumptions include a level mill rate at 74.29 mills for real estate and personal property, a tax collection rate of 95.96% based on a Charter required calculation and State Aid amounts that are consistent with the State budget. Mayor Bronin provided an overview of the budget to the board. The FY 2021 budget is \$5.5 million or 1% lower than the FY 2020 budget. Revenues from several sources are budgeted lower in FY 2021 due in part to economic uncertainty going forward. The bulk of the reduction in expenditures is attributable to reduced contribution to Capital reserve and savings on employee benefits. Secretary McCaw sought a motion for approval of the FY 2021 budget assumptions contingent upon City Council approval of the 5-Year Plan. Mr. Waxenberg made the motion with a second by Mr. White. The motion passed by a vote of 6-0-1, with Mr. Egan abstaining.

c. Review and discussion: Monthly Financial Report March 2020

Ms. Lazauskas provided a brief overview of the status of the FY 2020 budget. Overall, the projected revenue shortfall is \$6.9 million, and the projected expenditure balance is \$9.5 million, for a projected net surplus of \$2.6 million.

d. Review and discussion: Updated 5-Year Plan FY 2021-2025

Mr. Freund summarized the assumptions used in the updated 5-Year Plan. Most of the assumptions in the original plan are carried forward. The most significant adjustments are a result of updated grand list projections. Secretary McCaw noted that the plan is not currently in balance. Mayor Bronin expressed his concern over the fragility of the 5-Year Plan and long-term sustainability. He suggested that, absent new revenue sources, there is no way to balance the budget without relying on significant cuts to personnel or services. He is proposing a return to the discussion of structural challenges and revenue diversification. The efficiency initiatives currently under review would not be sufficient to close the projected revenue gaps. Secretary McCaw pointed out that the critical area of exposure is the revaluation that will impact FY 2023. The next steps for the 5-Year Plan will be for the City to present a plan on how to close the projected gaps followed by reviews of the plan by subcommittee, City Council and the full MARB.

e. Review and Discussion: Non-labor Contracts

- i. Aetna Parking Agreement (BOE)
- ii. MCC – Great Path Academy (BOE)

Clarence Zachery, CFO for Hartford Public Schools provided an explanation of the two non-labor contracts. The Aetna parking agreement is a continuation of an annual agreement for 180 parking spaces for use by the school district. The contract with Manchester Community College is facility and administrative costs related to the operation of the Great Path Academy magnet school.

VI. Town of Sprague Issues and Items

- a. Subcommittee update

Mr. Freund noted the subcommittee has not met since the last MARB meeting. The Town's Board of Finance is currently in the budget process and is potentially releasing a proposed budget on May 21.

b. Review and discussion: Monthly Financial Report March 2020

First Selectman Cheryl Blanchard presented an update on the FY 2020 budget. Overall, the Town is projecting a very small surplus, not including any potential unspent funds by the Board of Education. The Board of Education is projecting an end of year balance of approximately \$200,000. A portion is expected to go towards current capital needs. Superintendent Hull indicated that some funds would be unexpended and go toward fund balance.

VII. Other Business

a. Tiers report

Ms. Kennison presented the April 2020 Tiers Status report, based on audited financial statements from fiscal year ending June 30, 2018, and relevant changes made to the report.

VIII. Adjourn

The meeting adjourned at 12:58 PM.