

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Wednesday, October 6, 2021 10:00 AM –12:00 PM

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

Call-in Instructions: Telephone 1 860-840-2075
Meeting ID: 671 617 570

Members in Attendance: Secretary McCaw, Christine Shaw (State Treasurer designee), Matthew Brokman, Stephen Falcigno, Sal Luciano, David Biller, Mark Waxenberg

Municipal Officials in Attendance: Mayor Rossi, Frank Cieplinski, Matthew Cavallaro, Mayor Bronin, Jennifer Hockenhull, Carmen Chaparro, First Selectman Blanchard, Melissa Seigny, William Hull

OPM Staff in Attendance: Julian Freund

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

The meeting was called to order at 10:07 AM. Secretary McCaw asked that the order of the agenda be amended to move the City of West Haven to the beginning of the agenda. Mr. Brokman made a motion to amend the agenda, with a second by Ms. Shaw all voted in favor.

II. Public Comment Period

There was no public comment.

III. Approval of Minutes:

a. September 23, 2021 Special Meeting

A motion was made by Mr. Brokman with a second by Mr. Falcigno to approve the minutes. The motion passed unanimously.

IV. City of West Haven

a. Subcommittee update

Secretary McCaw provided an update on the status of an inquiry that had been submitted to the Office of the Attorney General regarding the City's expenditure of Covid Relief Funds. The MARB had been notified of that inquiry at the September meeting. The inquiry was referred to the Auditor of Public Accounts, and then referred to the Office of Policy and Management. Compliance with U.S. Treasury eligibility requirements is a part of OPM's close-out of the grants and the audit process. However, due to the concerns raised in the correspondence received by OPM, a more comprehensive audit of West Haven's use of Covid Relief Funds will be conducted using an outside financial consultant. A letter advising the City of the appointment of the consultant and to begin the process will be sent to the City today.

A written Subcommittee update was included in the meeting materials. The September meeting included a review of the status of the City's compliance with the FY 2021 Memorandum of Agreement. Several items remain open, and compliance is a requirement for the distribution of Municipal Restructuring Funds. A letter from the Secretary was sent to the City asking for plans to address the open items. The City's update and response to remaining open items will be brought to a MARB meeting to provide the board an opportunity to weigh in on the distribution of restructuring funds. Based on the most recent financial report from the City, approximately \$2.5 million in restructuring funds would be required to avoid a deficit in FY 2021.

b. Review and discussion: Monthly Financial Report: August 2021

Mr. Cieplinski reported that year to date revenues and expenditures in the General Fund are consistent with prior years. The Sewer Fund is also in line with prior years. The Allington Fire Department has ordered a replacement pumper, which will be paid in part from fund balance.

The City is projecting a surplus of about \$1.3 million to \$1.5 million in FY 2021, assuming that all of the budgeted restructuring funds are distributed. The projected balance of \$145,000 for the Board of Education has not changed.

V. City of Hartford

a. Subcommittee Update

A written subcommittee update was included in the meeting materials. No meeting was held in September, but the City provided an update on its budget mitigation measures. Information regarding Hartford Public Schools employee health insurance benefits was also provided and will be taken up for discussion later in the meeting.

b. Review and discussion: Monthly Financial Report: August 2021

Ms. Hockenhull reported that revenue collections are strong for the first two months of the current fiscal year, and expenditures are generally on track with budget. One possible exception is Fire Department overtime, which the City will be monitoring closely.

Mayor Bronin reported that the City is projecting a surplus of about \$30 million in FY 2021. The City's plan is to shift a portion of the surplus to helping execute economic development aspects of its ARPA

plan. ARPA funds would in turn be used to support capital expenditures. About \$6 million is expected to go toward Unassigned Fund Balance.

c. Review and discussion: Non-labor contracts:

i. Cintas – Public Works Uniforms

The Cintas contract will provide uniform services to the Public Works Department. The contract cost in FY 2022 is \$105,000.

ii. Salvation Army – Warming Center Operations

Ms. Chaparro explained that this Salvation Army contract provides a warming center for homeless individuals. The contract cost in FY 2022 is \$107,000.

iii. Salvation Army – Overflow Shelter

Ms. Chaparro explained that this Salvation Army contract provides a 23-bed overflow shelter for homeless families and single women. The contract cost in FY 2022 is \$100,000.

The board resumed discussion of Hartford Public Schools employee health insurance. The board had previously received correspondence from several unions regarding transitioning employees from the district's self-insured plan to the State Partnership Plan. An analysis by the City's health insurance consultant has also been conducted. Mr. Waxenberg suggested a third party be retained to analyze, group by group, the premium costs by plan at each coverage level. Secretary McCaw agreed that a separate analysis is in order. The matter will be brought to the Subcommittee.

VI. Town of Sprague

a. Subcommittee Update

A written update was included in the meeting materials. The Subcommittee did not meet in September, but OPM staff met with the Town and BOE for a working meeting to review draft financial policies and procedures which are in the process of development to resolve prior year audit findings. The Town has contracted with an independent auditor to perform the FY 2021 audit. Due to the timing of the execution of the contract, it appears an extension to the deadline for the audit may be needed.

b. Review and discussion: Monthly Financial Report: August 2021

First Selectman Cheryl Blanchard reported that overall, the Town's first two months of revenues and expenditures are similar to prior years. Secretary McCaw asked about projected FY 2021 results. Ms. Sevigny reported that the FY 2021 surplus is projected to be approximately \$400,000. The fund balance as of June 30, 2020 was approximately -\$48,000. Mr. White asked if the subcommittee would begin to explore whether the Town can begin to prepare phasing out of oversight. Secretary McCaw responded that staff would review the statute and the Town's Memorandum of Agreement.

VII. Other Business

VIII. Adjourn

A motion to adjourn was made by Mr. Luciano, with a second by Mr. White. The meeting adjourned at 10:59 AM.