

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS COMMITTEE
REGULAR MEETING
OCTOBER 14, 2014**

ATTENDANCE: Susan Brannelly, Co-chair; Denese Taylor-Moye, Patricia Swain,; AmyMarie Vizzo-Paniccia (6:30 p.m.); Lydia Martinez (6:38 p.m.), Council President Thomas McCarthy (7:10 p.m.)

STAFF: Andrew Nunn, CAO; Thomas Sherwood, OPM Director;
Anne Kelly-Lenz, Finance Director

OTHERS: Council Member Rick Torres, Kevin Reynolds

CALL TO ORDER

The meeting was called to order at 6:25 p.m. by Council Member Brannelly. A quorum was present.

**APPROVAL OF COMMITTEE MINUTES
SEPTEMBER 8, 2014 (REGULAR MEETING)**

**** COUNCIL MEMBER TAYLOR-MOYE MOTIONED TO APPROVE THE MINUTES OF SEPTEMBER 8, 2014 AS SUBMITTED.**

**** COUNCIL MEMBER SWAIN SECONDED THE MOTION.**

**** THE MOTION PASSED UNANIMOUSLY.**

**GENERAL DISCUSSION RE:
REVIEW OF THE MONTHLY FINANCIAL REPORT**

Ms. Kelly-Lenz came forward to give a quick review of the August and September reports. She said that the new format requested by the Committee had been done. It was mentioned that the August report was still an on-going draft and not finalized because the audit is still underway. With only two months of data available, there is not enough to do any budget projections. Usually by four months, any trends are noticeable.

Council Member Torres asked about the unused vacation. Mr. Sherwood explained that in the various contracts, there were different agreements. At the end of the year, there can be payouts on unused vacation or carryovers. This automatically affects the budget line. Since it is up to the individual employee that decides to either use the vacation time or be paid out for it, there can't be any solid projections. Payouts will show up in the monthly reports. If there are payouts in this budget year, it is because someone retired after July 1st.

Council Member Vizzo-Paniccia joined the meeting at 6:30 P.M.

Ms. Kelly-Lenz was pointed out that vacation time and unused vacation time was handled through the payroll system and that it was handled on a department-level basis. Mr. Sherwood

was asked if MUNIS allowed variances like this. He explained that it helps with handling this because the departments can see the actual trends.

Council Member Martinez joined the meeting at 6:38 P.M.

Council Member Torres said that he had concerns about the areas of the budget that the City did not have control over, such as vacation time and overtime. He wanted to know the reason why the City did not have control over these items. Mr. Sherwood explained that these were related benefits to employee's contracts. He then gave an overview of the accounting practice of how this would have to be done and why the City uses projections rather than actual accrual.

Council Member Torres said that he was not comfortable voting on the budget without this level of detail. Mr. Sherwood explained that while the Council votes on the major categories, but the line items are discussed in committee. He said that if he gives out a report on the group level, but money can only be moved within their groups. When this is done, there is a report generated. Further discussion on the details of the vacation, overtime, and budget for the departments in the report followed.

Council Member Swain said that receiving very detailed reports was somewhat overwhelming and prefers the Executive Summaries. She said that report arrives in Excel, but the report goes through Mr. Sherwood or Ms. Kelly-Lenz first. Ms. Kelly-Lenz explained that the reports were developed based on the requests from the Budget and Appropriations Committee members. A discussion about the details of the MUNIS reports followed.

Council Member Swain asked what the procedure would be for receiving an Executive Summary of the monthly report. Mr. Sherwood said that he would be able to do this. However, if the Committee wants specific line items, the staff would have to pull up the line items and would have to verify that the monthly totals in the report are not adversely affected. Council Member Swain said that she felt the full Council would be more apt to read and understand the full budget if it was issued in Executive Summary rather than the detailed line items.

Council Member Brannelly said that the Committee was trying to have meetings with the various department directors about their budgets and the various items that have affected their departments. Discussion followed.

Council Member Taylor-Moye said that she thought that the Committee Members were already receiving the information about the status of the budget from Mr. Sherwood and Ms. Kelly-Lenz at the monthly meetings. Ms. Kelly-Lenz said that she and Mr. Sherwood were giving the Committee members verbal updates.

162-13 APPROVAL OF THE GENERAL OBLIGATION BONDS TO REFUND CERTAIN GENERAL OBLIGATION BONDS

Ms. Kelly-Lenz came forward to discuss the prior bonds with the committee. The request is to refund GOBs that have already gone out. She mentioned that they were keeping an eye on the older bonds to see if a new opportunity came along so that they could refinance their older bonds from 2006 and 2007 for a better rate. The market rate is favorable at this time so having this pre-

approved will allow the department to refund the bonds at the best rate. She discussed a few of the details regarding the interest rates in the bonds for the committee. Discussion followed.

Mr. Reynolds joined the meeting at 7:00 p.m.

There was a quick discussion on the current bonds and their potential for improvement. Council Member Torres expressed concerns that the City was extending the debt further into the future. Ms. Kelly-Lenz said that the terms remained the same but that the amount of the debt was smaller because of the payments made since 2006 and 2007. The City would benefit from the lower interest rates. Ms. Kelly-Lenz reviewed the details of the sale with the Committee members.

**** COUNCIL MEMBER MARTINEZ MOTIONED TO APPROVE ITEM 162-13.**

**** COUNCIL MEMBER VIZZO-PANICCIA SECONDED THE MOTION.**

**** THE MOTION PASSED UNANIMOUSLY.**

BUDGET DISCUSSION RE: LEGISLATIVE CONCERNS OF THE BUDGET COMMITTEE

Mr. Nunn introduced Mr. Reynolds, Bridgeport's lobbyist and said that there had been questions about the land taxation program that was being discussed at the State level. Council Member Brannelly stated that one of the concerns during the last budget cycle was how some things handled within the Budget Committee and whether they would need to be worked through the state level in order to enact a change.

Council President McCarthy arrived at 7:10 p.m.

Mr. Reynolds said that there were some items where he would have to go to the State Agencies to get updates on the status of various proposals. He then gave a quick overview of the ways in which the legislative concerns were affecting Bridgeport, especially in relationship to other cities, was provided for the committee members.

There are two primary concerns at the moment. The first was that budgetary pressure from the State of Connecticut may be too great. The second is that, due to the prior year, the Speaker of the House was from Hamden and was causing local properties such as hospitals to pay property taxes and they had the obligation to seek reimbursement from the State. There was a quick review of the legal details at the state level for the committee.

There was discussion on land-value taxation in which it was pointed out that, due to prior actions, the value of several pieces of land had, potentially, changed and needed to be re-assessed as well as confirmation that this would be considered taxation. The application that would allow such a thing to go through was presented to the committee.

An example of the revaluing of the land was given in a series of properties with waterfronts that could be considered of high-value but were currently housing 'junkyards' as opposed to relatively high-value constructions. Methods for determining the value of the land were then discussed.

Mr. Nunn said that if the City switched lobbyists, the new lobbyist might not agree with the previous legislative decisions. He then asked if the idea of what the residents pay is in taxes or in other costs.

Mr. Sherwood said that the City needs to be cautious because it would be difficult to decide the value of the land. Doing battle with the suburban legislature in the end. There are merits to it, but the City needs to be cautious.

Council Member Torres said that this could increase the grand list, but will lower the grand list. Mr. Sherwood said that it would be important to remember that the residents would still be paying the motor vehicle taxes and personal property. Discussion followed.

Council Member Vizzo-Paniccia said that they were trying to sell this to the smaller towns and the best way would be to insure that the positive information gets up. She said that she would like to show everyone that Bridgeport can lead in this rather than reacting.

She said that there were also management companies that were buying up property and slowly converting them into non-profits. Mr. Nunn said that the problem comes when a church has a property that is used for business because they have to pay for the portion of the property used for business. He added that if a management company bought a property, they would be paying a higher rate of taxes.

Mr. Nunn said that the actual use of the property would affect taxes. Discussion followed.

Mr. Reynolds then reviewed the issues regarding the tax exempt status for colleges.

Council Member Brannelly said that the next step would be a meeting with Mr. Sherwood, Mr. Nunn, and Mr. Reynolds to determine what the next steps would be.

Council Member Brannelly asked Mr. Reynolds for any additional issues underway in Hartford. Mr. Reynolds said that there were numerous financial issues underway. Mr. Sherwood pointed out that the green initiatives have helped out from a state perspective. Bridgeport has shovel ready projects. Mr. Nunn spoke about the new MIRA group that was the former CRRA group. He said that he would try to get a presentation that shows how far ahead of the curve that Connecticut is in the green initiative, both nationally and internationally.

ADJOURNMENT

**** COUNCIL MEMBER VIZZO-PANICCIA MOVED TO ADJOURN.**

**** COUNCIL MEMBER MARTINEZ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:50 p.m.

Respectfully submitted

Sharon L. Soltes
Telesco Secretarial Services
City Of Bridgeport
Budget And Appropriations
Regular Meeting
October 14, 2014