

DRAFT

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, February 16, 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: 495 576 369

Members in Attendance: Kimberly Kennison (OPM Secretary designee), David Biller, Thomas Hamilton, Stephen Falcigno, Robert White, Mark Waxenberg, Andrea Comer (State Treasurer designee)

Tier IV Members in Attendance: Colleen O'Connor

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

Staff in Attendance: James Caley, 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 10:02 AM.

Ms. Kennison introduced Andrea Comer, Chief of Staff, designated by Treasurer Russell to serve on the MARB.

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.*

Mr. Darryl Cummings requested public comment prior to discussion of West Haven (Item V on the meeting agenda) as he has connection issues on Microsoft TEAM. Mr. Biller made a motion to extend the Public Comment Period and allow the individual to make a comment, with a second by Mr. Falcigno. The motion passed unanimously.

Mr. Cummings who is a municipal bond holder of and former resident of the City of West Haven, is currently residing in Washington DC. He highlighted that the City has a history of being obstructionists and do not provide materials in a timely manner to the MARB and City residents. Additionally, he referenced the CohnReznick Covid Relief Fund (CRF) audit report which determined certain CARES ACT funding was misappropriated such as the compensatory time and should not be charged to other programs. His opinion is that those funds should be repaid from City officials and then in turn those funds be granted

to those directly affected by mandatory shutdowns per their originally intended use. Lastly, he urged the board to request and review the City's required Treasury filings.

III. Approval of Minutes:

a. January 12, 2023, Regular Meeting

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

IV. City of Hartford

a. Subcommittee Update

A written update was included in the meeting materials. Ms. Kennison provided additional details regarding the Subcommittee's work.

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

Mayor Bronin provided an overview of the City's December 2022 Monthly Financial Report. He reported that the City is projecting a budget surplus of approximately \$5.5M. Revenues are projected at a favorable amount of approximately \$7.6M. The main drivers consist of revenue line items including interest income of \$1.1M, municipal revenue share from the State of \$2.8M (not budgeted), and the Hilton outstanding payment in lieu of taxes of \$600K. Expenditures are running a negative variance of approximately \$2.1M primarily due to labor costs, legal fees of \$1.8M (litigation related to Centerplan lawsuit) and utilities.

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

i. MOA with Local 1716: Public Works Maintainers and Team Leaders

Ms. Kennison informed the board that the Hartford Subcommittee has reviewed this contract and recommends approval by the full board. Mayor Bronin provided background to the board as to why the contract is necessary to effectively recruit and retain employees.

Mr. White made a motion to approve the contract with a second by Mr. Waxenburg. The motion passed unanimously

ii. MOA with Local 1716: Housing Inspectors

Mayor Bronin noted that this contract enables the City to remain competitive regarding the hiring and retaining housing inspectors.

Mr. White made a motion to approve the contract with a second by Mr. Falcigno. The motion passed unanimously.

V. City of West Haven

a. Subcommittee Update

Ms. Kennison noted that the January subcommittee meeting was canceled.

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

Mr. Jackson provided an update to the board as to the results of December 2022. Interest income is up, positive variances in winter-related cleanup costs. Mr. Jackson noted that inadequate staffing in the City (and specifically the Finance department) is being further highlighted due to additional tasks required such as year-end tax forms preparation, the ongoing Federal government review of ARPA funds, Financial Audit Report(s) completion, and the Whittlesey assessment.

Ms. Kennison noted that the City appears to need additional resources in the Finance department due to the regular requirements of the department and especially now due to the various new tasks which Mr. Jackson highlighted. She also suggested that a monthly overview and projection need to be provided in addition to the monthly financial reports.

Mr. Waxenburg suggested the City modify its budget based on his review of the materials provided. He specifically noted a line item related to overtime which was originally budgeted at \$0 and is also showing a revised amount of \$0, although the actual expenditure amount year-to-date is approximately \$200K. Mr. Waxenburg stated that the variance in this line item and other line items appear to be attributable to vacancies however there should be adjustments being made. Mr. Jackson noted that the specific line item referenced by Mr. Waxenburg is one which appears to have been carried from one year to another in the past and will be more closely reviewed during the upcoming budget preparation.

Mr. White requested clarification from Mr. Jackson as to the comments made during the public comment period. Mr. Jackson stated that during the CohnReznick CRF audit, they were requested to reallocate grant funds. Mr. White followed up with a request to the City that they provide a report to the board as to whether some of the compensation time paid to high level state employees and legal counsel were merited, and if not merited, can be recouped by the City. Ms. O'Connor, City Councilwomen, responded that it was discussed at City Council and no action was taken.

Mr. Matt Cavallaro provided an update on the BOE's December 2022 financial performance.

c. Update on FY2021 Audited Financial Statements and FY2022 Audit

Mr. Jackson noted they recently received a draft of the FY2021 audit. Target date for the FY2021 audit report issuance is the end of February. Additionally, he noted that they have contacted the audit firm and received a request for additional information for the FY2022 audit.

d. Review, Discussion and Possible Action: Labor Contracts:

i. BOE Contract with UPSEU – Food Service Employees

Mr. Neil Cavallaro provided a summary of the contract.

Mr. White moved to approve the contract with a second by Mr. Falcigno, motion passed unanimously.

e. Tier IV Action Plan Update: Mr. White made a motion to move up the Tier IV Action Plan update (originally Item h on the meeting agenda) to the next agenda item, Ms. Comer seconded the motion. Motion passed unanimously.

i. Update on Whittlesey's Assessment

Ms. Kennison provided an update that Whittlesey has been working diligently since October 2022 with approximately 250 hours through the end of January 2023. They are still in the fieldwork phase and are targeting a phase 1 update in March.

Mr. Waxenburg requested that the assistant Attorney General review previous Waterbury takeover language and compare to similarities with the City of West Haven in order to draft possible legislation to take over the City. Mr. Caley noted the request and will review the language. Mr. Falcigno invited Mr. Caley to report on his findings at the next West Haven subcommittee meeting.

ii. Update on Financial Manager RFP Solicitation

Ms. Kennison noted that the solicitation period has closed. The board will be informed of the results shortly. April 17th is the target date for signing of the contract.

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

i. Shoreline Wellness Center LLC. - Sales of William T. Blake Building

Mr. Tiernan provided a summary of the contract, noting that they received an appraisal per the previous request of the board. Mr. Biller inquired as to why the sale price was too low as the appraisal was significantly higher than the sale price. Mr. Tiernan noted that there are associated remediation costs which were not considered in the appraisal.

Mr. Falcigno proposed to table the vote and have the West Haven subcommittee perform more due diligence on the contract. Mr. White and Mr. Hamilton noted that doing so without jeopardizing the sale is essential.

Mr. Falcigno made a motion to table the vote with Mr. Biller seconding. Motion passed unanimously.

- ii. CDM Smith, Inc. - Engineering Services Dawson Ave Sewer Service Task Order 35

Rick Spreyer provided a summary of the task order. Mr. Waxenburg made a motion with a second by Mr. Falcigno. The motion passed unanimously.

- iii. Purchase of Caterpillar Model 304 Mini Excavator – State Contract Used
Rick Spreyer provided a summary of the equipment and its intended use. He noted that this is a qualified expenditure of ARPA funds. Mr. White made a motion with a second by Mr. Falcigno. The motion passed unanimously.

- iv. O’Riordan Migani Architects - Robert A. Johnson Community Center Renovation Project

Rick Spreyer provided a summary of the renovation project and the Architects qualifications. He noted that this is a qualified expenditure of ARPA funds. Mr. Waxenburg motion, Mr. White seconded. The motion passed unanimously.

- v. Diversity Technology Consultants, Inc. - Beach Street Improvement Amendment #3

Lee Tiernan noted that the funding source is state grant funding. He noted that the contractor is on the state bidding list. Mr. White motion, Waxenburg seconded. The motion passed unanimously.

- g. Review and Discussion: Non-Labor Contracts:

- i. Chestnut Sewer Main Emergency Repair

Mr. Spreyer provided background on the required emergency repair. Ms. Kennison noted that this falls under the emergency provision and that the City can address the issue. Mr. Waxenburg requested additional information surrounding how the vendor was contracted and background on the issue. The City noted that sewage was building up in manholes which signified that there was an issue. The vendor has been used previously by the City and is billing the City for labor and equipment.

- h. Open Item List

Ms. Kennison noted that this agenda item will be addressed in the next West Haven subcommittee meeting as no updates was provided.

VI. Town of Sprague

- a. Review and Discussion: Monthly Financial Report: December 2022

Ms. Kennison noted that the related materials were sent to the board members and if there are any questions for them to contact OPM.

VII. Other Business

None

VIII. Adjourn

Mr. Waxenburg made a motion to adjourn the meeting with a second by Mr. Biller. All in favor.
The meeting adjourned at 12:11 PM.