

DRAFT

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, April 13, 2023, 10:00 AM –12:00 PM

Meeting Location: Board of Regents
61 Woodland Street
Hartford, CT 06105

Call-In Instructions: Telephone: 1 860-840-2075
Meeting ID: 203 089 029#

Members in Attendance: Jeff Beckham (Secretary), Andrea Comer (State Treasurer’s Designee), Thomas Hamilton, and Robert White. **Teams Attendees:** Stephen Falcigno, Matthew Brokman and Mark Waxenberg

Tier IV Members in Attendance: Colleen O’Connor

Municipal Officials in Attendance: Mayor Luke Bronin, Leigh Ann Ralls, Julian Freund, Phillip Penn, David Taylor, Matthew Cavallaro and Rick Spreyer

Staff in Attendance: Kimberly Kennison, James Caley, Chris Collibee, Simon Jiang, Bill Plummer, Michael Reis, Lori Granato and Lori McLoughlin

I. Call to Order & Opening Remarks by Secretary Jeff Beckham

The meeting was called to order at 10:19 AM. Mr. Beckham welcomed everyone in attendance and thanked those attending in person.

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. March 9, 2023 Regular Meeting

Mr. White made a motion to approve the minutes, seconded by Mr. Hamilton. The minutes were approved by a vote of 6-0-1, with Matthew Brokman abstaining.

IV. City of Hartford

a. Subcommittee Update

Ms. Kennison updated the MARB about Harford Subcommittee meeting. Many of the items noted in the update are included on the agenda today for review and recommendation such as the City of Hartford's Resolution Authorizing the Issuance and Sale of Refunding Bonds, and the tentative agreement between the Hartford Board of Education and Child Development Associates Local 1018F.

John Phillip, City Assessor, updated the subcommittee on the October 2022, Net Taxable Grand List. Additional information was requested to be provided.

Mr. Penn provided the update of Hartford Board of Education FY 2024 Budget and planned to provide a revised BOE Budget on April 13, 2003, full board meeting.

b. Review, Discussion and Possible Action: Resolution Authorizing the Issuance and Sale refunding bonds up to \$138,000,000.

Sarah Sanders, Deputy State Treasurer stated that this has been brought before the Hartford Subcommittee on March 23, 2023, and at the last MARB meeting. The refunding of the bonds totaling \$138 million will save the State's General Fund at least \$10 million over the next 10 years. If approved, the closing is scheduled for May. The resolution has been reviewed, discussed, and recommended to the full Board for approval by Subcommittee.

Mr. White made a motion to approve the resolution, seconded by Mr. Hamilton. The motion passed unanimously.

c. Review, Discussion and Possible Action - Labor Contracts

i. Tentative Agreement Between Hartford BOE and Child Development Associates, Local 1018F

A tentative agreement between the Hartford Board of Education and Child Development Associates Local 1018F effective from July 1, 2018, through June 30, 2026, for 61 Child Development Associates provides for a 2% general wage increase retroactive to August 23, 2022, and for each year thereafter plus step movement until June 30, 2026.

A summary of the Tentative Agreement, Projected Financial Impact, Step Analysis, other additional information, and the red-line Draft Tentative Agreement were provided in the meeting materials. This contract has been reviewed, discussed, and recommended to the full Board for approval by Subcommittee.

Mr. White made a motion to approve the labor contract, seconded by Mr. Waxenberg. The motion passed unanimously.

d. Review and Discussion: Board of Education Proposed Budget FY 2024

Mr. Penn provided an update on the BOE Proposed Budget FY 2024 Budget. He discussed avenues to mitigate a \$2 million original budget gap. The FY 2024 BOE Proposed Budget was finalized prior to this meeting. This is a balanced budget of \$429.4 million with an approximate \$2 million task built into the budget with a commitment to the board to mitigate that over the next 16 months. The BOE budget will be included with the City Budget and will be voted on in May or June. The Budget Book, requested at the previous meeting, has been provided in the meeting materials.

Mr. Waxenberg requested that the Hartford BOE explain the long-term outlook for the \$2 million funding for the Achievement First agreement which will expire soon. Mr. Penn indicated that he brought this to the attention of the Deputy Superintendent but has not had the opportunity to speak directly with her.

e. Review and Discussion: Monthly Financial Report: February 2023

The monthly financial report was provided in the meeting materials. Mayor Bronin indicated that the City of Hartford is projecting a net positive variance at the end of fiscal year. He stated that year end projection is \$4 million more favorable, driven primarily by improvements on the revenue side that includes interest income and property tax collections of 99.7% as of February. On the expense side, higher utility costs, which are roughly \$700,000 over budget and legal costs of a workers' compensation settlement, litigation surrounding the ballpark and adjacent parcels was noted. He also highlighted an additional budget expense of \$2.1 million for the purchase of 81 Bartholomew Avenue, a large commercial parcel in the Parkville redevelopment district and \$1.7 million dedicated towards promotion of homeownership preservation and homeownership promotion for seniors and Hartford employees.

Ms. Kennison pointed out the purchase of 510 Farmington Avenue shown on the financials. Mayor Bronin stated that this parcel was subject to a lengthy zoning dispute and litigation. The cost of this acquisition was \$1.8 million with a portion to be reimbursed by the State's bond allocation for this purpose. Leigh Ann Ralls indicated that the Council passed this Resolution in June of 2022, with an original closing date in 2022. Since it was delayed until fiscal year 2023 they assigned fund balance to cover the 1.8 million purchase.

V. City of West Haven

a. Subcommittee Update

Ms. Kennison provided an update on Subcommittee meeting. Subcommittee reviewed and discussed Mayor's FY2024 Recommended Budget and 5-year plan. City will provide feedback in respond to Subcommittee's questions and requests on the FY2024 Recommended Budget and 5-Year Plan.

City provided the documents for the new vehicle purchases for Mayor's use and a list of other contracts over \$50,000 that have not been approved by MARB. Subcommittee expressed their concerns over internal controls and asked for more supporting documentations.

The contract between City and Laydon Industries, LLC has been reviewed, discussed, and recommended to full MARB for approval.

b. Review and Discussion:

i. FY 2024 BOE Recommended Budget

Ms. Kennison provided a brief summary. The FY 2024 BOE Recommended Budget was reviewed and discussed at the March 2, 2023, Subcommittee meeting. At the March 9, 2023, Full Board meeting, the members requested that the BOE budget be presented at today's meeting. However, the BOE is on spring break and the Superintendent is not available. The FY 2024 BOE Recommended Budget is a flat budget compared to FY 2023 with \$89 million supported by the City. The Board of Education will be asking for an increase of \$1.5 million in future years.

Ms. Kennison requested a break-down of enrollment for special education tuition and transportation costs.

Mr. Waxenberg requested an analysis on staffing and vacancies.

Mr. Hamilton ask a report of positions funded by ESSR III fund.

ii. FY 2024 Mayor's Proposed Budget and 5-Year Plan

Mr. Taylor provided a high-level review of FY 2024 Proposed Budget and 5-Year Plan. The total general Fund budget is \$173.4 million or a 3% increase from FY2023. Mr. Taylor pointed out that the goal is to build the general fund balance with a target of reaching GFOA levels within a reasonable period.

Mr. White questioned an adjustment to Worker's Comp expense. Mr. Taylor stated that is for funding the internal service fund.

Mr. Waxenberg is concerned about the increase of positions and asked the City to consider eliminating some positions or restructuring.

Ms. Kennison wanted the MARB members to be aware that the Subcommittee asked similar questions and OPM staff developed a list of inquiries from members and sent to City for feedback.

Mr. Falcigno asked City's plan to consolidate the 3 fire districts.

Mr. Hamilton expressed a different view of City's high mill rate. He thinks that the higher mill rate stems from the average value of the residents' property is relatively low.

c. Tier IV Updates:

A tentative Special Meeting will be scheduled in May for the MARB members to meet with the West Haven City Council with a period of public comment during that meeting.

i: Update on Whittlesey's Assessment

Mr. Beckham noted that there will be a Special MARB meeting on April 24th to review and discuss Whittlesey's Phase 1 report. An action plan for the City, listing short-, medium- and long-term goals will be developed by staff, with expected dates of completion. Based on compliance of short-term goals identified and the City's completion of these items, the Board will have full powers to approve or not the budget, and any contracts that come before the board. This will be discussed at length during an executive session associated with the April 24th meeting.

ii. Update on RFP for Finance Manager

Ms. Kennison reported that the Evaluation Committee reviewed the ratings and checked the references of the top proposer which came back favorable. Ms. Kennison will follow-up with the Business Office and OPM Legal Department to discuss the next steps of the actual contract.

d. Review and Discussion: Monthly Financial Report: February 2023

Mr. Taylor provided commentary on the projections in the materials presented to the Board. He indicated that they have increased staff to comply with segregation of duties. There is now a formal purchasing policy.

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

i. Laydon Industries, LLC. – Beach Street Roadway Improvements – Phase 2

The contract is between the City and Laydon Industries, LLC, for the construction of Beach Street Road Improvements for approximately \$4.8M with a term of 240 calendar days. This Contract was reviewed, discussed, and recommended to Full MARB for approval by Subcommittee.

Mr. Hamilton made a motion to approve the contract, seconded by Mr. Falcigno. The motion passed unanimously.

ii. Northwest Hills Automotive, LLC – Purchase of Two Fire Chief Vehicles

Allington Fire Department requested a purchase of two Fire Chief vehicles for a total cost of \$100,636. The State's contract for Purchase of Cars & Light Duty Trucks is to be used and the dealer is on the state vendor list.

Chief Terenzio stated that the vehicles are 10 years old with an average of 80,000 miles. This is part of a vehicle replacement plan that was developed in 2021.

Mr. Waxenberg made a motion to approve the contract, seconded by Ms. Comer. The motion was approved unanimously.

iii. Columbus House, Inc. – 2022 Housing Crisis Response Program

The contract is between the City and Columbus House to render homeless outreach case management service. The contract amount is \$149,500 using ARPA Funds. The term of the contract expires on December 31, 2024.

Mr. White made a motion to approve the contract, seconded by Mr. Falcigno. The motion was approved unanimously.

iv. Tilcon Connecticut Inc. – Paving Service for Several Streets

Tilcon Connecticut, Inc. will be hired as the contractor to provide paving services under state contract "Bituminous Concrete Materials and Bridge Deck Membrane Waterproofing." The quotation received from Tilcon for the services is \$1,507,227.

Mr. Falcigno made a motion to approve the contract, seconded by Mr. Hamilton. The motion was approved unanimously.

f. Review and Discussion: Contracts over \$50,000 not Approved by MARB

i. Process for Approval of Contracts

This Item was discussed at the March 30th Subcommittee Meeting. The Subcommittee has requested that the City provide them with their written approval process and back-up documentation supporting the contracts over \$50,000 on the list provided in the meeting materials.

ii. List of the Contracts and Supporting Documents – City's New Vehicle for Mayor

The documentation was provided in the meeting package.

g. Open Items List

Mr. Taylor commented on Item #8, Consolidation of pension investment management services and pension investment advisor services. In his opinion, this will be difficult to resolve due to the fact that one Fire Department is amiable, but the other is not. Similarly, Item #38- possible consolidation of Fire Departments will also likely meet with disagreement. Mr. Taylor stated that he provided OPM with photos of the completed shower remodel satisfying Item #17, part of CohnReznick's report. Lastly, he commented that he is unable to accurately provide benchmarks for the Fire Districts due to the various methods used by districts in the state.

VI. Town of Sprague

a. Subcommittee Update

Ms. Kennison briefed the subcommittee meeting to the Board. FY 2022 audit report was issued on February 13, 2023. Town 's auditor presented the audit report. Subcommittee reviewed and discussed both BOE recommended FY 2024 budget and Board of Finance recommended FY2024 budget. Town will provide a revised BOF Budget at the next Subcommittee meeting.

b. Review and Discussion: Monthly Financial Report: February 2023

The monthly financial report for February 23 was distributed with the meeting materials.

VIII. Other Business

There was no other business.

XI. Adjourn

Mr. White made a motion to adjourn. Secretary Beckham adjourned the meeting at 12:48 PM.