

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING NOTICE AND AGENDA
Ad-Hoc MARB West Haven Budget and Recovery Plan Review Committee

Friday, April 13, 2018 2:00 PM – 4:00PM

West Haven City Hall, Board of Education Meeting Room, 2nd Floor Conference Room, 355 Main Street,
West Haven, CT

Minutes (bold)

Members in Attendance: Ben Barnes (2:25 PM), Scott Jackson, Pat Egan, Tom Hamilton

City: Mayor Rossi, School Superintendent Neil Cavallaro. Beth Sabo

OPM and State Treasurer Staff: Bob Dakers, Riju Das

- I. Call to Order & Opening Remarks: **Mr. Dakers opened meeting at 2:10 PM the while awaiting Mr. Barnes, who arrived at approximately 2:25 pm.**
- II. Review and Approval of Minutes from April 2, 2018 Meeting: **The minutes were approved unanimously approved.**
- III. Review and Discussion of MARB Roles, Criteria and Timeframes re: Review and Comment on Recommended Budget; Approval of Budget Assumptions re Property Taxes and State Revenues, and OPM Municipal Restructuring Funds* **Mr. Dakers reviewed the MARB's policies and procedures and state laws in regard to budget adoption, assumptions regarding property taxes and state aid and the receipt of municipal restructuring funds.**
- IV. Status of FY17 Audit and Submittal of 5-Year Recovery Plan. **The FY17 audit is currently 3 and ½ months late. Mayor Rossi expects the audit to be done in May. She noted that this audit is now expected to contain a \$1.4 million deficit for the year ending June 30, 2017. The members asked for information regarding the line items that were the main causes of the deficit. Mayor Rossi said she is working on a draft of the 5-Year Recovery Plan, which plan is required for receipt of OPM and MARB restructuring funds. The Mayor noted that Mr. McNabola, the City's former Finance Director, is now working for the town of Waterford and that an interim Finance Director has been selected.**
- V. Review of FY18 Monthly Financial Report* and City Efforts to Reduce/Mitigate Projected Deficit: **The Committee reviewed the monthly report and asked for updated projections reflecting actual revenues and expenditures through March, including by the BOE, as well as more detailed information on debt service and health insurance prior to the next full MARB meeting on May 3rd. The City is projecting about an \$8.0 million operating deficit in FY18. Secretary Barnes noted that the requests for municipal restructuring funds will likely exceed the amount available in FY18.**
- VI. Review of Assumptions and Projections in Mayor's Proposed Budget re:
 - a. Property Taxes (pages 2, 7,8, and 21 of Mayor's Proposed Budget)
 - b. State Aid* (pages 3 & 4)
 - c. Wages and assumptions re labor contracts (potential executive session) **Near the end of the meeting, the committee voted to go into executive session with the Mayor, Beth Sabo, Commissioner of Human Resources for the City and Board staff to discuss these matters. No votes or actions were taken in executive session.**

- d. Health Insurance Costs* (pages 93-94)
- e. Pension Costs* (pages 93-94)
- f. Debt Service Costs* (pages 93-94)
- g. Department Budgets
- h. Board of Education, including MBR and Special Education Costs (pages 99-103)
- i. Sewer Fund (pages 109 & 110)
- j. Allington Fire (pages 117-119)
- k. Contingency (page 96), Other

The assumptions and projections used in the Mayor's proposed budget were reviewed. The updated projections for the current year and the information requests related to health insurance and debt service information made by the committee for FY18 should be considered by the City Council when acting on the FY19 budget. Additional questions were raised on about the amounts projected for current property taxes and the handling of the Education Cost Sharing Budget in the proposed budget, as well as the issue of the transfer-in and transfer out related to the sewer fund. The committee also noted that the City needs to make structural changes related to expenditures and revenues starting in the FY19 budget and cannot only rely on \$9.0 million in State restructuring funds.

- VII. Achieving Long-Term Financial Sustainability: Potential Recommendations re Areas for Review and Study
 - a. Revenues-Property Taxes, State Aid, Other Revenues
 - b. Health Insurance
 - c. Fire Districts
 - d. Refuse Collection and Disposal
 - e. Debt Service
 - f. Administrative infrastructure
 - g. Others

The committee agreed that these and related matters need to be an ongoing focus of the committee and the MARB given the City's structural imbalance.

- VIII. Discussion and Possible Action re Findings and Comments re Mayor's Proposed Budget for Consideration by Full Board. **Secretary Barnes will provide the City and the Board with an update of the committee's work and the status of the restructuring funds prior to the next full MARB meeting.**
- IX. Adjourn: **Following the executive session cited above the meeting adjourned at approximately 4:20 PM.**

*Attachments