

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, January 12, 2023, 10:00 AM –12:00 PM

Meeting Location: This will be 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: 547 937 849

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

Tier IV Members in Attendance: Nancy Rossi, Colleen O'Connor

Municipal Officials in Attendance: Luke Bronin, Leigh Ann Ralls, Julian Freund, Phillip Penn, Scott Jackson, David Taylor, Matthew Cavallaro, Rick Speyer

Staff in Attendance: James Caley, Chris Collibee, Simon Jiang, Bill Plummer, Michael Reis

I. Call to Order & Opening Remarks by Secretary Jeff Beckham and Treasurer Erick Russell

The meeting was called to order at 10:04 AM. Ms. Kennison provided opening remarks. She stated that Julian Freund has left OPM and begun employment with the City of Hartford as Budget Director. OPM and the MARB members congratulated Julian and the City. Ms. Shaw informed the members that Treasurer Russell will be designating a new individual and that she will be leaving the MARB soon.

II. Public Comment Period – *The Public Comment portion of the agenda will be announced by the Chair. Members of the public will be provided an opportunity to speak. Before making their comments, members of the public wishing to speak must be recognized by the Chair. Speakers may be asked to limit their comments due to time constraints of this meeting.*

There was no public comment.

III. Approval of Minutes:

a. December 1, 2022, Regular Meeting

Mr. Biller made a motion to approve the minutes, with a second by Ms. Shaw. A change was requested by Ms. Shaw regarding the spelling of Mr. Falcigno's name. The minutes, as corrected,

were approved by a vote of 8-0-1 with Mr. Waxenburg abstaining. Mr. Brokman attended the meeting after the minutes were approved.

IV. City of Hartford

a. Subcommittee Update

No meeting held in December 2022 due to scheduling conflicts.

b. Review and Discussion: Monthly Financial Report: November 2022

Mayor Bronin presented the monthly financial report. Projected surplus of \$3.4M. He noted the key drivers include favorable projections in interest income (\$2.5M), unbudgeted municipal revenue sharing from the State (\$2.8M), outstanding property taxes from the Hartford Hilton (\$600K). Projected unfavorable variances include legal (\$1.8M) and utilities (\$800K).

Mayor Bronin noted that the City has been working with two unions which primarily represent their public works department and fire employees, to negotiate some off-cycle adjustments.

Mayor Bronin additionally highlighted that there is a looming threat to the City's commercial office real estate market, of which a significant portion of its revenue is derived. Ms. Shaw asked how the City is planning to address this looming threat. Mr. Bronin responded that new residential development to increase population density is a possible solution, among other ideas.

Mr. Penn provided an update on the Board of Education. He highlighted that there is a significant increase in expenses related to CREC. This is a result of approximately 300 additional students going to CREC schools and CREC's recent increase to tuition for the next 3 years; which impacts FY23 (total increase equating to \$2,400/pupil). The total effect results in an additional expense of approximately \$4.7M in the FY23 budget year and approximately \$8.4M expense in the FY24 budget year. Special education transportation costs are up significantly as well (approximately \$4.5M). This is primarily due to door-to-door transportation requirements written into student IEP's. Factoring the items above, the Board of Education sees a potential general fund deficit of approximately \$12.7M in FY2022-2023. In the immediate term, the Board has decided to implement a hiring freeze on employees paid from the general fund, unless it is a classroom facing position, to help mitigate the projected deficit.

c. Review and Discussion: Non-Labor Contracts:

i: COMPASS Peacebuilders

This contract has been presented to the Board in the past. No further questions from the committee for the City regarding this contract.

ii: Hartford Next, Inc.

Total contract of approximately \$105K to provide administrative and engagement services to the City for neighboring revitalization zone programs for FY2023. No questions from the committee for the City regarding the contract.

V. City of West Haven

a. Subcommittee Update

No meeting held due to scheduling conflicts. Ms. Kennison provided an update on the City of West Haven audit by Whittlesey.

b. Review and Discussion: Monthly Financial Report November 2022

Mr. Jackson provided commentary on the year-end projections in the materials presented to the Board. He noted that property tax revenue is in line with expectations. Another significant revenue item, licenses and permits, are slightly below expected. Interest income is significantly higher (approximately \$973K) primarily due to unspent ARPA monies. These items, in addition to others discussed by Mr. Jackson, provide for a projected surplus of approximately \$1.14M.

Mr. Cavallaro provided an update on the Board of Education's results. Current projections are that the budget will be fully expended. Immediate challenges faced by the Board of Education relate to special education programs, specifically the rising associated costs. He noted that there have been a significant number of teachers that have resigned or retired resulting in a significant increase in severance expenses.

c. Review, Discussion and Possible Action: Non-Labor Contracts:

i: Diversified Technology Consultants, Inc.: Beach Street Roadway Improvements Contract Amendment #3

Mr. Jackson stated that he would like to remove this contract from the agenda as they need more time to prepare a related narrative document for the Board. Motion made by Mr. Luciano, seconded by Mr. Biller. All in favor, motion carries.

ii: Comcast Service Agreement with the City for Allington Fire Department

Ms. Kennison opened discussion regarding whether these types of contracts are required to be reviewed by the Board as they are reoccurring operating utility costs. Motion made by Mr. Luciano to remove contract from the agenda. Seconded by Mr. Waxenburg. All in favor, motion carries.

VI. Town of Sprague

a. Review and Discussion: Monthly Financial Report: November 2022

No members of the Board provided questions regarding the information presented.

VII. Other Business

Mr. Egan stated that he will be resigning from the Board as he is accepting a position with OPM. The Board congratulated Mr. Egan on his new position and thanked him for his many years of service to the MARB.

Ms. Shaw reminded the City of West Haven to review the list of outstanding items to the Board and provide updates at the MARB meetings.

VIII. Adjourn

Meeting adjourned at 11:22, motion by Mr. Luciano with a seconded by Mr. Egan. All in favor, motion carries.