STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

MUNICIPAL FINANCE ADVISORY COMMISSION

APPROVED MINUTES – REGULAR MEETING

Wednesday, September 10, 2025

Meeting Location:	Telephonic Meeting
Date/Time:	September 10, 2025, at 10:00 A.M.
Members Present:	Mr. Michael LeBlanc, Commission Chair Ms. Kimberly Kennison Mr. Anthony Genovese Ms. Marcia Marien Ms. Rebecca A. Sielman Mr. Edward Sullivan Ms. Diane Waldron
Members Absent:	Mr. Glenn Rybacki
Others Present:	William Plummer, OPM Staff Michael Reis, OPM Staff John Mehr, OPM Staff Rachel Moser, OPM Staff Simon Jiang, OPM Staff Lori McLoughlin, OPM Staff David S. Cassetti, Mayor, City of Ansonia Kurt Miller, Budget Director, City of Ansonia Kim DeStefano, Acting Comptroller, City of Ansonia Richard Bshara, President of the Board of Education, City of Ansonia 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 Sean Grace, Chief of Staff, Town of Hamden Rick Galarza, Deputy Finance Director, Town of Hamden David R. Porter, Town Manager, Town of Marlborough Joseph Kilduff, Mayor, Town of Plymouth Vijay Dora, Finance Director, Town of Plymouth Frederick Presley, Town Manager, Town of Wethersfield Michael O’Neil, Finance Director, Town of Wethersfield John Accavallo, Accavallo & Company Kyle Connors, CBIZ Leslie Zoll, CLA Michael Popham, CLA Vanessa Rossitto, CLA

1. Call to order

The meeting was called to order at 10:03 a.m. by Commission Chair LeBlanc. He noted that today's meeting was the first for the City of Ansonia. He indicated that the goal of the Commission was to collaborate with municipalities appearing before the Commission to improve upon their financial condition and fiscal practices. The Commission provides recommendations and advice based on the reasons why the municipality is meeting with the Commission.

2. Approval of the meeting minutes of May 7, 2025, Meeting

The May 7th minutes were unanimously approved.

3. FY 2023 and 2024 Municipal Audit Reports Update

Mr. Plummer indicated that the Town of Wethersfield was the only municipality with an outstanding FY 2023 and 2024 audit report.

As to the FY 2024 municipal audit reports, there were 20 municipalities with delinquent FY 2024 reports. OPM transmitted a letter to each municipality on behalf of the Commission expressing concerns with their delinquent reports and the effects the late audits can have on their financial plans and the completion of their subsequent audits. Three municipalities have submitted their FY 2024 reports since becoming delinquent. The Commissioners referred to the audit submission chart that provided an overall summary of audit submissions for the past four years for each of the 20 municipalities with delinquent FY 2024 audit reports. Mr. Plummer answered several questions from Commissioners related to the municipal audit submissions.

Commissioner LeBlanc noted that officials from East Lyme, Marlborough and Wethersfield were in attendance to update the Commission on their delinquent audit reports.

a) <u>Town of East Lyme:</u>

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 the FY 2023 audit has been completed since East Lyme last met with the Commission in May. The auditors are expected to be out at the municipality next week to begin field work on the FY 2024 audit. East Lyme has been working with its auditor for an aggressive timeline to complete the FY 2024 audit. Currently, the FY 2024 audit is projected to be completed by the end of calendar year 2025 or early January 2026. As to the FY 2025 audit, the Town is hoping to have that audit completed within the allowed 6-month extension period which is no later than June 30, 2026. With the time frame indicated, the Town will then be back on track with timely audit submissions beginning with the FY 2026 audit.

Mr. Gervais indicated that the FY 2023 audit results included a $760,000 surplus being added to the Town's General Fund, fund balance. This would bring East Lyme's fund balance to over its 17% targeted fund balance. As to FY 2024, the Town is projecting a surplus of approximately $1,000,000. There were also revisions made to capital assets and that item has now been cleaned up. The Town has a new fixed assets software to track its capital assets going forward. Commissioner Kennison inquired with the Town's auditor, Leslie Zoll from CLA whether she would be able to confirm the timeline provided by Finance Director Gervais. She indicated that her firm is expected to begin field work next week. Once she has not received the Town's FY 2024 trial balance she will be able to determine if the audit can progress forward.

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

b) Town of Marlborough

Marlborough's Town Manager, David Porter, indicated that Interim Finance Director, Linda Savitsky, was unable to attend today's meeting. He believes the Town has made significant progress on the FY 2024 audit. The Town plans to provide its auditor the Tax Collector's Report in the next couple of weeks and the Fixed Assets Report, soon thereafter. The Town's auditor has been working with the Board of Education on the information the audit firm needs from the Board for completion of the audit. Mr. Porter believes that the FY 2024 audit report can be completed in weeks rather than months. The plan is to then transition directly into the FY 2025 audit and now that the Town has the team and people in place, he believes the FY 2025 audit can be completed quickly to get Marlborough on track to timely audits.

Vanessa Rossitto from the Town's audit firm, CLA, indicated that she was in agreement with Mr. Porter's description of where the FY 2024 audit was at and the remaining open items. Once the open items are provided, the firm will need a couple of weeks to review and audit the information. The firm will therefore have to fit this into its schedule and then continue its second review process. An optimistic projection would be the issuance of the FY 2024 audit report by the end of October. There has been no discussion to date regarding the FY 2025 audit.

Commissioner Kennison recalled that the Town had previously indicated that the FY 2025 audit was to go out to bid. She is recommending that Marlborough continue with CLA as its FY 2025 auditor since the Town needs to catch up on its outstanding audits. Mr. Porter indicated that he thought this was sound advice and that his intent would be to continue with CLA for the FY 2025 audit. In response to Commissioner Marien's question on staffing in the Finance Office, Mr. Porter indicated that the Town has advertised for a permanent Finance Director but the position remains unfilled due to the market and the shortage of experienced and qualified candidates. The lower-level staffing positions in the Finance Office are filled with capable employees. Commissioner Waldron inquired whether the auditor had received all information it needs from the Board of Education to complete the FY 2024 audit. Ms. Rossitto indicated that the audit firm was still working with the Board of Education, but she believes that the information needed will be received and not be an issue in completing the audit.

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

c) Town of Wethersfield

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

Town Manager Fred Presley and Finance Director Michael O'Neil introduced themselves. Commissioner LeBlanc requested that the Town first provide an update on its overdue audits.

Mr. Presley reminded Commissioners that the primary cause of the late audits for the past couple of years was due to staffing affecting the finance office including the HR director, the Tax Collector, and the Assessor's Office. The staffing issues have now been resolved, and he believes that the Town will be able to catch up on its overdue audits.

Mr. O'Neil indicated that the Town' auditing firm, CLA, had been provided everything needed from the Town for the audit firm to complete the audit. He is waiting for a draft of the audit, for which he does not expect any significant time to turnaround for the issuance of the FY 2023 audit report.

According to Mr. O'Neil, the 2024 information needed from the Town for the audit firm to complete the FY 2024 audit, is 75% complete. The primary items that are incomplete are the Tax Collector's Report, capital assets information and reconciliation of the medical self-insurance fund. The Town is also addressing the audit related items needed by the audit firm to complete the FY 2025 audit. As to

FY 2023 and 2024 projected results, the Town is estimating positive results which will build upon its fund balance by $800,000 to $1,000,000 in each year, bringing fund balance to approximately 11% to 12%, above the 7% to 10% fund balance policy. The FY 2024-25 General Fund financial records of the Town have been closed. The FY 2024-25 budget included $1.8 million in fund balance to assist in financing the budget, however, the Town is estimating only needing to use $500,000. There were significant over-expenditures for legal expenses, electricity costs, and overtime.

Commissioner LeBlanc asked Ms. Rossitto to describe the status of the FY 2023 audit. She confirmed the status provided by Mr. O'Neil and indicated that her firm would need to find the time to finish the audit. She described certain items that needed to be addressed including the testing of one additional program related to the State Single Audit and a preliminary governance letter from the Town Council. She is hoping to provide the Town with a draft of the FY 2023 audit report by the end of September. Regarding the FY 2024 audit, it is difficult to provide any projections. She would need to go back and determine what has been provided to date from Wethersfield and currently it is the busy time of the year for auditors.

Commissioner LeBlanc inquired with Mr. O'Neil about the time needed to provide the remaining 25% of information needed by the auditor to complete the FY 2024 audit. Mr. O'Neil indicated that he realistically believes he can provide the remaining 25% to the auditor by the end of October. Commissioner Kennison asked Mr. O'Neil to clarify the projection date for the submission of the FY 2024 audit report. Mr. O'Neil indicated that at this time his primary focus had been the FY 2023 submission and working on the records needed for the FY 2024 audit. He has not discussed an issuance date for the FY 2024 audit report with CLA and wants to ensure that all information needed by the auditor is in place before the audit firm begins field work on the FY 2024 audit.

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

4. City of Ansonia

Commissioner Sielman noted for the record that Ansonia was a client of her firm.

Mayor Cassetti and Budget Director Kurt Miller introduced themselves to the Commission. Mayor Cassetti indicated his belief that the legislation that brought Ansonia under the oversight of the MFAC was not due to financial necessity but due to political maneuvering. Nevertheless, he understands the important role of the Commission in ensuring the stability and accountability of municipalities and plans to use the meetings as an opportunity to strengthen Ansonia's financial progress. Mr. Miller introduced Kim Destefano, the City's Acting Finance Director, Richard Bshara, President of the Board of Education, and John Accavallo, the City's independent auditor. He described the circumstances that led to the repeated audit findings, that being outdated financial systems and staffing shortages. Those obstacles have now been corrected. The finance team is fully staffed, and systems have been upgraded, including the integration between the Board of Education and the City's finance systems. These improvements mean that the City will now be able to submit the required audit information consistently and on time. The FY 2025 audit is on track to be submitted by the December 31st deadline. He also cited certain indicators of Ansonia being a distressed municipality with its residents facing financial challenges.

Commissioner LeBlanc inquired as to the closing of the FY 2025 books and the status of the FY 2025 audit. Ms. DeStefano indicated that the auditors were at the Board of Education yesterday conducting field work and plan to begin field work at the City in the next couple of weeks. The City is definitely ahead of schedule from where it was for the FY 2024 audit.

Commissioner LeBlanc inquired on the City's FY 2025 preliminary results. Ms. DeStefano indicated that the City is projecting to be in good shape with the sale of the Water Pollution Control Authority (WPCA) building upon its fund balance. Some of the proceeds from the sale has been set aside in a separate fund to be used for rate stabilization and for certain projects such as the carport project. The WPCA, Clean Water

Fund bonds were paid off early and the remaining proceeds will increase fund balance. Until the audit is closer to completion, she is unable to provide a specific number as to FY 2025 operating results.

Commissioner Sullivan asked the City to describe the "use of future revenue" for $7.4 million and the "fund balance as income revenue" for $4.4 million disclosed in the FY 2024-25 budget vs actual information provided. Mr. Miller indicated that the use of future revenue was regarding ongoing projects; an energy efficiency project and an economic development project. The revenues from the projects did not come to fruition in FY 2024-25. In regard to the $4.4 million use of fund balance, with the sale of the WPCA it appears that this revenue source was not needed. To fully understand the "use of future revenue" and its impact on the City's budgets and fund balance, Commissioners requested that the City provide a schedule for each fiscal year that the City budgeted or plans to budget for this revenue item. The schedule should include any contingencies planned by the City should there be a revenue shortfall for this revenue item. Commissioners also requested the City to provide a breakdown of how the WPCA proceeds were to be used which would include the amounts allocated by use. A number of other questions were asked by Commissioners and answered by the City.

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

5. City of Derby

Finance Director Brian Hall introduced himself and indicated that Mayor DiMartino was unable to attend today's meeting due to a family emergency. Mr. Hall provided a description of the results of the FY 2024 audit, for which the audit report was submitted to OPM in June of 2025. The audit showed the Town with a $1.8 million General Fund surplus. The Town is building upon its fund balance and the fund balance as of June 30, 2024, was $4.4 million. He is projecting a surplus of approximately $1.0 million for FY 2025, which would bring the Town's fund balance to the 10% level. The FY 2024 audit report disclosed 3 fewer audit findings than the previous year's report, but Mr. Hall understands that there is still more work to do to resolve the remaining findings noted in the FY 2024 audit report. Mr. Hall indicated that regarding the ongoing budget issues, he is continuing to work on the budgeting practices surrounding Board of Education grant revenue and expenditures and WPCA bonds.

For the FY 2025 audit, there was an RFP for auditing services, and the Town now has a new auditing firm, Clermont and Associates. The Board of Education (BOE) hired a consultant to assist with its financial systems, bank reconciliations and other processes. This should assist the Board in addressing several of the audit findings which were associated with the BOE. Mr. Hall believes that with the staffing changes in the Finance office, the Tax office, and the hiring of a consultant at the BOE, the Town is in a better position for completion of the FY 2025 audit. The goal would be to complete the FY 2025 audit by the December/January time frame.

Commissioner Kennison recalled that the City had implemented a new financial accounting system, but she is still seeing an audit finding for a lack of a double entry accounting system. Mr. Hall confirmed that the City had implemented a new accounting system and that this audit finding was primarily regarding the Board of Education side. In regard to Commissioner LeBlanc's question as to whether there had been any thought to bringing the Board of Education into the City's new accounting system, there has been no thought to date of doing this. However, there have been discussions about consolidating certain procedures, including payroll. Currently, there are two different payroll systems for the City and Board of Education. Mr. Hall described certain assumptions/details regarding the FY 2025-26 budget. He indicated that approximately $360,000 was included for use of fund balance as a potential revenue source should there be a need. The City's new Tax Collector has done a great job in pursuing delinquent taxes, and the City may end up collecting at a higher rate than what was assumed in the FY 2025-26 budget. Commissioners had several questions regarding the audit findings and the FY 2025 audit. Mr. Hall answered the questions raised.

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

6. Town of Hamden

Mayor Garrett indicated that the Finance Office is still without a Finance Director, and she believes that it would be beneficial for the Town to retain an accountant to assist with completion of the FY 2024 and 2025 audits in a timelier manner. The Town is also reviewing the different modules in MUNIS for add-ons that can be beneficial with the Town's reporting. Due to the Town's charter, as the Mayor is not seeking re-election and the time being so close to election, she is unable to provide an employment contract for a Finance Director.

In regard to the status of the FY 2024 audit, the Town hired its former auditor, David Cappaletti, to assist in getting its FY 2024 financial records finalized for the audit. In addition, there was some work that needed to be completed at the Board of Education. There is also an issue with the FY 2023 ending balance for which Mr. Cappaletti has also been helping with. Mr. Cappaletti has indicated to the Mayor that he should be done by the end of the week and would then get the trial balances over to the new audit firm. For the past couple of months, the Finance Office has been working on getting all its information over to its auditor. She believes that the Town is in a better position to complete its FY 2025 audit.

Commissioner LeBlanc requested that the Town's auditor speak on the timeline projected for the completion of the FY 2024 audit. Kyle Connors from CBIZ, the Town's FY 2024 audit firm, indicated that his expectation was to receive the trial balance over the next couple of weeks and then fit the audit into its schedule. The Town is projected to have its FY 2024 audit completed by the end of this calendar year.

Mayor Garrett indicated that for FY 2024, the Town expects a surplus of approximately $10 million. For FY 2025, the Town is projecting an operating deficit of between $15,000,00 to $16,00000, with the Town having to use fund balance (budgeted) to finance the projected deficit. The projected operating deficit is due in part to property tax revenue shortfalls and unanticipated additional contributions towards its defined benefit pension plan and CMERS. The Town's FY 2025-26 budget is to be balanced in part by $9,000,000 in revenues from the use of fund balance and $7,000,000 in expenditure savings. Commissioner Waldron indicated that for the past several years, the Town had made significant progress in rebuilding its fund balance. However, with the information provided in today's packet, she has concerns on what appears to be a drawdown on the Town's fund balance as evidenced by the projected operating deficit for FY 2025 and then with the budgeted use of $9,000,000 in fund balance to finance the FY 2026 budget. Also of concern was the $7,000,000 in savings that would need to be found in the FY 2025-26 budget. If the savings do not occur, the Town would likely need to further draw down upon its fund balance. Several Commissioners expressed similar concerns regarding the erosion of the fund balance after the Town having rebuilt its fund balance for the past several years.

Commissioners thanked Mayor Garrett for attending today's meeting.

7. Town of Plymouth

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

Mayor Kilduff provided an update on the status of the FY 2024 audit and indicated that he is projecting the audit to be completed by the end of September. The Town would then continue to work on completion of the FY 2025 audit. The goal is to complete and issue the FY 2025 by December 31st but definitely no later than the first quarter of 2026. According to Finance Director, Vijay Dora, reconciliations are up to date through July of 2025. He believes that the financial records needed by the auditor to complete the FY 2025 audit will be available in time for the auditor to complete the audit by the December 31st due date barring any unforeseen open item.

According to the Town's independent auditor, Kyle Connors of CBIZ, he will be reviewing over the next week the 8 to 10 journal entries that the audit firm was waiting on to complete the FY 2024 audit. Regarding the FY 2025 audit, the firm will fit the Town into its FY 2025 audit schedule.

Mayor Kilduff indicated that the FY 2024 and 2025 projected audit results show an increase to fund balance in both years, in large part due to the Town moving its deposits into higher interest-bearing accounts.

Commissioner Kennison noted that the Town was close to being released from the oversight of the MFAC but continues to be under its oversight due to its late audits. She recommended that the Town place the utmost effort on ensuring that its audits are completed in a timely manner going forward.

Commissioners thanked Mayor Kilduff and Mr. Dora for attending today's meeting.

8. Other Business

Commissioner LeBlanc referred Commissioners to the draft MFAC guidelines included in today's packet. He requested Commissioners to review the document and provide their feedback to Mr. Plummer who will then incorporate the information and re-draft the guidelines. The revised draft guidelines will be provided at the November meeting for approval.

Commissioner Kennison updated fellow Commissioners on legislation adopted in the FY 2025 legislative session that will impact the Commission. Public Act 25-174 requires the City of Bridgeport to submit a report to the MFAC to ensure that it will not require supplemental education grants-in-aid in future years. The City is also to appear before the Commission by December 31, 2025. The City is expected to be on the agenda for the November MFAC meeting.

9. Adjournment:

The meeting adjourned at 12:14 p.m.

Respectfully submitted,

Kimberly Kennison
Commission Secretary