

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, November 7, 2019 10:00 AM –12:00 PM

Meeting Location: Board of Regents Conference Room, 61 Woodland St, Hartford, CT

Members in Attendance: OPM Secretary Melissa McCaw, State Treasurer Designee Christine Shaw (Assistant State Treasurer), Matthew Brokman, Patrick Egan, Stephen Falcigno, Tom Hamilton, Scott Jackson, Sal Luciano, Mark Waxenberg, Bob White, and David Wright-Biller

Municipal and State Staff and Others Present: Luke Bronin (Mayor of Hartford) and staff, Cheryl A. Blanchard (First Selectman of Sprague) and staff, West Haven Mayor Nancy Rossi (attendance by phone) and staff, Michael Milone (OPM liaison), OPM Staff - Kimberly Kennison (Executive Finance Officer), Julian Freund, Gareth Bye, and Bill Plummer

I. **Call to Order:** Secretary McCaw called the meeting to order at 10:00 a.m. She introduced Christine Shaw as State Treasurer Wooden’s new designee to the Board. She indicated that Ms. Shaw is the Assistant Treasurer for Policy at the State Treasurer’s Office.

II. **Public Comment* Period:**

Secretary McCaw opened the meeting up for public comments and requested that anyone who wanted to speak to identify themselves including their City of residence and to keep their comments to no more than two minutes.

Speaker: Doctor Larry Deutsch – Councilman Hartford City Council: Dr. Deutsch referred to the handout that he had provided Board members regarding a recent health plan task force. He proceeded to comment on the health and financial impact to municipal employees of high deductible health plans.

III. **Approval of Minutes:**

a. September 19, 2019 Regular Meeting

Mr. Brokman noted for the record that he viewed the September 19 meeting on CT-N. The minutes were approved with Secretary McCaw and State Treasurer Designee Ms. Christine Shaw abstaining.

IV. **Town of Sprague Issues and Items**

Secretary McCaw welcomed and congratulated Sprague’s Ms. Cheryl Blanchard for her recent election as Sprague’s First Selectwoman. First Selectwoman Blanchard indicated that she looked forward to working with the Board. She is familiar with the matters between the Board and the Town of Sprague and is now focusing and learning the details around these matters as she has just taken office.

a. Review and discussion: Monthly Financial Report September 2019

Mr. Julian Freund provided a summary on the September 2019 budget to actual results and an overall summary of the first quarter results of the 2019-20 budget of the Town. He also provided information on the status of the sale of property anticipated by the Town and the \$500,000 cash infusion provided in MARB restructuring funds at the beginning of FY 2019-20 to avoid the Town incurring cash flow difficulties.

Mr. Hamilton asked about the Town's current cash flow situation. Mr. Freund and Secretary McCaw noted that the initial distribution of funds provided the Town cash to get through the first quarter and that OPM is monitoring the Town's cash flow to determine whether the delayed property sale, or any other condition, would necessitate an additional distribution of restructuring funds or an expedited payment of ECS funds.

Several questions were posed by Board members to Sprague finance staff in attendance. Answers were provided. Ms. Kennison provided an update on the audit findings and her work to date with the Town on implementing corrective actions to address these findings.

V. City of West Haven Issues and Items

a. Subcommittee update

Mr. Freund provided an update of the most recent subcommittee meeting that was held on October 15th. A discussion ensued among members regarding the City's finances and additional data that members would be seeking in the future. Secretary McCaw noted her intent with regard to municipal restructuring funds for FY 2019 is to provide what is necessary for the City to achieve balance. If the full amount of funding allowed for in the MOA is not needed, then the full amount will not be distributed. She further noted the board's intention that IBNR costs associated with transitioning to the Partnership could be a use for the surplus dollars from FY 2019.

b. Review and discussion: Monthly Financial Report September 2019

The City's finance director Frank Cieplinski provided a summary of the results of the first quarter of the FY 2019-20 budget to actual results and a comparison to the previous year. He also specifically provided details of the results for the month of September 2019.

A discussion ensued among members regarding the City's five-year plan and several questions were posed to the City regarding the plan.

c. Update: Status of Corrective Action Plan re: prior years audit findings

Mr. Cieplinski provided an update on the corrective action plan and referenced the Audit Findings Issues table provided in today's materials. Ms. Kennison requested that Mr. Cieplinski in his next update to the Board on the corrective action plan include a column indicating for each item that has been closed, the specific date that the corrective action plan was implemented allowing the closing of the audit finding. This enhancement would assist Board members to clearly identify what items still needs to be addressed.

Note: Secretary McCaw indicated that she would have to attend to another matter at this time and therefore Ms. Kennison, as the Secretary's designee would be assuming the co-chair role for the remainder of today's meeting.

d. Update: MOA compliance

Mr. Freund provided a description of the open compliance items; that being the 5-year plan and the plan for addressing the Human Resource functions and Employee Benefits processing. Questions were posed to the City in regard to these open items. A presentation by the HR consultant is expected at the next subcommittee meeting.

e. Update: Partnership planning

Mr. Milone provided an update on the status of the various bargaining units transition to the State's Partnership Plan and answered the questions posed by Board members in regard to the Plan.

VI. City of Hartford Issues and Items

a. Subcommittee update

Mr. Freund provided an update of the Hartford regular subcommittee meetings held on October 17th and the special meeting held on October 30th.

b. Review and discussion: Monthly Financial Report September 2019

The City' budget director, Jolita Lazauskas, provided an update on the September 2019 budget to actual results for the City and a summary of the first quarter of the FY 2019-20 actual results.

c. Review, discussion and possible action: Labor contracts

i. Local 566 (Board of Education)

Melinda Kaufman, Attorney for the Board of Education and other representatives of the Hartford Board of Education and Local 566 provided a description of the proposed labor contract being presented to the Board for approval. Several questions were posed by Board members and answered by Ms. Kaufman. The contract was approved by all Board members in attendance.

d. Review and discussion: Non-labor contracts

The following nonlabor contracts were described by representatives for the City of Hartford and its Board of Education. Ms. Kennison reminded Board members that these non-labor contracts do not require approval from the Board.

i. Athletic Trainer Solutions (Board of Education)

ii. Rensselaer Hartford Graduate Center – Parking Agreement

iii. OR&L - Public Safety Facility Management Services

iv. Salvation Army – Shelter Operation

Carmen Shapiro from the City provided a description of the proposed contract. Mayor Bronin provided a comment on his belief that homelessness is a statewide regional challenge, not just a challenge for the City of Hartford. He believes that to ultimately resolve this challenge successfully, the State should address the issue on a regional basis.

VII. Other Business

a. Subcommittee assignments 2020

Mr. Freund referenced the document provided on current subcommittee assignments and indicated that if members wanted to change or be added to a new subcommittee to let him know. A discussion ensued among members regarding related matters.

b. Staff update from Fiscal Sustainability workshop

Ms. Kennison and Mr. Freund provided a description of a recent workshop they attended on Fiscal Sustainability sponsored by the Pew Charitable Trust. There were several states that provided presentations on what data they review and what actions are ultimately taken to address a municipality's fiscal issues. Mr. Bye indicated that if there was any legislation that Board members would like to propose to further enhance the Board or legislation to address a municipality's problems before it reached the level of fiscal distress requiring the MARB intervention, then he would welcome Board members to contact him with their proposals.

VIII. Adjourn

Meeting adjourned at 12:27 pm