

APPROVED

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, September 9, 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: 478 816 736

Members in Attendance: OPM Secretary McCaw, Christine Shaw (State Treasurer designee; arrived after approval of minutes), Matthew Brokman, Thomas Hamilton, Sal Luciano, David Biller, Mark Waxenberg, Robert White

Municipal Officials in Attendance: First Selectman Cheryl Blanchard, Superintendent Hull, Mayor Bronin, Jennifer Hockenhull, Carmen Chaparro, Mayor Rossi, Frank Cieplinski

OPM Officials in Attendance: Michael Milone (OPM designee), Julian Freund

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

The meeting was called to order at 10:02 AM.

II. Public Comment Period

John Lewis, of West Haven, expressed concerns about the City's planned uses of ARPA funds and payments that were made from Covid Relief Funds to certain City employees.

Darryl Cummings, of West Haven, expressed concerns with the payments made by the City from Covid Relief Funds to employees at the director level. He also asked that the City be required to be prepare plans for the use of ARPA funds and to be transparent with its plans.

III. Approval of Minutes:

a. July 8, 2021 Regular Meeting

A motion was made by Mr. Luciano, with a second by Mr. Hamilton to approve the minutes. Ms. Kennison noted that a correction is needed to Mr. Penn's title on page 3 of the minutes. The minutes were approved by a vote of 6-0-1.

IV. Town of Sprague

a. Subcommittee Update

A written update was provided in the meeting materials. A brief summary was provided by Mr. Freund.

b. Review and discussion: Monthly Financial Report: June 2021 and July 2021

First Selectman Cheryl Blanchard reported that the Town's completed FY 2021 within budget. Fund Balance is projected to increase by a more favorable amount in the five-year plan, but the number has not been finalized yet. Mr. Waxenberg asked about the Board of Education's special education account. Superintendent Hull replied that the district is attempting to stabilize special education expenditures but is challenged by the number of move-ins to the town.

V. City of Hartford

a. Subcommittee Update

A written update was provided in the meeting materials. A brief summary was provided by Mr. Freund. Mayor Bronin elaborated on the City's plans for use of ARPA funding. The plans are a blend of meeting the immediate urgent needs of the community, along with an emphasis on a foundation to resume the growth was experiencing prior to the pandemic. Mr. Hamilton asked about the extent to which the funds will be dedicated to non-recurring expenses. Mayor Bronin responded that virtually none of the funding will go toward expanding City services. Some investments will be made in community organizations that provide services. The City will likely not be able to sustain those organizations at the same level once the funding has been expended, but the City is investing what it can now to meet extraordinary needs. Some of the investments have been used to leverage contributions from foundations. Reporting requirements were briefly discussed, and members asked to receive copies of reports as they are submitted.

Secretary McCaw acknowledged the receipt of a letter from a group of unions that had independently conducted an analysis of the State Partnership health plan. The letter and the analysis will be shared with the City along with a request for a comparable analysis.

Mr. Waxenberg noted there are currently eight expired Board of Education labor contracts. He asked for population data showing how many employees in each bargaining unit are enrolled in PPO health plans and the numbers enrolled in high deductible plans.

b. Review, discussion, and possible action: Labor contract

i. Hartford Professional Employees Association

This contract expired June 30, 2020. A Tentative agreement for a contract with a term of July 1, 2020 to June 30, 2024 has been signed by the parties. The union has ratified the contract, and

City Council is expected to take action on September 13. The MARB has the option of approving, rejecting, or taking no action on the agreement. If the MARB chooses to take action, it has until September 23 to do so.

Mayor Bronin provided an overview of the contract which includes general wage increases of a retroactive 2% for the first year, 1% in the second year and 0% in the final two years. Certain job classifications were adjusted to be more competitive. The contract is consistent with the City's five-year plan.

The employee share of the health insurance premium increases from 18.5% to 19.0%. Mr. Hamilton asked about the increases in the impact of steps. Ms. Hockenull explained that the rising cost is attributable to the classification changes to three positions and the addition of a step to the salary scales. Mr. Waxenberg asked that in the future, analyses provide the combined percentage increase of general wage increase plus step advancement.

Mr. Luciano made a motion to approve the contract with a second by Mr. Waxenberg. The motion passed 8-0-0.

c. Review and discussion: Monthly Financial Report: June 2021 and July 2021

Mayor Bronin reported that the City projects a final surplus of \$31 million for FY 2021 which is approximately \$10 million more than reported at the last MARB meeting. The change is attributable to savings that are recognized in the estimate which were previously not included in the estimates in an effort to be as conservative as possible. The surplus will be directed to increasing fund balance and contributions to capital reserve. A portion may be used to support economic development initiatives as part of the City's ARPA funding plan while simultaneously directing some of the ARPA funds to capital projects.

d. Review and discussion: Non-labor contracts

i. Ambassador Wheelchair Services, Inc. – Dial-A-Ride

Ms. Chaparro described the contract with Ambassador Wheelchair which provides Dial-A-Ride services to elderly residents. The total contract cost for FY 2022 is \$761,618.

ii. Community Renewal Team – McKinney Homeless Shelter

Ms. Chaparro described the contract with the Community Renewal Team for operation of the McKinney Homeless Shelter. The total contract cost for FY 2022 is \$305,250.

VI. City of West Haven

a. Subcommittee update

A written update was provided in the meeting materials. A brief summary was provided by Mr. Freund.

Secretary McCaw added that OPM will work with the City regarding the substance of inquiries regarding the City's use of Covid Relief Funds. Reporting on use of the Covid Relief Funds will be made to OPM, whereas reporting on use of ARPA funds will be to the U.S. Treasury. Mr. Biller asked that a copy of the ARPA report submitted in August be provided to the MARB.

b. Review and discussion: Monthly Financial Report: June 2021 and July 2021

Mr. Cieplinski reported that the City is expecting a final surplus of about \$1.5 million in the General Fund for FY 2021. A surplus of about \$900,000 is projected for the Allingtown Fire Fund. The Sewer Fund is expected to end the year with a surplus of just over \$1 million.

Secretary McCaw noted that the Covid related expenses reflected in the FY 2021 report were funded by Covid Relief Funds. Personnel costs that are related to the City's response to the pandemic are eligible expenses. OPM will be conducting a full review of municipalities' uses of Covid Relief Funds.

Secretary McCaw also pointed out that, absent the \$4 million budgeted Municipal Restructuring Funds for FY 2021, the City would be projecting a deficit of about \$2.5 million. The Municipal Restructuring Funds are conditioned on a number of requirements the City needs to meet in the areas of personnel management, IT security, Munis training and others. While the City's projected surplus may change, if there is a need for the restructuring funds to balance in FY 2021, the City will need to be in compliance with these requirements.

Ms. Kennison asked about a number of vacant positions and their current status. Mayor Rossi indicated that an offer letter for the Personnel Director has been issued and accepted. A position in the Finance Office for a Manager of Accounting and Financial Planning has been filled. An administrative position supporting accounts payable, purchasing and the grants function will potentially be filled in the next week.

The vacant accounts payable position was redefined from an Accounts Payable Clerk to an Account Payable Analyst position, requiring an accounting degree. This position would support the monthly close process, the audit process, reconciliations of ledgers and other accounting activities. The union has objected and not signed off on the position even though it is posted at a higher salary. Ms. Kennison suggested that, given the amount of expenditures that will run through the position, it should not be filled as a clerical level position and requires accounting expertise. Secretary McCaw agreed and added that appropriate skill set be required of all financial positions. Mr. Waxenberg said that his understanding is that management has the right to create positions and questioned whether the union's stance is even relevant. He encouraged the City to move forward with filling the position. Mr. Luciano said that he does not know of any contract that would prevent management from filling a needed position.

Mayor Rossi responded to the public comments saying that the City followed the requirements of the funding. She also reported that Standard and Poor's has raised the City's bond rating outlook from stable to positive.

VII. Other Business

None.

VIII. Adjourn

A motion to adjourn was made by Mr. Luciano, with a second by Mr. Waxenberg. The meeting adjourned at 11:35 AM.