

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
DRAFT SPECIAL MEETING MINUTES

Meeting Date and Time: Thursday August 29, 2024, 10:00 AM

Meeting Location: This meeting was held virtually on TEAMS

Meeting materials can be found at
<https://portal.ct.gov/OPM/Marb/Full-Board-Meetings-and-Materials>

Call-In Instructions: Telephone: 1-860-840-2075
Meeting ID: 825 580 550

Members in Attendance: Secretary Jeffrey Beckham, Kevin Alvarez (State Treasurer's-Designee), Thomas Hamilton, Lisa Hammersley, Susan Weisselberg, Sal Luciano, Mark Waxenberg, and Robert White (left at 11:00AM).

Municipal Officials in Attendance: Mayor Dorinda Borer (left at 10:12AM), Michael Gormany, Rick Spreyer, David Taylor, Jumaine Samuels, Abdul Quadir, Robert Orifice, Paul Dorsi, Chief Michael Terenzio, Ken Carney, Diana McManus, Vanessa Hruszko, Matthew Cavallaro, Ron Quagliani and Nick Pascale.

Staff in Attendance: Kimberly Kennison, Bill Plummer, Michael Reis, John Mehr, Simon Jiang, and Lori McLoughlin.

OAG Staff in Attendance: James Caley, Assistant Attorney General

PKF O'Connor Davies Staff in Attendance: Joseph Centofanti, Partner

- I. Call to Order & Opening Remarks by Secretary Jeffrey Beckham and Kevin Alvarez (State Treasurer's Designee)

The meeting was called to order at 10:01 AM. The Secretary noted that this is a Special Meeting that is focusing on West Haven. MARB members were emailed copies of Hartford City and Public Schools financial reports. If you have any questions, direct them to OPM staff to get an answer.

- II. Approval of Minutes

- a. June 27, 2024, Special Meeting

Mr. Luciano made a motion to approve the Special Meeting Minutes of June 27, 2024, seconded by Ms. Weisselberg. Motion carried.

- b. July 10, 2024, Special Meeting

Mr. Luciano made a motion to approve the Special Meeting Minutes of July 10, 2024, seconded by Mr. Hamilton. Motion carried.

- III. City of West Haven

- a. Presentation: FY2023 Audit Reports and Update on FY2024 Audit

Mr. Centofanti, Partner from PKF O'Connor Davies, provided an overview of the FY2023 audit of the City of West Haven. A presentation was prepared and reviewed with the MARB members.

The FY2023 financial statements received an unmodified opinion. The unassigned fund balance on June 30, 2023, is \$14.8 million, up from \$8.0 million at the end of the prior year. The \$6.8 million increase came from revenue \$829 thousand in excess of budget and expenditures under budget by \$5.9 million.

Federal Single Audit received an unmodified opinion on compliance with total expenditures of \$26.0 million. State Single Audit received an unmodified opinion on compliance with total expenditures of \$78.0 million.

The Allingtown Fire Department had a breakeven FY2023. The Department did transfer \$1.45 million to the Capital Recurring Fund and made an additional contribution to its pension plan. The Sewer Fund had a deficit of \$189 thousand in FY2023. It did transfer \$1.20 million to the Capital Recurring Fund and made a transfer of \$479 thousand to the General Fund relating to the Clean Water Project.

Mr. Centofanti and MARB members discussed the police pension trust fund, being funded at 70.66% and the Allingtown Fire pension trust fund, being funded at 39.17%. Also, the pension funds' investments that were greater than 5% of the pension trust fund assets and the monitoring of alternative investments. The status of the deficits in the Internal Service Funds, grant accounting, the timely completions of bank reconciliations, the thirty-eight audit findings, and internal control deficiencies and recommendations were discussed. The Other Post Employment Benefits (OPEB) two trust funds have not been funded in FY2023 but will be by the City in FY2024. The FY2023 OPEB liability for the City is \$228.9 million and for Allingtown is \$24.9 million.

Secretary Beckham asked about the status of the FY2024 audit. Mr. Centofanti said that they have begun the preliminary work and recently had a planning meeting. The City will be receiving an updated Request List within a week. The audit will start once receiving trial balances.

Secretary Beckham stated that he and Ms. Kennison have begun preliminary discussions with Mayor Borer relating to an exit plan with a focus on resolving the audit findings.

b. Mayor's Executive Summary

Mayor Borer requested that her update be given prior to the presentation of the FY2023 Audit Report due to a scheduling conflict. The Mayor stated that the Finance Department is fully staffed with the hiring of the internal auditor. A risk manager has also been hired. The staff and Protiviti created an Audit Findings Tracker that is being used in the process to resolve the FY2023 auditor's findings. The City is reviewing bank relationships and other long-standing contracts that have not been bid in recent years. They are continuing to focus on transparency and building trust in government and recently held mandatory Freedom of Information (FOI) training for all the employees.

The Mayor commented on agenda item III-xvi that is to provide \$1 million of ARPA funds to Village Improvement Association (VIA) of West Haven. VIA intends to reacquire the Blake Building, a former school building, from Shoreline Wellness, a provider of mental health services, with the intention of re-opening the Allingtown library branch and renting a floor to Shoreline Wellness.

i. Draft Fund Balance and Investment Policy

Mr. Gormany discussed the policies provided in the packet. The Fund Balance is being

developed as a guide to follow in the budget process to build up fund balance. The Investment Policy addresses the City's investments and will be expanded to include OPEB and pension trust investments.

c. ARPA Funding Update

The City provided an overview on the progress of ARPA funded projects and the process of obligating ARPA funds. Mr. Gormany discussed the ARPA Tracker schedule that lists approved ARPA projects. The City of West Haven was allocated \$29.008 million of ARPA funding that needs to be obligated by December 31, 2024. The City Council has approved \$28.8 million of actual projects. Of that, \$19.7 million are obligated or under contract. The target is by September or October to have all the ARPA funds obligated. The City has an ARPA Committee that meets monthly that manages those ARPA projects approved by the City Council.

Ms. Weisselberg asked the City if the cost for the Blake Building purchase, remediation and renovation is greater than \$1.0 million will the remainder come from ARPA funds. Mr. Spreyer stated that \$1.0 million will cover the purchase, and other costs up to \$1.0 million, and the rest will come from the Village Improvement Association (VIA) operating account.

d. Tier IV Action Plan Update:

i. Organizational Assessment Summary – Whittlesey

Whittlesey provided a copy the City of West Haven Assessment Status Report for review. Whittlesey will be attending the Special Meeting on October 3, 2024.

ii. Finance Manager Summary – Protiviti

Protiviti provided a copy of the City of West Haven Status Report for MARB review. Protiviti will be attending the Special Meeting on October 3, 2024.

e. Review and Discussion: City and BOE Monthly Financial Report: June 2024

Mr. Gormany provided an update on the City's June Financials. The City is projecting a \$4.0 to \$5.0 million surplus for fiscal year 2023-2024. On the revenue side, a slight shortfall in property tax collections offset by \$1.5 million in exceed of budget from education grants. Investment income and building permits are projected above budget. Overall, the City is expecting to exceed budget on the revenue side by \$1.2 million.

On the expenditure side, overtime will exceed budget but offset by vacancy savings in wages. A slight savings on the debt service account from the City bond issuance in February. Overall, the City expects to spend around \$170.0 to \$171.0 million of the \$173.0 million budget for expenditures. The Sewer Operations is projected to be slightly overbudget, and the Allintown Fire Department is projected to have a \$1.7 million surplus with a plan to use some of it to paydown part of its pension liability.

Finance is targeting a closing date of September 30th for the fiscal year 2024, to present closeout transfers to the City Council for approval.

Mr. Hamilton asked about the bank reconciliations being completed through June 30, 2024.

Mr. Taylor stated that all bank accounts except for one are reconciled through June and that one account is waiting for some entries to be made that will affect cash balance.

Mr. Cavallaro provided an update on the June BOE Financials. The BOE expects to be on budget at fiscal year-end. The financials need to be adjusted for the summer payrolls for the ten-month employees. Once posted, the State of Connecticut Department of Education EFS Report, formerly the EDO 1, needs to be completed by September 3rd. A grant with \$500 thousand remaining will be carried into FY2025 to fund the work being done at West Haven High School Pool. Other State and Federal grants have been spent in full in accordance with the rules and regulations of each grant. By the October 3rd meeting, the MARB will have the final FY2024 budget transfers.

f. Review and Discussion: Open Items List

The Open Items List was updated by OPM staff and provided to the West Haven staff for their review.

g. Review, Discussion and Possible Action: Non-Labor Contracts:

i. Diversity Construction Group LLC – West Shore Fire District Building Improvement - ARPA Funds

The City went out for bids seeking proposals for an improvement project for the Ocean Avenue and Benham Hill fire stations in the West Shore Fire District. The project is to improve the living conditions for male and female staff plus upgrade the kitchen at the Benham Hill firehouse. Two bids were received. The City is seeking approval to award this bid to Diversity Group Construction LLC, Wallingford, CT for \$823,000. This project is being funded with ARPA funds.

Mr. Spreyer stated that the West Haven Subcommittee toured the firehouses and approved the upgrades to the sleeping quarters and to address flooding at the Ocean Avenue firehouse. The work will take eight months to complete. There is an alternate to upgrade the kitchen facilities at the Benham Hill firehouse if funding is available.

Mr. Luciano made a motion to approve the Diversity Construction Group contract with a second by Ms. Weisselberg. The motion was approved unanimously.

ii. International/Allegiance Trucks – Allington Fire Department Cab & Chassis Vehicle

At its February 22, 2024 meeting, the MARB approved the purchase for a new cab and chassis for an Allington Fire Department rescue unit in place of purchasing a brand-new ambulance in the amount of \$67,544. It was determined the length could not be accommodated in the station so the City is seeking approval to switch from the Ford 550 to a 2025 International CV515 Chassis. The purchase price for the International Chassis, and an equipment package to accommodate the ambulance body is \$103,996.50. The vendor is Allegiance Trucks. It will be funded out of the Allington Fire Department operating budget. Allegiance is part of the Sourcewell contract, a purchasing type co-op used by the City of West Haven.

Mr. Luciano made a motion to approve the Allegiance Trucks contract with a second by Ms. Weisselberg. The motion was approved unanimously.

iii. Tracy's Garage Inc. – Allington Fire Department Ambulance Repair

The City is seeking approval to repair a 2013 International Navistar Ambulance at a cost of \$66,157.70. This repair work would be performed Tracy's Garage, Inc. in Derby, CT that has a State contract. This would be funded out of the Allington Fire Department operating budget.

Mr. Luciano made a motion to approve the repairs by Tracy's Garage with a second by Ms. Weisselberg. The motion was approved unanimously.

- iv. W.B. Mason Co. – Allington Fire Department Dormitory Modification and Furniture – ARPA Funds

The Allington Fire Department is looking to improve the living conditions for male and female staff at the station dormitory. This includes acquiring beds with storage, storage cabinets, and privacy panels to establish individual sleeping quarters for \$68,900. The furniture would be purchased from W.B. Mason that has a State contract and funded with ARPA funds.

Mr. Luciano made a motion to approve the W. B. Mason furniture purchase with a second by Ms. Weisselberg. The motion was approved unanimously.

- v. Mitchell Humphrey & Co. – City's IT Maintenance and Support

The City is looking to put its permitting process online. Through its current software vendor, the City is looking to acquire modules for the Building Department, then progress through Zoning, Land Use, Public Works, Engineering, and Code Enforcement. The cost of this project is \$165,000 and will be paid with Capital and Bonding funds.

Mr. Luciano made a motion to approve the permitting online agreement with a second by Ms. Weisselberg. The motion was approved unanimously.

- vi. Vanasse, Hangen, Brustlin, Inc. – Traffic Signal Rehabilitation and Upgrade

The City solicited proposals for qualified consultants to provide engineering services for the design and preparation of construction documents for the rehabilitation and upgrading of ten (10) traffic control signals throughout the City. Two proposals were received by the City. A panel of three reviewed the proposals and awarded this work to Vanasse, Hangren, and Brustlin (VHB) from Wethersfield, CT for \$519,700. This project will be funded out of Capital Bond funds.

Mr. Luciano made a motion to approve the engineering services contract with a second by Mr. Hamilton. The motion was approved unanimously.

- vii. Herrington and Sons LLC – Tree Services

The City went out for bid for tree management services which includes tree and brush trimming, tree cutting and removal and stump grinding to enhance public safety. Three (3) bids were received. Based on the lowest per hour and weekend on-call rates, the City is seeking to award this tree service to Herrington and Sons of West Haven, CT for an amount of work costs of \$103,000. This project will be funded out of Capital funds.

Mr. Luciano made a motion to approve the tree management services contract with a second by Ms. Weisselberg. The motion was approved unanimously.

- viii. Mohawk Lifts LLC. – New Lift for Public Works - LoCIP Grant

The City of West Haven seeks to purchase a Vertical Rise Drive-On Lift for \$176,305.27. The vendor is Mohawk Lifts, LLC, from New Amsterdam, NY which has a State Contract. The source of funds for this purchase is a State of CT - Local Capital Improvement Program (LoCIP) Grant.

Mr. Gormany stated the current lift has been in place since the 1970's, is a safety issue, and repairing it would exceed the cost of a replacement lift.

Mr. Luciano made a motion to approve the replacement of the lift with a second by Ms. Weisselberg. The motion was approved unanimously.

ix. National Auto Fleet Group – Bucket Truck Purchase

The City of West Haven is looking to replace the Public Works bucket truck that continues to need service. It is looking to purchase a Dodge Ram 5500 4X2 Gas with SST-36-NE Aerial Device for \$148,043. The vendor is National Auto Fleet Group, LLC, from Watsonville, CA. National Auto Fleet Group is part of the Sourcewell contract, a purchasing-type co-op used by the City of West Haven. The source of funds for this purchase is City Capital Funds.

Mr. Spreyer updated the MARB that Mr. Orifice, Fleet Manager, has found another vendor that has a Sourcewell contract with a similar bucket truck at a lower price. The City is requesting the bucket truck be approved with a not to exceed \$148,043 clause as an attempt to save money for the City. Mr. Hamilton stated he is comfortable approving this bucket truck arrangement up to \$148,043 with the proviso that if this purchase is with a different vendor that has a Sourcewell contract, the City is to bring this purchase back to the MARB next month.

Mr. Luciano made a motion to approve the purchase of a bucket truck based on Mr. Hamilton guidelines with a second by Mr. Alvarez. The motion was approved unanimously.

x. The W.I. Clark Company – Purchase of New Excavator for Public Works - ARPA Funds

The City of West Haven is looking to purchase a John Deere 85P hydraulic excavator for \$187,668.24 for the Public Works Department. The vendor is W.I. Clark Company, from Wallingford, CT. The company is part of the Sourcewell contract, a purchasing-type co-op used by the City of West Haven. This purchase is using ARPA funds.

Mr. Luciano made a motion to approve the purchase of a new excavator contract with a second by Ms. Hammersley. The motion was approved unanimously.

xi. CDM Smith Inc. – Storm Water, Task Order #42

The City of West Haven and CDM Smith have a Master Environmental Service Agreement that dates back to March 5, 2015. Task Order #42 is the MS4 Permit Compliance Assistance for the fiscal year 2025, from August 2024 through July 2025.

CDM will perform field investigations to identify the sources of illicit connections to the stormwater system. The cost is \$250,000 funded out of the Engineering budget. This is part of the Connecticut Department of Energy and Environmental Protection (DEEP) general permit for discharge of stormwater water from small municipal separated storm sewer systems (MS4) requirements.

Mr. Luciano made a motion to approve Task Order #42 with a second by Ms. Weisselberg. The motion was approved unanimously.

xii. CDM Smith Inc. – Rehabilitation of Sewer Pipes, Task Order #37

The City of West Haven and CDM Smith have a Master Environmental Service Agreement

dating back to March 5, 2015. Task Order #37 is the high priority areas sewer rehabilitation program for design and bidding services relating to the City's 153 miles of sanitary sewer lines. CDM will be preparing drawings and bid documents for sanitary sewer rehabilitation. The cost is \$1,200,000 and will be funded by the Clean Water Fund and a CT DEEP Grant.

Mr. Luciano made a motion to approve Task Order #37 with a second by Mr. Alvarez. The motion was approved unanimously.

xiii. CDM Smith – PACP, Task Order #43 Group, LLC

The City of West Haven and CDM Smith have a Master Environmental Service Agreement dating back to March 5, 2015. Task Order #43 is the capacity, management, operations, and maintenance decree compliance for fiscal year 2025. CDM will review closed-circuit TV of the pipeline, create inspection logs, assist with the fats, oils, and grease (FOG) programs, and assist in preparation of two semi-annual compliance reports. The cost is \$250,000 funded by the Water Pollution Control Authority. This is part of the Connecticut Department of Energy and Environmental Protection (DEEP) general permit for discharge of stormwater water from small municipal separated storm sewer systems (MS4) requirements.

Mr. Luciano made a motion to approve Task Order #43 with a second by Mr. Alvarez. The motion was approved unanimously.

xiv. Laydon Industries - Beach Street Roadway Improvements – Phase 2

The City of West Haven awarded Laydon Industries the Beach Street Roadway Improvements – Phase 2 Project for \$4,800,523.50 in April, 2023. The City is requesting approval of Change Order #4 for \$465,925.89 relating to the Beach Street project. The cost of this project is being funded by Bonding and a DECD Grant.

Mr. Luciano asked why the change order was required. Mr. Spreyer stated that the depth of a water main was different than what was on the plans, so the road had to be re-dug up and repaved in order to bring the water main to the correct depth.

Mr. Luciano made a motion to approve Laydon Industries Change Order #4 with a second by Ms. Hammersley. The motion was approved unanimously.

xv. New England Smart Energy Group LLC – Grant Subaward to Energize Public Education and Outreach Program

The City of West Haven, in partnership with United Illuminating (UI), requested proposals from qualified firms to plan and execute a public education and outreach campaign to raise awareness and increase participation in energy efficiency programs. Two (2) proposals were received. The City is seeking to award this project to New England Smart Energy, LLC for \$50,000. This project will be funded out of a Community Partnership Initiative Grant.

Mr. Gormany stated this service is for multi-family units that are eligible for an efficiency assessment audit to determine what qualifies as an energy upgrade within the home or the building.

Mr. Luciano made a motion to approve the New England Smart Energy Grant with a second by Ms. Weisselberg. The motion was approved unanimously.

- xvi. Village Improvement Association of West Haven, Inc. – Blake Building Purchase and Remediation and Renovation – ARPA Funds

At its June 10, 2024 meeting, the West Haven City Council authorized the creation of an Allingtown Library ARPA Project by using \$1 million of ARPA funds. The City Council also appropriated to Village Improvement Association of West Haven, Incorporated (VIA) – Allingtown Library - up to \$1 million. This appropriation is to assist in the funding of the VIA's purchase of real property containing a building, and related repurposing costs, for an Allingtown library.

The City is seeking approval of an ARPA Subaward Agreement between the City of West Haven and Village Improvement Association of West Haven (subrecipient) for an appropriation up to \$1 million. The approved activities for this appropriation consist of the purchase, remediation, and renovation of the Blake Building, 66 Tetlow Street, West Haven, CT for the Allingtown Branch of the West Haven Public Library System.

Mr. Hamilton asked if this building was originally owned by the City and then transferred to the library and now it's coming back to the City. Mr. Spreyer said that this building was owned by the City and then was purchased by Shoreline Wellness Center, who was unable to do the remediation work. Mr. Hamilton asked if remediation is part of this deal. Mr. Spreyer said the \$1.0 million will not be awarded to VIA until the sales contract is executed. The City will reimburse VIA for the purchase price and then will advance the funds for the asbestos remediation and renovation, but not to exceed \$1,000,000.

Mr. Luciano stated he approved of this since the mental health organization doesn't have the ability to fix the building, and the library does not have a home. This would fix both issues by providing a library and providing the mental health services that would serve the community.

Mr. Hamilton asked if a commitment is needed now to get this project going in order to use ARPA funds for this purpose. Mr. Spreyer replied yes. Ms. Weisselberg asked for reports on the costs as this proceeds.

Mr. Luciano made a motion to approve the ARPA Subaward Agreement to Village Improvement Association of West Haven with a second by Ms. Hammersley. The motion was approved unanimously.

VII. Adjourn

The next regularly scheduled MARB Meeting on September 12, 2024, has been moved to October 3, 2024, as a Special Meeting at 10:00 AM at the Legislative Office Building (LOB). To ensure a quorum, Secretary Beckham asked MARB members to confirm attendance with OPM staff.

Mr. Luciano made a motion to adjourn, seconded by Mr. Hamilton. The meeting was adjourned at 11:46 PM.