



STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT

MUNICIPAL FINANCE ADVISORY COMMISSION

DRAFT MINUTES – REGULAR MEETING

Wednesday, May 7, 2025

Meeting Location: In-Person Meeting

Date/Time: May 7, 2025, at 10:00 A.M.

Members Present: Mr. Michael LeBlanc, Commission Chair
Mr. Anthony Genovese
Ms. Marcia Marien
Mr. Glenn Rybacki
Ms. Rebecca A. Sielman
Mr. Edward Sullivan
Ms. Diane Waldron

Members Absent: Ms. Kimberly Kennison

Others Present: William Plummer, OPM Staff
Michael Reis, OPM Staff
Lori McLoughlin, OPM Staff
John Mehr, OPM Staff
Rachel Moser, OPM Staff
Joseph DiMartino, Mayor, City of Derby
Brian Hall, Finance Director, City of Derby
Dr. Matthew J. Conway, Jr., Superintendent, Derby Public Schools
Robert Trainor, Business Manager, Derby Public Schools
Dan Cunningham, First Selectman, Town of East Lyme
Kevin Gervais, Finance Director, Town of East Lyme
Lauren Garrett, Mayor, Town of Hamden
Vijay Dora, Finance Director, Town of Plymouth
Frederick Presley, Town Manager, Town of Wethersfield
Michael O'Neil, Finance Director, Town of Wethersfield
Jessica Aniskoff, CLA
Vanessa Rossitto, CLA

1. Call to order

The meeting was called to order at 10:06 a.m. by Commission Chair LeBlanc. He noted that today's meeting was the first opportunity for the newer Commissioners to meet in person for a Commission meeting.

2. Approval of the meeting minutes of February 19, 2025, Meeting

The February 19th minutes were unanimously approved.

3. FY 2023 and 2024 Municipal Audit Reports Update

Mr. Plummer provided a 4-year comparison of municipal audit report submissions from FY 2021-2024. The data reflects that FY 2024 audit report submissions by the December 31st statutory due date have improved as compared to FY 2022 and 2023 audit reports and are now back to the submission levels of FY 2021 audit reports. He indicated, however, that OPM continues to seek timelier audit submissions. For the FY 2023 audit reports, the reports must be submitted by June 30, 2024, to avoid becoming delinquent. There are two outstanding FY 2023 audit reports that being East Lyme and Wethersfield. The Town of Marlborough submitted yesterday, its FY 2023 audit report to OPM.

Mr. Plummer indicated that there are typically 5 or 6 delinquent audit reports that are submitted significantly well after the statutory 6-month extension period. OPM requested written updates from Danbury, Middletown, and Stamford, as these 3 municipalities were significantly late in their FY 2023 audit report submissions, well beyond the due date and extension submission period. The updates in today's packets provide a timetable and plan to achieve more timely audit submissions with the objective of submitting the audit reports within the statutory time frame allowed by State Law.

Commissioner LeBlanc noted that officials from East Lyme and Wethersfield will update the Commission on their FY 2023 audit and their plans going forward for their FY 2024 and 2025 audits.

a) Town of East Lyme:

Commissioner Marien noted for the record that she is not independent with respect to East Lyme.

First Selectman Dan Cunningham and Finance Director Kevin Gervais introduced themselves. Mr. Gervais indicated that he was hoping to have the FY 2023 audit report issued prior to today's meeting, but the Town encountered a snag. He described the four open items that needed to be completed for the audit report to be issued, with the primary open item related to sewer assessment fund receivables.

As to the FY 2024 audit, Mr. Gervais does not foresee the audit taking as long as FY 2023. Schedules have been cleaned up and reconciled. These records are in audit ready status for FY 2024. This same process would occur for the FY 2025 audit. Mr. Gervais is uncertain as to when its audit firm will be available to begin the FY 2024 audit as this time of year is typically the busy season for auditors. Commissioner Sullivan recommended that in preparing for the FY 2024 audit, the Town should meet with its auditor to establish a firm timeline and to prevent further delays. In addition, the Town should seek efficiencies where possible, to simultaneously prepare its FY 2024 and 2025 financial records and schedules. In regard to Commissioner LeBlanc's inquiry on the FY 2025-26 budget, Mr. Gervais indicated that the budget had not yet been adopted and would be going to referendum.

Commissioners expressed their appreciation for today's presentation from the Town.

b) Town of Marlborough

Commissioner LeBlanc provided an update based upon information submitted by Marlborough for today's meeting as the Town indicated in would not be in attendance. He indicated that the FY 2023 audit was submitted on May 6, 2025 and provided a brief update on the audit results. Interim Finance Director, Linda Savitsky notified OPM that the Town had retained a former finance director in a consulting capacity to prepare for the FY 2024 and 2025 audits. Now that the FY 2023 audit has been completed, the Town plans to search for a permanent Finance Director and is targeting to fill the position around August of 2025. The Town will be going out to bid on the FY 2025 audit.

c) Town of Wethersfield

Commissioner Sielman stated that the Town of Wethersfield was a client of her firm.

Commissioner LeBlanc noted that this is the first time that representatives of the Town will be meeting with the Commission for an update on the Town's outstanding audit reports. Town Manager Fred Presley and Finance Director Michael O'Neil introduced themselves. Mr. Presley indicated that the primary cause of the late audits for the past couple of years was due to staffing shortages, including significant turnover in personnel. Mr. Presley was hired in 2022 and became the 5th Town Manager in a 4-year period. The Town has also had four HR directors in that same time span, requiring Mr. O'Neil to fill in as the HR Director at times. The Town was also without an Assessor for eight months. In addition, the Town's Tax Collector was ill for several months, while at the same time the Town had lost its Assistant Tax Collector. This occurred right in the middle of tax season. This Tax Office staffing shortage required the Finance Department to complete that function. Mr. Presley believes the personnel problem has now been resolved.

Mr. O'Neil provided a brief update on the Town's unaudited financial results for FY 2023 and FY 2024. Regarding the FY 2023 audit, the Town's audit firm conducted field work in May of 2024, but there were still several open items, including the Tax Collector's Report, capital assets, and compensated absences. The audit was put on hold until those items were resolved. Due to a family-related matter, Mr. O'Neil was not able to work on the open items until the start of the calendar year 2025. He believes that the open items have been resolved and has communicated this to the audit firm. It is now up to the audit firm to review the information and complete the FY 2023 audit.

Regarding the FY 2024 audit, Mr. O'Neil believes that the Town is approximately 50% complete in preparing its records. Bank reconciliations are up-to-date, and he is not aware of any significant item that should hold up the FY 2024 audit now that the Town is fully staffed. Several processes previously done manually have been automated. Commissioner LeBlanc inquired whether Mr. O'Neil believed that the FY 2024 audit report could be issued by the end of the summer. Mr. O'Neil stated that the Town is making the FY 2024 audit a priority. However, the schedule of the audit firm needs to be taken into consideration.

Commissioners expressed their appreciation for today's presentation from the Town.

4. City of Derby

Commissioner Rybacki noted for the record that the City of Derby is a client of his firm.

Mayor DiMartino introduced himself and Finance Director Brian Hall. He indicated that all open positions have now been filled. Mr. Hall stated that the FY 2024 audit has one remaining open item, that being the reconciliation between the City and its Board of Education. He believes that this will be done by the end of the month allowing the audit firm to soon thereafter finalize the FY 2024 audit.

Mr. Hall is projecting a \$1.4 million budgetary operating surplus for FY 2023-24. For FY 2024-25, the City is projecting revenues approximately equal to expenditures for the fiscal year. Mr. Hall reminded Commissioners that the City had to assess a significant tax increase for FY 2024-25 in budgeting for realistic expenditures and the financing of such expenditures. For FY 2025-26 the City has adopted a flat budget with no tax increase. The FY 2025-26 WPCA budget is expected to be approved in the next few weeks. The Town has recently put out an RFP for audit services for the FY 2025 audit and expects to appoint an audit firm by June 1st.

Commissioner Waldron recommended that the City consider moving its police private duty revenues and expenditure outside of the General Fund. Budgeting for items such as police private duty can distort budgetary results leading to incorrect assumptions. Commissioner LeBlanc supported Commissioner Waldron's recommendation to Mr. Hall and requested that he review what items currently budgeted for in the General Fund should be reflected in other funds apart from the General Fund such as self-insured healthcare costs. Mr. Hall stated that the City will soon be moving to the State Partnership Health Plan. Commissioner Marien inquired about the Town's use of encumbrances

and the accounting system used on the City side. These questions and several others posed by Commissioners were answered by Mr. Hall.

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

5. Town of Hamden

Mayor Lauren Garrett introduced herself. She indicated that the Finance Office is fully staffed except for the Finance Director position. The Town has made an offer to a candidate and is awaiting a response. The Town had a 6-month vacancy in its Accountant position. The vacancies have led to a delay in the completion of the FY 2024 audit. The position has now been filled, and training was provided. She referenced the list of open items provided in today's meeting packet. The Staff Accountant is now working through the FY 2024 audit. He is also preparing for the FY 2025 audit for which the Town believes will be completed on time. The FY 2024 audit is expected to be completed by May 30, 2025. The Town is projecting a \$10 million budgetary surplus for FY 2024-25.

The FY 2025-26 proposed budget was presented and sent to the legislative council. It includes a 4.5% increase over the prior year. The Council is considering a possible phase-in of the 2024 revaluation. All ARPA funds have been obligated, and the majority have been expended. Commissioner LeBlanc noted that the Town was projecting a \$4 million budgetary operating deficit for FY 2024-25 and requested further details. Mayor Garrett indicated the projected deficit had two primary causes. (1) The Town received its latest defined benefit pension plan valuation that reflected an increase in the ADEC more than what the Town had budgeted for. The ADEC increase was primarily due to having settled contracts with various bargaining groups that called for salary increases including retroactive payments that were now reflected in the latest pension valuation. (2) The City participates in the CT Municipal Employees Retirement System (CMERS), the Town did not adequately budget the ADEC amount required by CMERS. The City has proposed an appropriation from fund balance to offset the projected increased expenditure.

Commissioner Sielman posed several questions to Mayor Garrett regarding the increased pension costs due to the pension valuation and increased charge from CMERS. She made several recommendations to Mayor Garrett including the retention of an actuarial audit of the pension plan. The primary objective of the recommendations was to ensure that the pension plan liability was being adequately measured and thereby ensuring that contributions are being made in sufficient amounts to fund the pension liability over time. Commissioner Genovese inquired about how much consideration and work had been done regarding the possible phase-in of the revaluation. Mayor Garrett indicated that there was considerable analysis and offered to provide further details to OPM and the Commission. Commissioner Rybacki recalled that there was significant bond restructuring done over several years and inquired as to whether such restructuring had now ceased. Mayor Garrett described the restructuring strategy and indicated it was partially intended to increase fund balance. In general, she is not in favor of restructuring because it can cause a burden upon future budgets through the delay of debt service payments in earlier years. She is not opposed to restructuring being used as a tool for specific purposes. Commissioner Rybacki expressed his appreciation for Mayor Garrett's view on bond restructuring being done to achieve overall savings as opposed to delaying debt payments. Commissioner LeBlanc recommended that if the FY 2024 audit is delayed beyond the end of May, the Mayor prioritizes issuance of the FY 2024 audit report no later than June 30, 2025.

Commissioners thanked Mayor Garrett for attending today's meeting.

6. Town of Plymouth

Commissioner Sielman stated that the Town of Plymouth was a client of her firm.

Finance Director Vijay Dora introduced himself and indicated that he recently became the Town's Finance Director back in December. The FY 2025-26 was adopted on April 22nd. The FY 2024 audit

is still in progress and there is one open item regarding certain receivables. The Town is projecting issuance of the FY 2024 audit report by the end of June. However, the Town retained a new audit firm for the FY 2024 audit and the June projection date is based upon the auditor having the availability to complete the audit. Mr. Dora believes the FY 2025 audit will be completed in a shorter time frame now that he has been with the Town and has become more familiar with the Town's accounting system. Commissioner LeBlanc recommended that Mr. Dora work with his audit firm to prioritize issuance of the FY 2024 audit report by June 30, 2025.

Regarding ARPA, Mr. Dora indicated that the Town had established an ARPA committee, and he believes most of the funds have been expended. There are two projects that have yet to be completed, each for approximately \$300,000. Commissioners inquired whether the two projects had been properly obligated by December 31, 2024, in accordance with Federal rules. Mr. Dora indicated a belief that the projects were obligated but that he would verify and inform the Commission.

Commissioners thanked Mr. Dora for attending today's meeting.

7. Other Business

Commissioner LeBlanc stated that the next meeting of the Commission is scheduled for September 10, 2025. It was scheduled as a virtual TEAMS meeting. OPM is seeking feedback on whether Commissioners would prefer to have the September meeting be an in-person meeting.

Several Commissioners recommended that OPM transmit to municipalities again its Guidance and Checklist for Facilitating a Timely Audit to municipalities. Frequent transmission of the document would be beneficial to municipalities.

8. Adjournment:

The meeting adjourned at 11:26 a.m.

Respectfully submitted,

Kimberly Kennison
Commission Secretary