

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, March 11, 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: 655 424 42

Members in Attendance: Secretary McCaw, Christine Shaw (State Treasurer designee), Stephen Falcigno (joined prior to action on labor contract), David Biller, Robert White, Mark Waxenberg, Thomas Hamilton

Municipal Officials in Attendance: Mayor Rossi

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 10:05 AM. Secretary McCaw noted that it has been about a year since the Covid pandemic unfolded. She commended the board for continuing to conduct its business throughout. She also referenced the Governor’s recently submitted proposed budget and several initiatives to ensure municipal financial stability.

II. Public Comment Period

There was no public comment.

III. Approval of Minutes:

a. February 11, 2021 Regular Meeting

Mr. Waxenberg made a motion, with a second by Ms. Shaw, to approve the minutes of the February 11, 2021 meeting. The minutes were approved 5-0-1 with Secretary McCaw abstaining.

IV. City of West Haven

a. Subcommittee Update

A written update was included with the meeting materials. Highlights of the West Haven Board of Education proposed budget for FY 2022 and the recently completed revaluation were provided.

b. Review and Discussion: Monthly Financial Report: January 2021

Finance Director Cieplinski provided a status update on current year revenues and expenditures. He clarified that the apparent year over year decline in property tax collections is largely due to a late January snowstorm that delayed the recording of some January lockbox collections. Normalizing for that suggests that property tax collections are in line with the prior year. A modest surplus is currently forecasted for the General Fund for the current year. The Sewer Fund is also projecting a surplus for the year. The Allingtown Fire Fund is currently projecting a slight deficit that may be mitigated depending on how much overtime may be reimbursed through Covid relief funding. Secretary McCaw noted there is considerable flexibility in Covid-related funding to cover the costs of base salary and benefits for public safety and public health personnel. Members briefly discussed Board of Education expenditures which are currently projected to come in on budget. Business Manager Cavallaro explained that the current projections are conservative and include some contingency in case additional expenses to keep schools open arise.

c. Review, Discussion and Possible Action – Labor Contracts:

i. West Haven Federation of Teachers

An overview was provided of the proposed contract which will have a term of September 1, 2021 through August 31, 2021. Wage increases of 1% in the first two years are provided to members at the top step only. A 2% increase in the final year of the contract is provided to members at each step. Step advancement is provided for the first two years, with no step advancement in the final year. The contract provides for a transition to the State Partnership health. Superintendent Cavallaro explained that the members of this union accepted periodic step freezes and wage freezes in the prior contract, and that the Board of Education considered the proposal a fair contract.

A motion was made by Ms. Shaw, with a second by Mr. Biller, to approve the contract. The motion passed unanimously.

V. City of Hartford

a. Subcommittee update

There was no Hartford Subcommittee meeting in the month of February.

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

Mayor Bronin updated the board on the current year budget. The City is projecting a year end surplus of about \$960,000. Tax collections remain strong, offset partly by lower than projected income from investments. Expenditure favorability on benefits continues, including health insurance claims. Mayor Bronin explained the City's capital budget for FY 2022 will continue to be modest. The City allocates about \$2 to \$3 million per year toward road projects, but would prefer a higher level of investment. The City's levee system and pump stations also have considerable unmet funding needs. Funding to continue tax deed sales for blighted properties would also benefit from additional funding. Secretary McCaw suggested taking up capital expenditures at a future subcommittee meeting.

VI. Town of Sprague

a. Subcommittee update

There was no Sprague Subcommittee meeting in the month of February.

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

First Selectman Cheryl Blanchard reported that revenues are slightly below revenues for the same period as last year. This is due in part to the deferral program that provides taxpayers more time to pay their January tax bills. Expenditures are in line with the prior year. Cash flow continues to be positive with almost all invoices at 30 days or less. The Board of Education's expenditures are consistent with prior years for the same period. Superintendent Hull reported that an end of year surplus of about \$140,000 is currently projected. Plans are currently being made for use of ESSER II funds. ESSER I funds have been largely expended. Schools are open five days per week, with half days on Wednesdays. By the end of March, the Superintendent expects schools to be full-time. Mr. Waxenberg requested additional detail regarding transportation costs, special education private tuition costs and magnet school tuition to be provided at the next Subcommittee meeting.

Ms. Blanchard also reported that the Town's FY 2020 has been completed. The General Fund deficit was decreased by about \$770,000, bringing the deficit to about -\$48,000. The deficit in the Capital Nonrecurring Fund is approximately \$183,000. Several prior year findings have been closed.

VII. Other Business

Secretary McCaw provided information on municipal aid. The Governor's proposed budget includes funding for Distressed Municipalities which would apply to each of the MARB designated municipalities. If the budget is approved with the Distressed Municipalities funding, the City of Hartford would be eligible for \$11.1 million, the Town of Sprague would be eligible for 260,000, and the City of West Haven would be eligible for \$4.9 million. The tiered PILOT bill (HB 6516) would create a new funding formula for PILOT payments which recognizes the significant amount of tax exempt property in municipalities. The revised formula will only come into play if the appropriation is increased, which is subject to budget negotiations.

The Federal ARPA would also provide significant funding to municipalities. Very little specific guidance is available regarding eligible uses at this time, other than the intent to cover Covid related expenses. The funding may also compensate for revenue loss, but prior year revenues will be considered in making that determination. Treasury guidance will be necessary to clarify for municipalities how funds can be used and to what extent they can be factored into operating budgets. OPM will be monitoring Treasury guidance. Mr. Hamilton asked if the Secretary knows when that guidance might be issued. Secretary McCaw indicated that she expected multiple rounds of guidance coming from Treasury over a period of several months with each round providing greater specificity.

VIII. Adjourn

A motion to adjourn was made by Mr. Hamilton with a second by Mr. Biller. The meeting adjourned at 11:07 AM.