



# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

## OFFICIAL MINUTES

### MUNICIPAL FINANCE ADVISORY COMMISSION

#### REGULAR MEETING

**WEDNESDAY, FEBRUARY 15, 2023**

Meeting Location: Telephonic Meeting

Date/Time: February 15, 2023, at 10:00 A.M.

Members Present: Ms. Kathleen Clarke Buch, Commission Chair  
Mr. Anthony Genovese  
Ms. Kimberly Kennison  
Mr. Michael LeBlanc  
Mr. Glenn Rybacki  
Ms. Rebecca A. Sielman  
Ms. Diane Waldron

Others Present: Simon Jiang, OPM Staff  
William Plummer, OPM Staff  
Michael Reis, OPM Staff  
Morgan Rice, OPM Staff  
Austin Tanner, First Selectman, Town of Brooklyn  
Shelley Cates, Finance Director, Town of Brooklyn  
Dan Garrick – Director of Finance, City of Danbury  
Roger Palanzo – Chief of Staff, City of Danbury  
Scott Bassett – RSM, External Auditor, City of Danbury  
Richard Dziekan, Mayor, City of Derby  
Walt Mayhew, Chief of Staff, City of Derby  
Nancy Balsys, Deputy Finance Director, City of Derby  
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools  
Robert Trainor, Business Manager, Derby Public Schools  
John Accavallo, External Auditor, City of Derby  
Kevin Seery, First Selectman, Town of East Lyme  
Kevin Gervais, Finance Director, Town of East Lyme  
Lauren Garrett, Mayor, Town of Hamden  
Curtis Eatman, Finance Director, Town of Hamden  
Carol Hazen, Director of Grants & Capital Projects, Town of Hamden  
David Cappelletti, External Auditor, Town of Hamden  
Joseph Kilduff, Mayor, Town of Plymouth  
Grace Zweig, Finance Director, Town of Plymouth

## 1. Call to order

The meeting was called to order at 10:01 a.m. by Commission Chair Buch.

## 2. Approval of the minutes to the December 7, 2022, meeting

The minutes were approved by all Commissioners except for Commissioner LeBlanc who abstained as he was not present for the December 7<sup>th</sup> meeting.

## 3. Status of Outstanding June 30, 2021, Municipal Audit Reports

### a) City of Danbury

Commission Chair Buch acknowledged the attendance of Dan Garrick, the City's new Director of Finance and requested that he provide the Commission an update on the still outstanding June 30, 2021, Danbury audit report. According to Mr. Garrick the primary cause for the original delay in completing the audit was related to the Board of Education records. The records were subsequently provided to the audit firm and the audit was nearing completion for June of 2022. However, additional delays were then encountered due to the resignation of the City's Finance Director. The City has been working through issues raised by its independent auditor in regard to the departure of the former Finance Director and believes that it is close to addressing all of the questions raised by the audit firm.

Commissioner Buch inquired with the City's external auditor, Scott Bassett, as to the timeline to issue the FY 2021 audit report. Mr. Bassett indicated that the issuance of the report would be based upon the City providing him the information he needs in order to complete the audit in accordance with professional auditing standards. Commissioner Buch inquired with Mr. Bassett whether his firm had been engaged to conduct the FY 2022 audit. Mr. Bassett indicated that there is not yet a signed engagement letter between the City and the audit firm, but he does not foresee any issues that would cause the audit firm to not engage with the City to conduct the FY 2022 audit. Commissioner LeBlanc inquired with Mr. Garrick if he believed that the FY 2021 audit would be completed by the end of February or early March. Mr. Garrick indicated that it was his hope to complete the audit by that timeframe understanding that there were still a couple of items that he still needs from the City's outside counsel.

Commissioner Buch inquired as to the status of the FY 2022 audit given that the FY 2021 audit has yet to be completed and that the FY 2022 audit report should have been submitted by December 31, 2022. Mr. Garrick indicated his belief that the FY 2022 audit can be completed in a relatively quick manner despite being behind schedule. Commissioner Kennison indicated to Mr. Garrick that it was important for the City to have a signed engagement with the audit firm in place to ensure that the FY 2022 auditor appointment has been fully addressed and to avoid delays in commencing the FY 2022 audit. Commissioner Buch reminded the City of the new legislation that became effective as of October 1, 2022, requiring a municipality that fails to complete its audit within 12 months from its fiscal year end to meet on a regular basis with the Commission. Commissioner Buch thanked the City and its representatives for their attendance.

b) Town of East Lyme

Finance Director, Kevin Gervais introduced himself and First Selectman Kevin Seery. According to Mr. Gervais, it was the Town's intent to have the audit report issued prior to today's meeting. However, there has been a small delay resulting from the technical quality review process of the Town's external audit firm. The Town now believes that the audit report will be issued in another week. In regard to the FY 2022 audit report, Mr. Gervais believes the audit will be completed in the June to July, 2023 time frame. Commissioner Buch reminded the Town that similar to what she had advised Danbury, if the FY 2022 audit isn't completed within twelve months of its fiscal year end, East Lyme may very well be attending regular meetings with the MFAC due to the new legislation that went into effect on October 1, 2022.

Commissioner. Genovese indicated that East Lyme has a history of late audit filings and inquired as to the reasons behind the late filings. First Selectman Seery indicated that he took office approximately one year ago and that Mr. Gervais recently became the Town's Finance Director due to the retirement of the former Finance Director. Past audit reports have consistently recommended the hiring of an assistant Finance Director. The assistant Finance Director position has been included in the Town's proposed FY 2023-24 budget. He believes filling the position will eliminate the late audit filings.

**4. Town of Brooklyn**

Finance Director Shelley Cates introduced herself and First Selectman Austin Tanner. In regard to Commissioner Buch inquiry regarding the status of the FY 2022 audit report, she indicated that based upon the response from the Town's audit firm, she is projecting that the report will be issued within the next two weeks. Commissioner Buch indicated that in reviewing the information provided by Brooklyn for today's meeting, she could not locate the Board of Education on the Town's general ledger. She inquired as to how the Town reconciled/reported the Board of Education expenditures on the Town's general ledger. Ms. Cates indicated that the Town did have an appropriation for schools in its budget and that it was set up as a transfer out as opposed to an expenditure on the Town general ledger.

Commissioner LeBlanc noted that based upon the information provided, the Town is projecting a surplus between \$800,000 to \$900,000. He inquired whether it was the Town's intent to accumulate the projected surplus in its fund balance. First Selectman Tanner indicated it was his intent to keep the surplus in its fund balance. Commissioners indicated that the Town appears to be headed in the right direction in terms of its finances. Commissioner Buch expressed her appreciation for the Town's presentation at today's meeting and indicated her appreciation for the Town's recent policies and procedures manual.

## **5. City of Derby**

Commissioner Rybacki indicated that the City of Derby was a client of his firm.

Mr. Mayhew indicated that the Board of Alderman refused to approve the recommended salary and job description for the Finance Director position. He indicated that it was the City's intent to bring the proposal back to the Board of Alderman for approval. He also indicated that the Board of Alderman had postponed the vote on the hiring a full time Human Resource Director. Commissioner Buch indicated her concerns as the Finance Director position is critical for a municipality. She questioned whether it would be of assistance to the City if the Commission communicated in a letter, its recommendation for the City to fill the Finance Director vacancy. Mr. Mayhew indicated he would welcome such a communication recommending the hiring of a Finance Director and a full time Human Resources Director for the City.

The City's written update to the Commission indicated that the FY 2022 audit had yet to be completed primarily due to the Board of Education not reconciling its books on a consistent and regular basis. A discussion occurred among Commissioners and the City, including its external auditor, regarding the status of the audit findings that were reported in the FY 2021 audit report, many of which have been repeated for a number of years. Commissioner Buch reminded the City that one of the criteria for a municipality to fall under the purview of the Commission as a Tier I municipality would be repeated audit findings. The City should continue to address these audit findings. Mr. Mayhew indicated that the City is still moving towards obtaining a new financial accounting system despite the lack of a Finance Director. Commissioners expressed some concerns with the City receiving solely one response to its Request For Proposal regarding the new system. Commissioner Kennison requested that the City review the corrective action plan and the projected dates for resolving each of the repeated audit findings as she noticed certain inconsistencies between the previous update to the Commission and the information provided for today's meeting. Commissioner Buch thanked the City for its presentation at today's meeting.

## **6. Town of Hamden**

Mayor Garrett introduced herself and several others that were in attendance for today's meeting. David Cappelletti, the Town's independent auditor provided a description of the FY 2022 audit findings including findings from the Federal Single Audit and Management Letter. A discussion ensued among Commissioners and the Town in regard to the CDBG Federal Single Audit Finding and the Town's corrective action plan to resolve the finding.

Commissioner Buch inquired whether the FY 2022 audited unassigned fund balance of \$12.9 million met the Town's fund balance policy levels. Mayor Garrett indicated that it just met the fund balance policy and that the Town's intent is to grow fund balance for FY 2022-23 using the debt restructuring strategy that has been employed for the past couple of years. In general, she does not support debt restructuring. She has agreed to it for now as a strategy/plan to build upon fund balance as opposed to restructuring debt in order to lower the mill rate. Commissioner Rybacki and Commissioner Kennison both expressed their desire for the Town to provide to the Commission its debt service schedule for future years reflecting the impact of the debt restructurings.

The Town provided updates on its fiscal condition in a number of areas including its self-insurance medical program. In regard to the \$16 million proceeds from the sale of the Wintergreen property, Mayor Garrett indicated that the proceeds were originally put into fund balance but was then moved to the Capital and Non-recurring (CNR) Fund. The Town does intend to sell additional properties in the future for which the proceeds would be deposited in the CNR fund. Mayor Garrett provided details in regard to the Town's planned ARPA projects and the status as to spending/allocating of its ARPA funds. Commissioner Kennison indicated her appreciation for the Town's recent policies and procedures manual. She understands that it can be a significant undertaking and believes it will prove beneficial to the Town. Commissioners indicated that the Town is moving in the right direction and thanked Mayor Garrett and her staff for their presentation at today's meeting.

## 7. **Town of Plymouth**

Commissioner Sielman indicated that her firm provides actuarial services for the Town.

Commissioner Buch asked Finance Director Grace Zweig for additional details regarding the bank reconciliations to date for the various bank accounts maintained by the Town. She also suggested that the Town look into consolidating some accounts where such consolidations can be made. Ms. Zweig provided additional details on the bank reconciliations. Mayor Kilduff indicated that he recently spoke with the Town's audit firm, and the FY 2022 audit is on schedule to be completed by the end of March.

Commissioner Kennison inquired as to the adequacy of the staffing level in the finance office as it had been indicated earlier that the Town had retained part-time/temporary help to assist in getting bank reconciliations up-to-date due to inadequate staffing. Mayor Kilduff indicates that he has proposed in the upcoming FY 2023-24 budget to make the temporary staff accountant position a permanent position. Commissioners inquired as to the status of the FY 2021 management letter that has apparently not been issued by the Town's auditor despite the FY 2021 audit report being issued several months ago. Mayor Kilduff indicated that he would communicate with the auditor in regard to the outstanding FY 2021 management letter. Commissioner Buch thanked Mayor Kilduff and Finance Director Zweig for their presentation at today's meeting.

## 8. **Other Business**

### a) Audit Submission Status of FY 2022 Municipal Audit Reports

Mr. Plummer indicated that there were approximately eighty municipalities that had requested extensions through the end of February for submission of their FY 2022 audit reports. Commissioner LeBlanc stated that in a recent GFOA meeting it was indicated that several towns had sought auditors through request for proposals with no responses being received. Commissioners agreed that this was a matter that should be monitored closely. Commissioner Waldron indicated that it was her understanding that some of the audit firms were having difficulty retaining staff. Commissioner Kennison indicated that OPM would seek to make an outreach to municipal auditors as to their contact information for receiving request for proposals to facilitate direct mailings to these firms.

### b) Other

Commissioners requested that OPM transmit a letter to the City of Derby recommending the filling of the Finance Director vacancy and the filling of a full time Human Resource Director. Commissioner Kennison requested that Commissioners provide OPM with the names of anyone they would like to recommend for filling the vacant position on the Commission that was previously held by John Schuyler. Commissioner Buch indicated that she had recently signed off on a letter to Mr. Schuyler thanking him for his many years of service as a Commissioner.

**9. Adjourned.**

The meeting adjourned at 11:17 a.m.

Respectfully submitted,

Kimberly Kennison  
Acting Commission Secretary



# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

## APPROVED MINUTES

### MUNICIPAL FINANCE ADVISORY COMMISSION

#### REGULAR MEETING

WEDNESDAY, APRIL 19, 2023

Meeting Location: Telephonic Meeting

Date/Time: April 19, 2023, at 10:00 A.M.

Members Present: Ms. Kathleen Clarke Buch, Commission Chair  
Mr. Anthony Genovese  
Ms. Kimberly Kennison  
Mr. Michael LeBlanc  
Mr. Glenn Rybacki  
Ms. Rebecca A. Sielman  
Ms. Diane Waldron

Others Present: Simon Jiang, OPM Staff  
William Plummer, OPM Staff  
Michael Reis, OPM Staff  
Morgan Rice, OPM Staff  
Austin Tanner, First Selectman, Town of Brooklyn  
Shelley Cates, Finance Director, Town of Brooklyn  
Dan Garrick – Director of Finance, City of Danbury  
Roger Palanzo – Chief of Staff, City of Danbury  
Scott Bassett – RSM, External Auditor, City of Danbury  
Richard Dziekan, Mayor, City of Derby  
Walt Mayhew, Chief of Staff, City of Derby  
Nancy Balsys, Deputy Finance Director, City of Derby  
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools  
Robert Trainor, Business Manager, Derby Public Schools  
John Accavallo, External Auditor, City of Derby  
Kevin Seery, First Selectman, Town of East Lyme  
Kevin Gervais, Finance Director, Town of East Lyme  
Lauren Garrett, Mayor, Town of Hamden  
Curtis Eatman, Finance Director, Town of Hamden  
Carol Hazen, Director of Grants & Capital Projects, Town of Hamden  
David Cappelletti, External Auditor, Town of Hamden  
Joseph Kilduff, Mayor, Town of Plymouth  
Grace Zweig, Finance Director, Town of Plymouth  
Victoria Carey, Vice-Chair, Plymouth Board of Finance  
Santo Carta, CLA, External Auditor, Town of Plymouth

## 1. Call to order

The meeting was called to order at 10:03 a.m. by Commission Chair Buch.

A quorum was not present at the start of the meeting to approve the minutes. Commissioner Buch stated that she would delay the vote on the minutes as two Commissioners had indicated that they would be late in attending the meeting.

Commissioners Genovese and Waldron joined the meeting at 10:17 a.m. and 10:24 a.m., respectively.

## 2. Approval of the meeting minutes of February 15, 2023

Moved to agenda item 8.

## 3. Status of Outstanding June 30, 2021, Municipal Audit Reports

### a) City of Danbury

Commissioner Buch requested that the City provide the Commission an update on the outstanding June 30, 2021, audit. Mr. Garrick stated the audit firm provided a draft report that was shared with OPM. The City expects the audit to be completed by April 30<sup>th</sup>. As to the status of the FY 2022 audit report, Mr. Garrick stated that the auditors have not begun the audit. Mr. Bassett indicated that they have assigned staff through June 30<sup>th</sup> to complete both the FY 2021 and FY 2022 Audits. Mr. Bassett indicated that he does not believe there will be any significant changes in the draft FY 2021 audit report. However, the quality review process needs to be completed. He could not commit that the audit report will be issued by April 30<sup>th</sup>.

Commissioner Buch asked if the issues that caused such a significant delay had been addressed and what the prospects were of the FY 2023 audit report being completed on time. Mayor Esposito indicated that he spoke to the Board of Education to make sure they are prepared for the audit. Ms. Kennison suggested that the City hire additional staff in order to complete their audits on a timely basis. Mayor Esposito assured the Commission that he is working with HR to fill vacancies and he is committed to staffing the finance office at 100-percent. Mr. Garrick shared that the FY 2023-24 Proposed Budget has additional funding for the finance department allowing the City to issue timely audits.

### b) Town of East Lyme

Mr. Gervais stated he has been in communication with the auditors and hopes to have the FY 2021 finalized in the next couple of weeks. Commissioner Buch inquired as to the status of the FY 2022 audit report. Mr. Gervais indicated that the auditors were expected to begin field work during the second and third week of May. The Town recognizes that the need for additional staffing and is presently hiring a Deputy Finance Director.

Commissioner LeBlanc inquired if the audit firm has been engaged to plan the reporting requirements of GASB 87 Lease Accounting. Mr. Gervais indicated that he plans to retain a Finance Director from another town to assist in producing the financial statements. She



is expected to start in the next few weeks. Ms. Kennison encouraged Mr. Gervais to have the proper staffing as the new legislation makes East Lyme a candidate for MFAC oversight if the financials are not completed in a timely manner.

#### **4. Town of Brooklyn**

Ms. Cates indicated that the FY 2022 audit has not be completed due to the staff shortage on the auditor's side but hopes to complete by the end of the month. First Selectman Tanner stated that the Town is providing more information to the auditors, including recording journal entries, establishing policies and procedures and incorporating all of the WPCA's financials. Ms. Cates also shared that the Dog Fund revenue was now part of the Town Clerk revenue line item as it had been moved from its own Dog Fund line item. The Town has begun to address the pooled cash fund and is separating larger accounts and keeping smaller accounts that are easier to manage. The budget is being presented to the Board of Finance tonight for review. Commissioners thanked the Town for its attendance at today's meeting.

#### **5. City of Derby**

Commissioner Rybacki indicated that the City was a client of his firm.

Commissioner Buch noted that the Finance Director position was advertised on the Government Finance Officers Association (GFOA) website. Mr. Mayhew acknowledged the posting and also indicated that the staff member currently serving as the part-time Human Resource Director will fill the role on a full-time basis.

Mr. Mayhew provided a financial update on the City. Commissioner Buch indicated that from the information provided by the City, it appears that property tax collections on real property for FY 2023 was being collected at a 95% collection rate which was below what the City had projected. The City had budgeted real property tax collections at 99% but Mr. Mayhew believes property taxes on real property will ultimately come in fairly close to the amount budgeted for FY 2023. He also acknowledged that motor vehicle supplemental is coming in at a substantial lower rate than what was projected, and he will need to review why. Concerns were raised by Commissioners regarding the City's workers compensation costs including the lack of reserves and actuarial claim estimates. Mr. Mayhew responded to a number of other questions including accounting for police private duty costs and associated revenues, implementation of the new financial accounting system, etc. Commissioners requested additional information on the financial software due to not being familiar with its use for municipalities.

Commissioner Kennison commented on the April financials provided. She would not advocate for the Board of Education to consolidate its operations with the City, given the number of fiscal related issues the City needs to resolve. She requested an organization chart of City positions and a written report on ARPA projects/costs by month. In the future she would like the budgetary information provided to the Commission, be accompanied with a list of key budget assumptions. Mr. Accavallo provided an update on the FY 2022 audit and indicated that he was targeting issuing the report by April 30<sup>th</sup>. He also described preliminary audit findings observed during the audit.

#### **6. Town of Hamden**

Mayor Garrett advised the Commission that on Monday, the City Council adopted the City's revised policies and procedures manual. The City's charter was recently revised creating a finance commission that reviews the proposed budget and makes recommendations to the legislative council. The legislative council would then vote on the budget at its May 17<sup>th</sup> meeting. The City provided information on its transfer station and receipts that come in from the transfer station. As a result of Commissioner LeBlanc's inquiry, Mayor Garrett provided information on the City's ARPA funds and projects planned for use of the ARPA funds. Commissioner Genovese inquired about police private duty and to whether it was run through the General Fund and police/private duty costs/revenues. Mayor Garrett indicated that the accounting was run through the General Fund and provided details regarding associated revenues/expenditures. A number of other questions were posed by Commissioners and answered by Mayor Garrett. Commissioner Buch indicated that the Town appeared to be making significant progress and thanked the Mayor and her staff for attending today's meeting.

## **7. Town of Plymouth**

Commissioner Sielman indicated that her firm provides actuarial services for the Town.

Ms. Zweig introduced herself and Vicky Carey, the Vice-Chair of the Board of Finance. She indicated that Mayor Kilduff had a conflict but would still try to attend today's meeting. She also indicated that her audit firm was in attendance.

Mr. Carta provided an update on the FY 2021 Single Audit reports for the Town. At this time, he is projecting issuing the audit reports by May 5<sup>th</sup>. In regard to the issuance date of the FY 2023 audit report, this would be up to the Town's finance office as to when the information the audit firm needs to complete the audit will be made available. Ms. Zweig believes that the Town will be able to provide the information needed in a timely manner for the audit firm to issue the audit by the December 31<sup>st</sup> deadline.

Ms. Zweig indicated that she believes the Town will end fiscal year 2023 with a small operating deficit of approximately \$60,000. As to the FY 2023-24 budget, the proposed budget was recently submitted to the Town Council and the Board of Finance has increased the Board of Education by 4.3% which triggered a referendum due to an increase over the 3.57% rate. The referendum will be on April 29<sup>th</sup>. She projects that by May 3<sup>rd</sup> the Town should have an adopted FY 2023-24 budget. The FY 2023-24 budget includes an additional staff accountant position. Commissioner Waldron inquired about the ARPA projects the Town has planned. Ms. Zweig provided information on the planned ARPA spending. Commissioner Genovese noted that interest income for FY 2022-23 appeared to be budgeted at a much lower amount than actual amounts being received. Commissioners noted that this would also affect the FY 2023-24 budget. Commissioners noted the progress the Town has made in getting up-to-date on its reconciliations that were significantly behind in the past. Commissioners thanked the Town for its attendance at today's meeting.

## **8. Approval of the meeting minutes of February 15, 2023**

The minutes to the February 15, 2023, meeting were unanimously approved by all Commissioners as presented.

**9. Other Business**

A brief discussion occurred among Commissioners on current and anticipated future vacancies on the Commission.

**10. Adjourned.**

The meeting adjourned at 11:32 a.m.

Respectfully submitted,

Kimberly Kennison  
Acting Commission Secretary



# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

## APPROVED MINUTES

### MUNICIPAL FINANCE ADVISORY COMMISSION

#### REGULAR MEETING

WEDNESDAY, August 16, 2023

Meeting Location: Telephonic Meeting

Date/Time: August 16, 2023, at 10:00 A.M.

Members Present: Ms. Kathleen Clarke Buch, Commission Chair  
Mr. Anthony Genovese  
Ms. Kimberly Kennison  
Mr. Michael LeBlanc  
Mr. Glenn Rybacki  
Ms. Rebecca A. Sielman

Members Absent: Ms. Diane Waldron

Others Present: William Plummer, OPM Staff  
Michael Reis, OPM Staff  
Morgan Rice, OPM Staff  
John Mehr, OPM Staff  
Noah Lansing, OPM Intern  
Austin Tanner, First Selectman, Town of Brooklyn  
Shelley Cates, Finance Director, Town of Brooklyn  
Richard Dziekan, Mayor, City of Derby  
Walt Mayhew, Chief of Staff, City of Derby  
Nancy Balsys, Deputy Finance Director, City of Derby  
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools  
Robert Trainor, Business Manager, Derby Public Schools  
Lauren Garrett, Mayor, Town of Hamden  
Curtis Eatman, Finance Director, Town of Hamden  
Joseph Kilduff, Mayor, Town of Plymouth  
Grace Zweig, Finance Director, Town of Plymouth

#### 1. Call to order

The meeting was called to order at 10:02 a.m. by Commission Chair Buch.

#### 2. Approval of the meeting minutes of April 19, 2023

The minutes were unanimously approved by all Commissioners in attendance.

#### 3. Town of Brooklyn

Commissioner Buch made reference to the Town of Brooklyn's letter requesting release from oversight of the Municipal Finance Advisory Commission (MFAC). She indicated that in reviewing the criteria that would trigger a municipality to being automatically eligible for MFAC oversight, Brooklyn met none of the criteria based upon the information provided in today's packet. Commissioner Kennison congratulated the Town for the improvements it had made to its financial practices and fiscal condition since the Commission first begun meeting with Brooklyn in June of 2019 at Brooklyn's request. A motion was made by Commissioner Kennison to release the Town of Brooklyn from MFAC oversight and the motion was seconded by Commissioner Sielman. The motion was unanimously approved.

#### **4. City of Derby**

Commissioner Rybacki indicated that the City was a client of his firm.

Walt Mayhew, Chief of Staff and Nancy Balsys, Deputy Finance Director introduced themselves and provided an update of the City's finances. Commissioner Buch inquired about the status of hiring a permanent finance director. Mr. Mayhew indicated that the City is continuing its search for a finance director. Commissioner Buch expressed her concerns regarding the City's projections for property tax collections. The FY 2022-23 budget to actual information provided by the City appeared to indicate a revenue shortfall for property taxes, whereby property tax revenues were projected at 96% of the amount budgeted. Mr. Mayhew indicated his belief that when including the state motor vehicle property tax grant, the revenue shortfall is significantly less. He went on to describe why the grant proceeds should be taken into account when reviewing the City's property tax collections for FY 2022-23 and that when the grant is added in, property tax revenues would reach 98% of the amount budgeted.

Commissioner Kennison and Commissioner Buch indicated that certain information requested at prior meetings with the City had not been provided to date including an organization chart.

A discussion occurred between the City and Commissioners in regard to the FY 2021-22 audit results which reported a \$1.9 million operating deficit in the City's General Fund. Mr. Mayhew identified the significant over-expenditures in Board of Education health insurance as a primary cause for the operating deficit and that the deficit was financed by fund balance from the General Fund. According to Ms. Balsys, the FY 2022-23 health insurance costs, on a cumulative basis are not projected to be over-expended. Commissioner LeBlanc indicated his belief that the City should seek to establish a separate self-insurance fund for employee health insurance and Mr. Mayhew indicated that he intends to revisit that matter.

The City and Commissioners discussed the FY 2022 audit findings and the status of the corrective action plans for eliminating the findings. Regarding the status of the FY 2023 audit, due to the recent financial system conversion, the City is ensuring that all information to be provided to the auditor is accurate. The City has not provided all the information to the auditor for completion of the FY 2023 audit and plans to meet with its auditor in September.

According to Ms. Balsys, at this time, she does not believe that the City will again incur an operating deficit for FY 2022-23. However, she still needs to see the August purchases to

take into account the expenditure accruals. Mr. Mayhew identified several new policies that the City is trying to implement such as adoption of a fund balance policy and development of an insurance reserve policy. He described certain setbacks in getting the policies implemented.

Commissioner LeBlanc inquired whether the City included the use of fund balance towards financing its FY 2023-24 adopted budget and Mr. Mayhew indicated that it did not. Commissioner Kennison pointed out Commissioner Genovese comments from the April meeting whereby the City appeared to be budgeting at a 99% collection rate for its FY 2023-24 property taxes. Commissioner Genovese indicated that this would essentially be the same as using fund balance if the 99% assumed tax collection rate cannot be realized in the FY 2023-24 budget results.

Commissioner Sielman stated that the City had indicated that its retiree medical insurance expenditures were 30% higher than expected. She asked whether the City had identified the cause and whether the City had a plan in place to manage these costs. Ms. Balsys indicated that she and the human resource director were working on identifying the cause. She suspects that it could be due to those employees retiring prior to 65 who would be on the City's health insurance plan until they reach 65 for which they would transition to Medicare. Commissioner Sielman also advised the City that it should work with its actuary to identify the benefit costs that the City will annually need to pay out of its operating budgets given that the City has not begun to prefund its retiree health benefit obligations. Currently the City's latest actuarial OPEB obligation indicates a \$27 million OPEB liability. Mayor Dziekan indicated that the City recently negotiated with non-police bargaining units to close the City's pension plan to new hires, which should reduce retirement benefit costs in the future. The Mayor was unsure as to whether there were any changes made to health insurance benefits for retirees that would reduce costs and indicated he would need to review that item further.

Commissioner Kennison identified several financial matters that were of concern, including:

- The finance director position has been vacant for over a year. The City has indicated that it has continuously posted the job position and is actively working to fill the position. It is a concern to the Commission that not one application has been received by the City during this time.
- The City had been without its full-time tax collector for a period of time due to a medical leave and that the absence created a backlog in the Tax office.
- For FY 2021-22, the City's June 30, 2022 audited financial statements reported a \$2 million General Fund operating deficit (on a budgetary basis). In today's meeting, over-expenditures for the Board of Education health insurance costs were identified by the City as the primary reason. For its April, 2023 meeting with the Commission, the City provided FY 2021-22 budget to actual results for the twelve month period that confirmed the over-expenditures for health insurance. However, even taking this into account, the City still projected a \$1 million operating surplus. Therefore, the \$3 million difference between the City's projected surplus and the audited deficit cannot be attributed solely to health insurance over-spending.

Mr. Mayhew and Ms. Balsys responded as follows:

- Mr. Mayhew confirmed that not one application had been received for the finance director position despite the continued posting of the job position.

- Regarding the Tax Office, he acknowledged that the Tax Collector had been out on an unexpected medical leave, whereby the City was not able to fully have a plan in place for the Tax Office prior to the Tax Collector's absence. The City however, was able to move staff from the finance office to the Tax Office to quickly alleviate the backlog that occurred for the mailings of tax payments. Taxpayers were apprised that if their mailed tax payments were postmarked by August 1<sup>st</sup> the payments were considered to be paid on time without any late payment penalties being assessed.
- Regarding the significant differences between the projected FY 2021-22 surplus and the audited budget deficit for FY 2021-22, Ms. Balsys indicated that this was primarily caused by unrecorded invoices at the Board of Education. Robert Trainor, the business manager at the Board of Education, indicated he began employment with Derby, Board of Education in June of 2022. Subsequent to his arrival, he identified a number of FY 2021-22 invoices that had gone unpaid throughout the year prior to his employment. The invoices were therefore accounted for and recorded subsequent to the FY 2022 fiscal year end. Mr. Trainor indicated that he would need additional time to review the exact amount of the unrecorded invoices. Mr. Mayhew indicated now that Ms. Balsys and Mr. Trainor had been with the City and Board of Education for a period of time and have implemented certain controls, he believes that these problems would not occur in the future.

Commissioners discussed the reporting that have been provided to the Commission in the past. With the implementation of the new accounting system, the Commission is seeking reports in a different format and that presents information that will allow Commissioners to compare prior results to current budgetary information. Commissioner LeBlanc observed that the budget to actual expenditure reports provided are approximately 80 pages long. These expenditure detailed reports should be accompanied by expenditure summary reports when provided to the Commission. Ms. Balsys indicated that she believes significant improvements can be provided to the Commission for the October meeting. Commissioner Buch indicated that she would be discussing with other Commissioners a letter to the City with recommendations from the Commission prior to the end of today's meeting.

Commissioners reviewed the Tiers Eligibility Criteria report of the City of Derby. The report indicated that with the 9 multiple year repeated audit findings, the City met one of the seven criteria for eligibility as a Tier I municipality. Commissioner Buch observed that the June 30, 2022 audit was submitted in June of 2023, barely within the 12 month criteria period. Commissioner Kennison noted that the City has been voluntarily meeting with the Commission for advice on improvements to its financial condition and financial practices. She indicated however, that given that the City is eligible for designation as a Tier I municipality and given that the City has had a setback on its financial condition as indicated by the two-million reduction in fund balance in FY 2021-22 despite projecting a one-million FY 2021-22 operating surplus, and given that the City is not able to fully identify the cause for the three-million difference between projections and audited results, she is making a motion that the City be brought under the oversight of the Commission as a Tier I designated municipality. Commissioner Sielman seconded the motion. Commissioner Rybacki abstained. The motion carried and the Tier I designation was approved.

Commissioners thanked the City for its presentation at today's meeting.

## **5. Town of Hamden**

Mayor Garrett indicated that she and her administration worked cooperatively with the Town Council to achieve savings in the FY 2023-24 budget including \$1.4 million in savings for participation in CMERS. She believes that the FY 2023-24 budget is well funded with realistic revenue sources and that the Town should end the year with a small surplus. Mayor Garrett provided a description on current fund balance and projected fund balance for FY 2023 and 2024 and how that compares to the Town's fund balance policy. She described the use of the \$3 million in-kind allocation provided to the Board of Education. In regards to tax collection rates included in the budget, the Town's FY 2023 and FY 2024 budgets are based upon a 97.7% and 98.0% tax collection rates, respectively. These rates are realistic based upon historical tax collections. Commissioners congratulated the Town for its improved outlook from the rating agencies and also the production of its FY 2023-24 budget book which included a number of established town policies.

## **6. Town of Plymouth**

Commissioner Sielman indicated that her firm provides actuarial services for the Town.

Ms. Zweig indicated that in regard to the FY 2023 audit, the auditors have already been at the Town for preliminary discussions with the Town. She believes that the FY 2023 audit will be completed by the December 31<sup>st</sup> due date. She indicated that bank reconciliations were being made on time but that the Town is seeking another staff accountant which would then enable the Town to regularly reconcile with the Board of Education records. Commissioner LeBlanc observed that the Town is projecting a \$3.3 million surplus for FY 2022-23 and inquired whether the Town has a definitive plan for the surplus or whether the surplus would flow to fund balance. According to Mayor Kilduff, the Town has no definitive plan at this time, therefore the surplus would go towards fund balance. He indicated that fund balance as of June 30, 2022 was close to 15%. Commissioner Buch recommended that the Town establish a written fund balance policy that includes what types of spending fund balance can be used towards. Commissioners indicated their satisfaction with the Town's progress as it relates to its fiscal condition and in improvements with the reconciliation of its records and working on filling its finance staffing vacancies. Commissioner Buch indicated that she would like to see the Town submit its FY 2023 audit by the December 31<sup>st</sup> due date and for the audit report to not contain any significant audit findings. She believes that if these two conditions are met, the Commission could strongly consider releasing the Town from its oversight. She thanked Plymouth officials for their presentation at today's meeting.

## **7. Status of the FY 2022 Audits**

Mr. Plummer referenced the document that provided a list of 20 municipalities that had not submitted their June 30, 2022 audit reports by June 30, 2023. Four of those reports have since been submitted except for one which the State Single Audit has not been filed. For the remaining 16 outstanding reports, several municipalities had indicated their hope that the reports could be submitted by the end of August. A number of municipalities indicated the overdue audits were caused by staffing shortages in the finance office. Commissioners requested that OPM review the FY 2021 audit findings of the municipalities with outstanding FY 2022 audit reports for audit findings that if left unaddressed could have impacted the timing of the completion of subsequent audits. In addition, the Commission requested that OPM draft letters to each of these municipalities requesting a status report on their outstanding FY 2022 audits that includes:



- A summary description by line item of each significant reason why the FY 2022 audit was not filed by the December 31<sup>st</sup> due date and is still outstanding. If one of those reasons included staffing shortages in the finance office, the municipality should provide an update on its finance staffing levels.
- A timeline for the completion and submission of the FY 2022 audit. The timeline should include a projected date for the submission of the FY 2022 audit report (financial and State Single Audit reports).
- Corrective action plans to ensure that the reasons for the late FY 2022 audit submissions do not recur for the FY 2023 audit reports.
- If available, each municipality's General Fund FY 2021-22 budget to actual unaudited results for the twelve-month period ended June 30, 2022.

## **8. Other Business**

- Public Act 23-197
  - Mr. Plummer referenced the Public Act that appears to require audit findings to be addressed by the legislative body of the municipality where applicable.
- Draft Guide for Facilitating a Timely Audit
  - Mr. Plummer indicated the draft guide was developed by OPM working with its consultant. In the past, OPM has observed that some municipalities are unable to produce audits on time as a number of processes and procedures that needed to occur throughout the year did not occur. The guide can assist municipal officials and audit committees to determine that these procedures and processes are being done in a timely manner throughout the fiscal year, ultimately leading to the completion of the audit in a timely manner. Commissioners indicated that they would review the document and provide feedback to OPM.
  - Other: Commissioner Buch requested that OPM draft a letter to the City of Derby with certain recommendations on establishing an internal service fund and OPEB trust funds and several other recommendations. OPM staff indicated they would draft a letter and transmit to Commissioners for feedback before finalizing the letter.

## **9. Adjourned.**

The meeting adjourned at 11:20 a.m.

Respectfully submitted,

Kimberly Kennison  
Acting Commission Secretary



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

### OFFICIAL MINUTES

#### MUNICIPAL FINANCE ADVISORY COMMISSION

#### REGULAR MEETING

**WEDNESDAY, December 13, 2023**

Meeting Location: Telephonic Meeting

Date/Time: December 13, 2023, at 10:00 A.M.

Members Present: Ms. Kathleen Clarke Buch, Commission Chair  
Mr. Anthony Genovese  
Ms. Kimberly Kennison  
Mr. Michael LeBlanc  
Mr. Glenn Rybacki  
Ms. Rebecca A. Sielman  
Ms. Diane Waldron

Others Present: William Plummer, OPM Staff  
Michael Reis, OPM Staff  
Morgan Rice, OPM Staff  
John Mehr, OPM Staff  
Simon Jiang, OPM Staff  
Joseph DiMartino, Mayor, City of Derby  
Nancy Balsys, Deputy Finance Director, Derby  
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools  
Robert Trainor, Business Manager, Derby Public Schools  
Lauren Garrett, Mayor, Town of Hamden  
Curtis Eatman, Finance Director, Hamden  
Joseph Kilduff, Mayor, Town of Plymouth  
Grace Zweig, Finance Director, Town of Plymouth  
Luke Bronin, Mayor, City of Hartford  
Julian Freund, Director of Management, Budget & Grants, Hartford  
James Cosgrove, First Selectman, Town of Branford  
James Finch, Finance Director, Branford  
Kathryn LaBanca, Assistant Finance Director, Branford  
Mayor, Roberto Alves, City of Danbury  
Dan Garrick, Finance Director, City of Danbury  
Taylor O'Brien, Chief of Staff, Danbury  
Francesca Capodilupo, Government Affairs Advisor, Danbury  
First Selectman, Dan Cunningham, Town of East Lyme  
Kevin Gervais, Finance Director, Town of East Lyme  
Vanessa Rossitto, Ron Nossek, Nikoleta McTigue – CliftonLarsonAllen (CLA)

## 1. Call to order

The meeting was called to order at 10:05 a.m. by Commission Chair Buch. She indicated that she would need to leave today's meeting by 11:40 a.m.

## 2. Approval of the meeting minutes of August 16, 2023

Commissioner Rybacki indicated that the minutes should reflect that he had abstained from the vote on designating the City of Derby as a Tier I municipality. The minutes as amended were unanimously approved by all Commissioners except for Commissioner Waldron who abstained as she was not in attendance for the August 16<sup>th</sup> meeting.

## 3. Municipal Accountability Review Board (MARB) Update – City of Hartford

Mayor Luke Bronin provided a summary overview of the City's history under MARB oversight for the past six years at a Tier III designation. The City has met the conditions for release from its Tier III designation. The MARB and the City are in agreement that the City be redesignated from a Tier III municipality to a Tier II municipality. The City is under a contract assistance agreement with the State that requires certain reporting to the State. Commissioners congratulated the Mayor on the progress made by the City on its improved financial condition.

Commission Chair Buch made a motion that the MFAC agrees with Mayor Bronin and the MARB's intent for the City of Hartford to be re-designated from a Tier III municipality to a Tier II municipality, allowing the City to continue to work under the oversight of the MARB. The motion was seconded by Commissioner Waldron and unanimously approved by all Commissioners.

Commissioners thanked Mayor Bronin and his staff for attending today's meeting.

## 4. Delinquent FY 2022 Municipal Audit Reports Update

### a) Town of Branford:

Jim Finch, the Town's Finance Director introduced himself and acknowledged the attendance of First Selectman James Cosgrove, assistant Finance Director, Kathryn LaBanca and Ron Nossek and Vanessa Rossitto from CLA, the Town's auditing firm. He listed a number of reasons for the delinquent FY 2022 audit report including: the late completion of the FY 2021 audit, issues in the tax office, staffing shortages, and implementing new financial and budgeting systems. The FY 2022 audit is currently working through the audit firm's technical review, and he hopes to have the report issued by the end of December. Mr. Nossek confirmed that the audit is in technical review and indicated that there were a number of other audit reports currently at the firm's technical review. Ms. Rossitto indicated that it was her belief that since the FY 2022 audit made it into technical review before December 15<sup>th</sup> she believes that the report would likely be issued by the end of December barring any significant issues with the report from technical review.

Mr. Finch stated the FY 2023 auditor, CLA has been appointed. Mr. Finch plan is to have the FY 2023 audit started no later than early February 2024 with the report targeted for issuance by the end of June 2024. Commission Chair Buch expressed some concerns as to the ability of the Town to complete and issue the FY 2024 audit by the December 31, 2024 statutory due date given the projected June 2024 issuance date of the FY 2023 audit report. Mr. Finch acknowledged that issuing the FY 2024 report by December 31, 2024 will be a challenge and that he plans to have "all hands on deck" to that regard. Typically, the Board of Finance appoints the audit firm for the subsequent audit upon or near the completion of the current audit. Mr. Finch is working with the Board of Selectman to waive the bid requirement for the FY 2024 audit, which would allow the Board of Finance to appoint CLA for the FY 2024 audit; essentially a two-year engagement. By having CLA appointed for both the FY 2023 and 2024 audit, his plan would be for the firm to conduct a number of the audit processes for both years beginning in February when the FY 2023 audit is expected to start. The plan for the completion of the

FY 2023 and 2024 audits has also been shared with the Board of Education. Commission Chair Buch indicated that she agrees with Mr. Finch plan to seek an exception from the typical one-year audit contract, but she would recommend that the Town implement a policy for engaging audit firms under multi-year audit contracts. Commissioners Buch, Genovese, LeBlanc and Waldron are all municipal officers of municipalities, and each indicated that their municipalities normally enter into audit contracts ranging from three to five years.

Commissioners expressed their appreciation for Branford's attendance at today's meeting.

b) City of Danbury:

Dan Garrick, the City's finance director introduced himself, Mayor Roberto Alves, Taylor O'Brien, Chief of Staff and Francesca Capodilupo, Government Affairs Advisor. Mr. Garrick indicated that the primary cause for the late FY 2022 audit first begun with the delay in completion of the FY 2021 audit for which the report was not issued until June of 2023. The City's intent regarding the FY 2022 audit was to coordinate the audit process and begin the audit by September 1, 2023. There was a delay regarding that time frame as the Board of Education was in the process of filing its EFS report with the State Dept. of Education, causing some delay in the start of the FY 2023 audit. The City continues to have staffing issues including retention of an assistant Finance Director, a grants compliance officer and a payroll supervisor. The City continues to work towards filling these positions. The Board of Education has experienced a setback with accurate financial information that it needs to provide to the City as part of the information to be turned over to the auditor. Mr. Garrick has been working with staff at the Board of Education regarding the information. He believes additional training may be needed by some of the staff. Mr. Garrick has been holding regular meetings with the City's independent auditor. He is hoping that the FY 2022 audit report can be issued by January 31, 2024, provided that he is able to get an accurate trial balance from the Board of Education to provide to the auditor by today.

In regard to the issuance of the FY 2023 audit report, the issuance date will depend on whether the City is able to secure an assistant Finance Director to assist Mr. Garrick. At this time, he is projecting a June 30, 2024 issuance date. The City did appropriate \$100,000 for the City to seek outside help with getting its records prepared for audit. The City has not been able to retain the outside help as of yet but there is an audit firm that has indicated that it would be able to assist the City but not until January of 2024. Commission Chair Buch recommended that the City explore the possibility of bringing in a retired finance director. Commissioner LeBlanc inquired whether the rating agencies had reached out to the City regarding the late audits and Mr. Garrick indicated that Standard and Poor's had reached out in June regarding the late FY 2021 audit report. The City does have to either roll-over or issue new notes in January of 2024 and he will need to address that issue soon. His plan is to provide estimated unaudited information to the rating agencies for FY 2022 and 2023 in the next two weeks. The City is working with its investment advisor on these matters. A number of questions were posed by Commissioners regarding the overdue audits and getting the City back in compliance with the December 31<sup>st</sup> annual due date.

It was noted that OPM had requested to meet with the City prior to today's meeting regarding the overdue audits. The City indicated that its auditor was not in attendance for today's meeting. Commissioner Kennison indicated that the City should have its auditor attend future meetings to obtain the auditor's perspective. Mayor Alves was encouraged to provide the resources so the City can get caught up on their late audit reporting that has occurred over the past few years. Commissioner LeBlanc recommended to Mayor Alves that he open up a dialogue with the Superintendent of Schools to communicate the importance of completing the audits on time and to resolve any matters that have prevented this from occurring.

Commissioners thanked the City of Danbury for attending today's meeting.

c) Town of East Lyme:

Kevin Gervais, the Finance Director of East Lyme introduced himself and First Selectman Dan Cunningham. He provided the Commission a power-point presentation in regard to the Town having a history of late audit filings going back a number of years. The FY 2021 audit report was statutorily due to be filed by December 31, 2021. Mr. Gervais was hired and became the Finance Director in August of 2022 at which point the FY 2021 report was working its way through the audit firm's technical review and Mr. Gervais was able to answer any follow-up questions from the audit firm. The FY 2021 report was submitted to OPM in March of 2023.

Regarding the FY 2022 audit, Mr. Gervais has established weekly meetings with the audit firm to go over open items needed to complete the audit. The Town has set a target date of February 28, 2024 for issuance of the FY 2022 audit report. Mr. Gervais believes the primary cause of the late audits relates to staffing of the finance office. The Town's auditor had previously recommended that the Town seek to retain 2 to 3 more employees in its finance office. The Town has recently filled the assistant Finance Director position. He hopes that with the additional staffing or by increased hours, reconciliations can be completed on a monthly basis. He anticipates getting extra help in January from a per diem accountant that the Town has engaged. Regarding the FY 2023 audit report, the Town is projected an August 15, 2024 issuance date. The Town has been repeating the same audit preparation procedures for the FY 2023 records that it performed on the FY 2022 records. The repeating of the procedures should greatly assist the Town in reducing the time needed to complete the FY 2023 audit. For the FY 2024 audit, the Town will of course aim for issuance by December 31, 2024. However, the Town may need one to two additional months to complete the audit as issuance date also depends upon the auditor's schedule. Mr. Gervais also described the work done on implementing a new financial accounting system with the system going live in various stages (accounting, payroll, utilities) and a new time and attendance system.

As a result of Commission Chair Buch's inquiry as to the primary cause of the continued late audits, Mr. Gervais indicated that he believes that the former finance director solely performed all the journal entries, reconciliations and other high level work leading to the Town falling further and further behind. Commissioner LeBlanc inquired whether the Town had closed its records for FY 2023. Mr. Gervais indicated that all the routine reconciliations had been conducted but there had not yet been a hard close of FY 2023 as he was focused on the FY 2022 audit related matters. Regarding the FY 2022 audit report being issued by February 2024, Nikoleta McTigue, the Town's independent auditor indicated that the plan for audit completion and projected issuance date is workable barring any significant setbacks encountered.

Commissioners thanked the Town for attending today's meeting.

## **5. City of Derby**

Commissioner Rybacki stated that for the record, the City is a client of his firm.

Mayor DiMartino introduced himself and acknowledge that he was newly elected and has only been working at Town hall for a week. He is trying to get up to speed but realizes that there still is more to learn as it relates to all that has transpired with the City. He is focused on ensuring transparency and getting the Town's finances in order. He has already reached out the Robert Half agency and expects that a person from that firm will be retained as an interim finance director. He has also met with QDS, the Town's software vendor for tax collections and City residents will now be able to pay their taxes by credit card. Commissioner Kennison attended the meeting and was of great assistance to the City. According to Deputy Finance Director, Nancy Balsys, the City has not yet formally begun its FY 2024-25 budget process. The City does expect to receive departmental budget requests by the end of December.

Commissioner LeBlanc inquired with Ms. Balsys as to the progress made by the City since it last met with the Commission in August. Ms. Balsys stated there had not been a lot of progress since the August meeting, but she indicated that in the short time the new administration has been in office she has

definitely seen a more aggressive approach to resolving the finance related issues of the City. She does believe that a number of the audit findings have been addressed and that only two or three of the findings still needs to be resolved. She described several of the audit findings that she still believes to be outstanding. A significant area of concern now for several years has been the lack of staffing including in the Finance office. In response to Commissioner Genovese inquiry, she indicated that the FY 2023 audit will not be issued by December 31<sup>st</sup> but that it was her intent to have the audit completed in January. Commissioner Kennison indicated that based upon reports provided to her from the City taken from the new financial system, she believes that the reporting still will require some work to get the reports in the format that is needed.

Commissioners expressed their appreciation for the City's attendance at today's meeting.

## **6. Town of Hamden**

Mayor Garrett provided an update on the City including its ARPA funds. She indicated that the FY 2023 audit should be completed by the end of December. The audit for the first time will be an annual comprehensive financial report (ACFR) that includes a 10-year look back on the Town's finances. The Town will also be submitting its FY 2024-25 budget to the GFOA for its distinguished budget presentation award. Mayor Garrett indicated that the CDBG grant deficiency findings have now been cleared as reflected in the letter from HUD that was included in today's meeting packet. Commissioner Waldron indicated a number of the ARPA projects appear to have been recently approved and inquired whether the Town believes it will meet the ARPA deadline dates for obligation of the funds by December 31, 2024 and expenditures of the ARPA funds by the December 31, 2026. Mayor Garrett indicated that the Town has internally established a date for confirming that the ARPA projects are in line to meet the deadlines. For any project that could be in jeopardy the Town has established an alternative plan for the use the funds on equipment, affordable housing or other acceptable spending under ARPA. Commissioner Rybacki indicated that in the past the Town had refunded bonds and sold property, essentially one-time revenues/savings. With this in mind, Commissioner Rybacki inquired whether these types of one-time items would be included in the FY 2024-25 budget. According to Mayor Garrett such items would not be included in the upcoming budget and that the Town had finished with its planned refunding. She also indicated that the proceeds from the sale of the former school was not used to finance the General Fund budget but was instead transferred to the Capital and Non-recurring Fund towards capital related projects. Commissioner Rybacki indicated that the Town appeared to be a year ahead of its financial stability plan and congratulated the Town for its progress in this regard. Commission Chair Buch also expressed her appreciation to Mayor Garrett with the work she has done to improve upon the Town's financial outlook.

Commissioners thanked the Town for its attendance at today's meeting.

## **New Chair of the MFAC**

Commission Chair Buch noted that it was 11:27 and that she would need to leave for a previous engagement. To that regard she will move one of the items under agenda item 8 up on today's meeting agenda. She referenced her earlier letter to OPM and the MFAC announcing her resignation from the Commission as of December 31, 2023. She indicated that she has worked with Mike LeBlanc for many years, first when he was the auditor for the City of West Haven when she worked for the City a number of years ago. She believes that Mike would make an excellent Chair. Therefore, she is making a motion that Mike LeBlanc be elected as the new Chair of the MFAC. Commissioner Kennison seconded the motion. The motion was unanimously approved by all Commissioners.

New Commission Chair Mike LeBlanc expressed his appreciation to Commissioner Buch for her many years of serving on the Commission and providing her expert knowledge in municipal finance towards the many municipalities that have come in front of the Commission. Commissioners all expressed similar appreciation to Commissioner Buch.

## 7. Town of Plymouth

Commissioner Sielman indicated that the Town of Plymouth is a client of her firm.

Mayor Kilduff provided an update on the Town's finances. The Mayor hopes to have the FY 2023 audit report submitted by the end of December but if not December, he believes the report will be issued in January of 2024. The Town expects to have a fund balance ranging in the 12% to 13%. The FY 2023 audit results will show an operating surplus. The Town is still seeking a staff accountant for the Finance office and is actively seeking to fill the position. Mayor Kilduff also provided an update on the ARPA projects and funds. Regarding the budget process, Town departments by charter do not have to have their budget requests in until the end of January, with the Mayor having to submit his proposed budget to the Board of Finance by February 22<sup>nd</sup>. He believes this time frame is unnecessarily short. According to Ms. Zweig, the Town's Finance Director, described a couple of issues related to the pension report and Board of Education grants fund. The Town plans to reconcile with the Board of Education quarterly to prevent future issues regarding this matter. In regards to Commissioner Rybacki's question on the progress of bank reconciliations, Ms. Zweig indicated that the Town has completely reconciled its bank records through October of 2023 and is working on the November, 2023 bank reconciliations. In regards to Commissioner Kennison's questions regarding audit findings, the Town is not aware of any findings that will be reported in the FY 2023 audit report.

Commissioners thanked the Town for attending today's meeting.

## 8. Other Business

- Calendar Year 2024 Proposed Meeting Dates
  - Commissioners unanimously approved the proposed meeting dates for calendar year 2024 that was provided in the meeting packet for today's meeting.
- OPM Projects
  - Tier I Eligibility – Policies and Procedures: Commissioner Kennison described the great work that OPM staff had done in this area and that OPM would be seeking the Commission's feedback. Mr. Plummer confirmed the draft documents will be provided to the Commission in the near future.
  - Draft Guide for Facilitating a Timely Audit: Commissioner Kennison provided an update on the project and the checklist that had been previously drafted by OPM. She is having a third party review the document for additional changes and once those changes have been agreed to, a copy of the document will be provided to Commissioners for their feedback. Mr. Plummer indicated that OPM is seeking to incorporate more information regarding the Board of Education as suggested by the Commission.
- Monitoring of the Late Audit Submissions / Recruitment Efforts for Local Finance
  - Commissioner Kennison indicated that she would confer with Commission Chair LeBlanc regarding invitations to municipalities to attend future MFAC meetings due to late audits including the three municipalities that appeared before the Commission at today's meeting. She believes that OPM will need to continue to closely monitor the municipalities that have provided late audits in the past. It is clear that one of the main causes for the late audits is a lack of financial staff which seems to be a problem nation-wide. Commissioners discussed the possibility of working with local colleges and high schools to develop intern programs to draw interest in accounting/finance especially as it relates to local governments.

## 9. Adjourned.

The meeting adjourned at 11:59 a.m.

Respectfully submitted,

Kimberly Kennison  
Commission Secretary