

**APPROVED**  
STATE OF CONNECTICUT  
MUNICIPAL ACCOUNTABILITY REVIEW BOARD  
**REGULAR MEETING MINUTES**

**Meeting Date and Time:** Thursday, July 14, 2022 10:00 AM –12:00 PM

**Meeting Location:** Legislative Office Building  
Hearing Room 1D  
300 Capitol Ave  
Hartford, CT

**Call-In Instructions:** Telephone: 1 860-840-2075  
Meeting ID: 587 326 891

Members in Attendance: OPM Secretary Beckham, Christine Shaw (State Treasurer designee), Sal Luciano, Thomas Hamilton, David Biller, Patrick Egan, Mark Waxenberg, Robert White

Tier IV Members in Attendance: Mayor Rossi, Colleen O'Connor

Municipal Officials in Attendance: Mayor Bronin, Leigh Ann Ralls, Philip Penn, First Selectman Cheryl Blanchard, Superintendent Hull, Scott Jackson, David Thomas, Lee Tiernan

Staff in Attendance: Kimberly Kennison (OPM), Julian Freund (OPM), James Caley (Office of Attorney General)

**Agenda**

I. Call to Order & Opening Remarks by Secretary Jeff Beckham and Treasurer Shawn Wooden

The meeting was called to order at 10:04 AM.

II. Public Comment Period

Paige Weinstein of West Haven asked for clarity regarding whether the MARB has embedded a financial manager at the City yet, and also expressed hope for greater oversight of the City by the MARB.

Secretary Beckham noted that the board does not have anyone embedded with the City at this time, but that is part of the board's plan to be discussed later on the agenda.

III. Approval of Minutes:

a. June 15, 2022 Regular Meeting

Mr. Biller made a motion to approve the minutes with a second by Mr. Egan. Ms. Kennison suggested adding James Caley of the Attorney General's Office to the list of attendees of the meeting. Ms. Shaw asked that a clarification be made to page 3, paragraph 2, last sentence of the minutes regarding City Council approval of the Police contract. She asked that the minutes reflect that she did not want to second guess the judgement of those who negotiated the contract. The minutes were approved unanimously, as amended.

IV. City of Hartford

a. Subcommittee update

A written update was included in the meeting materials.

b. Review, Discussion and Possible Action: Labor Contract

i. Hartford Federation of School Secretaries

This is an agreement with the union representing approximately 100 secretaries and clerical positions at the Hartford Board of Education. The last contract expired June 30, 2018. This contract would have a term of July 1, 2018 through June 30, 2024. The union and the Board of Education have both ratified the agreement. If the board opts to take action on this contract, it has until July 20 to do so. At its June meeting the Hartford Subcommittee voted to recommend approval of the contract by the full MARB.

Mr. Penn provided an overview of the proposed contract. This is the seventh labor contract that the Hartford BOE has brought to the board since December 2021. No general wage increase (GWI) is provided for the first three years, followed by a 2% GWI retroactive to July 1, 2021, a 2% GWI in FY 2023 and a 3% GWI in FY 2024. The PPO health option is sunseting in FY 2024. All members will be converted to the high deductible/health savings account health plan. Employee premium cost shares increase from the current 14% to 14.5% effective July 1, 2022 and to 15% effective July 1, 2023.

Mr. White made a motion to approve the contract with a second by Mr. Egan. The motion was approved unanimously.

c. Review and discussion: Monthly Financial Report: May 2022

Mayor Bronin provided an update on the City budget as of the end of May. The City is projecting an end of year surplus of about \$9.4 million. Mayor Bronin noted this is a conservative projection and could increase. He also advised the board that the City Council allocated \$5 million of the projected surplus to Fund Balance, \$1 million to capital equipment purchases, \$6 million to capital improvements in economic and community development. In response to a question about the potential BOE surplus, Mr. Penn indicated that surplus funds in the Education budget would likely be allocated to school construction projects to cover construction price increases.

V. Town of Sprague

a. Review and Discussion: Monthly Financial Report: May 2022

Cheryl Blanchard, First Selectman, reported that revenues and expenditures are trending similar to last year. The Town is projecting a surplus of about \$100,000, not including any balance remaining for the Board of Education. William Hull, Superintendent, added that the schools' expected surplus is another \$100,000 to \$120,000.

Secretary Beckham asked if the board would consider allowing the Town of Sprague to only attend meetings when necessary based on the content of the agenda. Mr. White asked for a synopsis of the criteria for releasing the Town from oversight.

VI. City of West Haven

a. Subcommittee Update

A written update was included in the meeting materials. Mr. Freund highlighted some of the Subcommittee's review of a revised 5-Year Plan and further adjustments that the Subcommittee has requested.

b. Tier IV Action Plan

i. Review and Discussion: Action Plan Timeline

Ms. Kennison outlined an updated timeline for implementation of the Tier IV action plan which was included in the meeting materials.

ii. Review, Discussion and Possible Action: Draft Scope of Services for Financial Organizational Assessment

Mr. White spoke about cultural change in the City, at the department head level and among the City Council. He advocated using the MARB's ability to shed light on City issues by holding discussions with City Council members. He also spoke in favor of an investigative aspect to the scope that would look back at questions raised in the CohnReznick report. Secretary Beckham noted that prioritizing credentials and experience in hiring decisions can help facilitate cultural change. He added that if the City does not make progress under this board, there may be discussions with the General Assembly about something sterner. Mr. Waxenberg noted the City's difficulty in responding to board requests for information. Secretary Beckham noted that the board is at the very beginning of its new role of oversight at Tier IV and that getting the processes and resources in place that will have an impact on the City will take time. Mr. Luciano added that breaches of ethics need to result in ramifications. Ms. Shaw said that there should be an alignment of interest in addressing City problems and expressed concern regarding the City Council's resistance to some of these efforts. She agreed that formal meetings with City Council members would be helpful. Mr. Egan said that taking on the matters of inconsistencies or noncompliance with policies could begin before the organizational assessment and the other items in the Tier IV plan.

Mr. White suggested adding to the scope of services that the consultant report out on any instances of waste, fraud or abuse that are discovered. He added that it is not clear if the City

investigation will be looking at past actions or is only forward looking, but that the City should be given direction to not continue with the investigation. He also said that the board should consider what steps it wants to take that are not readily apparent.

Mr. Hamilton raised the possibility of the City building an internal audit department, focused on waste, fraud and abuse. He suggested that the scope of assessment include some discussion around establishing an internal audit function that reports to the MARB. He added that the Financial Manager position is a key role and the assessment should include some discussion of how to structure that position.

Mr. Biller agreed with Mr. White that MARB's role should include getting information out to West Haven voters. The value of the CohnReznick report was the transparency it provided. He would like to look at ways the board can help inform West Haven voters.

Ms. Kennison, in response to questions about the Financial Manager, explained that the financial organizational assessment will provide the Financial Manager with a roadmap. Members discussed the target dates included in the timeline. The assessment would be performed by a firm selected from several that are already under contract with the State. The assessment would be phased such that the areas of highest risk would be addressed first. The Financial Manager would be selected through an RFP process with a selection committee established consisting of OPM staff and representation from the board.

To establish transparency, Mr. Waxenberg asked for the names of any and all elected and appointed individuals including police and fire commissioners, their current and past employment, the names of relatives of such individuals that are employed by the City or its fire districts or have contracts for service with the City or districts. Secretary Beckham suggested that the organizational assessment could look into this. Ms. Kennison said the assessment could at least identify if the City has adequate disclosure processes and what they are. Secretary Beckham added that the answer appears to be that the City does not, and so there is a need to know who has contracts with the City.

Mr. Egan pointed out that the City already has many policies and procedures on paper, but that they are often disregarded. This board needs to address what the consequences of noncompliance will be. Ms. Shaw added that non-responsiveness to board requests for information should also carry consequences.

Staff will amend the scope of the assessment to incorporate comments of the board and proceed with the selection of a firm. Quotes will be sought from firms on an existing state contract.

### iii. Review, Discussion and Possible Action: Tier IV Implementation Spending Plan

Secretary Beckham explained that the spending plan is consistent with what had previously been presented to the board. All of the funds are budgeted, but the intent is not to expend all of the available funds. All contracts with consultants and the Financial Manager will be brought to the board for approval.

Mr. Egan made a motion, with a second by Mr. Luciano, to request that the Secretary direct staff to implement the plan and to report back to the board and subcommittee regularly on implementation. The motion passed unanimously.

#### iv. Review and Discussion: MARB Policies and Procedures

Draft policies and procedures were distributed in advance of the meeting. Mr. Freund summarized the proposed policies that have been drafted. In addition to policies and procedures that address Tier IV oversight, the proposed policies include some revisions to correct for spelling or grammatical errors, legislative changes, and clarifications in some existing policies.

Members made suggestions for revisions to the proposal including the following:

- Section III.D. – Amend to indicate that the MARB may seek review of contracts that are not specifically covered by the policy
- Section IV.A. – Amend to require that the 5-Year Plan be submitted at the same time as the budget/add a date certain for budget submittal
- Section IV.H. – Remove the exclusions
- Add to Financial Manager’s role – monitoring and enforcement

Members discussed enforcement mechanisms and suggested that some enforcement mechanism be spelled out in policies and procedures. Secretary Beckham suggested that one of the responsibilities of the Financial Manager to be hired by the MARB should include monitoring the City’s compliance with Tier IV requirements.

#### c. Review and discussion: Monthly Financial Report: Preliminary June 30, 2022

Year-to-date financial reports were included with the meeting materials. Mr. Jackson provided a summary. Preliminary figures for the month ending June 30<sup>th</sup> show revenues at Revenues 101.2% of budget and expenditures at 95.0% of budget. Final transactions and entries are expected to result in an ending surplus of just over \$1 million. Surpluses are also projected for the Sewer Fund and Allingtown Fire Fund.

Mr. Hamilton asked about the City’s current policy for budget transfers and what controls are in place to limit expenditures to what has been appropriated. The budget report shows instances of expenditures exceeding the appropriation, with no budget transfers to address the shortfalls. Now that the board has budget transfer authority at a line-item level, he does not want to receive transfer requests at the end of the fiscal year to retroactively account for overages. Mr. Jackson indicated that the City is working on implementing a block within Munis to prevent over-expending accounts.

Mr. White asked whether the City Council contract for investigative services or the contract with Carmody have been executed. Mr. Tiernan replied that Carmody is the firm assigned as legal counsel to the ARPA committee. The City Council, through their authority under the Charter, is empowered to begin investigations into past activity and to request that counsel be assigned by Corporation Counsel. The City Council has met with one attorney from Rome McGuigan but a contract has not been executed. Mr. Tiernan indicated he would convey the board’s comments to the City Council regarding the potential contract for an investigation. Mr. Tiernan also reported that the Ethics Board has been meeting. In response to questions from MARB members, he explained that the Ethics Board members are City residents with no particular ties

to any elected officials and have the power to recommend to the Mayor various actions, such as fines, in cases of ethical violations.

In response to a question regarding ARPA funding, Mr. Jackson explained that ARPA related expenses were initially run through the General Fund. At year-end close-out, those expenditures have been reclassified to a special revenue fund.

Mr. Hamilton asked about the report on special revenue funds and whether there are possibly instances in which expenditures are being run through a fund that does not have a funding source. The City will look into the funds showing deficits and report back to the MARB.

d. Review and Discussion: Non-Labor Contracts:

i. PKF O'Connor Davies: FY 2021 and FY 2022 Audits

This contract is with the audit firm conducting the audit of fiscal years 2021 and 2022.

Mr. Egan asked about the proposed consolidation of pension investment services for the City and independent fire districts. Mr. Tiernan indicated that a new RFP may need to be issued. Ms. Kennison suggested the City utilize guidance from Ms. Shaw and the Treasurer's Office and also to consider exploring existing State contracts that could be piggy-backed.

VII. Other Business

Secretary Beckham suggested that members be offered an opportunity to suggest agenda items prior to the finalization of meeting agendas.

VIII. Adjourn

Mr. Egan made a motion to adjourn, with a second by Mr. White. The meeting adjourned at 12:58 PM.