

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS COMMITTEE
REGULAR MEETING
MARCH 16, 2016**

ATTENDANCE: Scott Burns, Co-Chair; Denese Taylor-Moye, Co-Chair; Anthony Paoletto, Aidee Nieves; M. Evette Brantley

MISCELLANEOUS: Nikoleta McTigue, Blum Shapiro; Nestor Nkwo, Director, OPM; Ken Flatto, Finance Director; Angel dePara, Chief Administrative Office; John Marshall Lee

CALL TO ORDER

Co-Chair Taylor-Moye called the meeting to order at 6:30 PM. A quorum was present.

APPROVAL OF COMMITTEE MINUTES

January 11, 2016 (Regular Meeting) & February 16, 2016 (Rescheduled Meeting)

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE THE COMMITTEE MINUTES OF THE JANUARY 11, 2016 (REGULAR MEETING) & FEBRUARY 16, 2016 (RESCHEDULED MEETING) WITH THE FOLLOWING CORRECTIONS:**

1. FOR THE JANUARY 11, 2016 MEETING:

- a. THOSE PRESENT INCLUDED: BILL FAZIOLI, REPRESENTATIVE FROM PFM (SPELLING CHANGE, AFFILIATION); TOM GAUDETT, OFFICE OF THE MAYOR (NOT JOE GAUDETT)**
- b. BILL PULLMAN SHOULD BE SUBSTITUTED WITH PULLMAN & COMLEY.**
- c. A CLARIFICATION REGARDING A STATEMENT AMYMARIE VIZZO-PANICCIA RE: MAINTENANCE OF POLICE VEHICLES: "COUNCIL MEMBER VIZZO-PANICCIA STATED THAT THEY HAD BEEN INFORMED IN PAST BUDGET MEETINGS THAT OUTFITTING FOR HEIGHTS, SIRENS, AND COMPUTER PACKAGES CAN REACH \$30,000. SHE CLARIFIED THIS FOR THE BENEFIT OF NEW COUNCIL MEMBERS AND THOSE WHO HAVE NOT SERVED ON A BUDGET COMMITTEE."**

**** COUNCIL MEMBER NIEVES SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

GENERAL DISCUSSION RE: REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) WITH KENNETH FLATTO, FINANCE DIRECTOR AND PARTNER FROM BLUM SHAPIRO, NIKOLETA MCTIGUE.

Mr. Flatto stated that the audit is conducted jointly, and thus Ms. McTigue is present to represent the auditing firm the City partners with, Blum Shapiro, who manages the audit process itself.

Ms. McTigue stated that the audit process is year long, with preliminary fieldwork beginning in June and July. The preliminary fieldwork includes examining internal controls, updates, testing for state and federal single audits, and performing walk-throughs. The firm then comes back in October to do final audit work that includes testing balances and confirmation of balances. Ms. McTigue stated that this is a long process, where the company comes and does the audit of the financial statement and issue several reports, including the CAFR, federal single audit report and statistics. She stated that there are also several requirements from the State Board of Education in terms of procedures, among which are an overall summary of what was audited, whose responsibility the final statements are, what the responsibility of Blum Shapiro was, significant audit estimates included in the report, and whether there were difficulties.

Ms. McTigue stated that the CAFR consists of 3 large sections. The introduction section includes letters of transmittal and does not express an opinion on the part of Blum Shapiro. The opinions begin on pages 1-3, followed by management discussion analysis. Blum Shapiro also provides an opinion on basic financial statements.

Ms. McTigue stated that the Auditor's Report is featured on page 1. The first paragraph explains the financial statements and Blum Shapiro's responsibilities. They also discuss governmental activities, business funds, aggregate and financial statements, which are responses of the management. She stated that they use professional judgment and a samplative mix when conducting these analyses, and test internal controls.

Ms. McTigue stated page 2 features an unmodified opinion on financial statements. She stated, for 2016, that the new GASB requires disclosure of any pension liability in the face of financial statements. Thus, financial implication was changed, but Blum Shapiro's opinion was not modified in respect this.

Co-Chair Burns asked for clarification that, despite the change, there were no other material changes that impacted the firm's opinion on the financial statement. Ms. McTigue answered in the affirmative, and stated that their opinion on the financial statement didn't change.

Ms. McTigue stated that other sections in the report include schedules that offer no opinion, which gives a basis for city historical information. In addition, there is current information, a statistical section with no opinion, a report on combination of funds (which gives an opinion in relation to financial payment), and a high level breakdown.

Ms. McTigue stated that the exhibits of financial statements begin on page 17. The first 2 statements are a statement of acquisition and a statement of activities, which starts with expenses by function, program revenues, general revenues, and business type activities. She stated that these include everything from internal service funds to business activities. They reset the beginning balances from \$236 million to -\$105 million. Ms. McTigue stated that information for each major fund begins on page 19.

Mr. Flatto stated that this year they experience a significant accounting change, and that the restatement disclosing all liabilities applies to every governmental agency in the country. He stated that most municipalities do not have fully funded pensions, and while this creates a more negative look, in reality it is nothing different than what existed in reality, in the last year. He stated that in past years, the pensions were disclosed and listed as footnotes, while now they are in the forefront. Mr. Flatto stated that ratings agencies recognize that those aspects of the report were always there, and while the changes present as a big drop to the civilian eye, it does not surprise or concern the ratings agencies. He stated that their position did not worsen, it was just restated in a different format. He further stated that they do have concerns regarding long-term pension liability, but that those concerns have always been present.

Ms. McTigue stated that each fund in the City is a different line in the budget, and that all funds not there under the non-governmental heading, which at \$13.7 million is a slight increase from the prior fiscal year.

Ms. McTigue stated that page 20 features a reconciliation of Balance and Deposition exhibit #1. She stated that this includes all long-term assets and liabilities and features a modified basis of accounting.

Co-Chair Burns asked for clarification that, in reference to the City assets (including long term assets), the firm does not evaluate these in any way. Ms. McTigue answered in the affirmative, stating that they only inquire of the management if there are any assets that should be deleted, or in the event any assets appear impaired. Mr. Flatto stated that the City employs a full-time staff accountant who deals with all of those mechanizations. Mr. Flatto stated, in comparison to a government wide perspective, a lot of focus in municipalities is on a fund balance of \$13.7 million, which is a relatively modest amount in percentage. Mr. Flatto stated that this is well under what those employees in finance and the ratings agency would like to see, and that those continue to be areas of concern, though it was a fairly level year at the close. Mr. Flatto stated that the fund balance is somewhat consistent with the year before.

Ms. McTigue stated that the overall balance of governmental funds increased as a result of bond issuance. Mr. Flatto noted a slight error, and clarified that while there are two sections with disparate claims (one saying there was an increase, the other claiming a decrease), the balance did in fact increase.

Ms. McTigue stated on page 22, they not a change where there was a decrease in acquisition. She stated that this also addresses affect on long-term assets and liabilities. On page 23, there is an overview of proprietary funds, the WPCA, a statement of acquisition. She noted that this increased by \$3.7 million. She stated that the WPCA receives its own separate report, as well as the commission reviews.

Mr. Flatto stated that the internal service bundle handles a great number of City benefits, and that those budgets are funding those bills are paid out of. He stated that revenue comes from the budget to offset those costs, and that the each year they estimate the costs and set a projection, which Mr. Nkwo then budgets as an expense item. Mr. Flatto stated that they use revenue to pay for health claims, and that some municipalities have a certain amount allocated for litigation in that amount, but Bridgeport does not. He stated that, long-term, he would not be opposed to evaluating that, as, in the event they do have to contend with a lawsuit, that deficiency in the internal service fund may appear less stark than the deficiency it would result in the general fund. He further stated that he, Mr. Nkwo and the City Attorney may discuss this as an option for next year.

Co-Chair Burns asked if the change to account for litigation costs was something Mr. Flatto would like to structurally change. Mr. Flatto stated that it is something they would like to explore, but that it isn't an urgent matter.

Co-Chair Taylor-Moye stated that it is good to know that there are changes Mr. Flatto and the department are considering, and that they plan on introducing them to the committee once they are fully considered. She stated that these discussions are important so that the committee understands the specifics of the budget.

Mr. Flatto stated that this refers to both the City and the Board of Education side of the budget, and that the fund looks a little better this year, as a bit less was spent on health insurance. He stated that the Board of Education requested use of \$2 million worth of those savings this year. Mr. Nkwo stated that this is a very unique year for health insurance, and that for whatever reason, few people have been getting sick and claims have been running low. Mr. Flatto added that all of the City employees are paying more into the employee share (20-30%), which helps the fund.

Ms. McTigue stated that page 26 contains a statement of position for fiduciary funds. She stated that the amount stands at \$197 million, with a decrease of \$26.5 million from the prior year. This year, benefit payments outweighed the additions in the patient trust fund, and opinions were provided for basic financial statements. She stated that the majority of the findings are consistent with the prior year, and that the only significant change is in pensions. Ms. McTigue stated that the City has 4 individual plans, and that employees of the City participate in 2 other plans- the

municipal employee retirement fund and teacher's retirement. She stated that info on those two plans is expounded upon significantly.

Ms. McTigue stated that page 28 contains information on the MERS multiemployer plan, which all employees participate in, with the exception of Board of Education personnel, Fire Department personnel, Police Department personnel, and janitors. In the current year, expenditures related to total liability to the City on this plan were around \$63 million, in calculation of the City's proportionate share of net care liability. She stated that multiple factors go into these calculations.

Ms. McTigue stated that on page 56, if the City manages to go down to 7%, the City's share would be significantly higher or lower, and would become an asset rather than a deficit.

Co-Chair Burns asked if the assumptions of return are applied universally throughout the state. Ms. McTigue stated that there is a pension board that approves the actuarial assumptions to be used. Co-Chair Burns asked if they exclusively use the state's assumption, and Ms. McTigue answered in the affirmative. She stated that Blum Shapiro has no input on this item, and that they just report the result and ensure that the plan actuary has issued the certification, and that the State has done their work by accepting assumptions. Ms. McTigue stated that it is the responsibility of the state auditors to go out and test the census info in relation to the MERS plan, and that her firm relies on their work for that.

Ms. McTigue stated that page 58 addressed the teacher's retirement plan, and that the City is not required to contribute money. She stated that the net pension liabilities belong to the state, and that the only thing they do in this instance is disclose the state's proportionate share in relation to the City's proportionate share of liabilities. Mr. Flatto stated that this covers all staff, which could include psychologists or guidance counselors.

Ms. McTigue stated that page 61 contains information on all 4 single employer benefit plans. She stated the initial pages are similar to prior years, and that changes begin on page 68, where the elements that affect the net pension liability reported for each plan. She stated that, added together, there is about \$375 million. The percentage of the total financial liability reported varies from .04% to 80% on Firefighter's Pan B. Another new disclosure for the year is the inflow and outflow of pension. Where this changes from year to year, it is now recognized as a net pension expense. Ms. McTigue stated that these are the major changes.

Ms. McTigue stated that page 79 features a prior period adjustment and restatement, and that every statement of the year has to deal with GADSB 68, rather than GADSBE 25.

Mr. Flatto noted two interesting sections in the footnotes:

1. Cash Investment: This refers to the sense of liquidity and available cash, which appeared slightly more available in the previous fiscal year. However, this change is artificial, as the last year had a bigger tax in quote. Mr. Flatto stated that this year, the City is seeking to try and do without a short term borrow, which means cash will be more lean during that period.
2. Pension Plan A: Mr. Flatto stated that the pensioners to be discussed are split between Plans A and B. Plan A pensioners are the first tier, are the oldest pensioners, and retired in the 1970s or earlier. These individuals are now fairly advanced in age. When the City had fiscal issues in the early 1990s, there was a large liability in the pension fund, and thus they decided to bond the liability shortfall when the Plan A pensioners were younger. Mr. Flatto stated that the remaining assets came partially out of the patient's proceeds, and that in their debt service, they have 9-10 years left before they are paid off. He stated that a great deal of money was put into patient plans when they were bonded, and that some of the hopeful returns to pay off Plan A ended up being depleted after the stock market took a hit the following year. He stated that the ratio of funding percentages for Plan A is about 27-28% for June 15th, and 40% for the year before. He stated that the actuary has told them that they need to put more in the budget for that plan, as it is currently insufficiently and unhealthily funded. Mr. Flatto stated that he gave these numbers to Nestor, and that they are grappling with these issues. He stated that the good news is that they are putting in about half the outlay each year, and that while it looks fairly depleted, the City is putting in a fairly funded amount in the next year. The actuary indicated, due to the average life of the retirees (80s-90s), the amounts paid out will likely start to decrease due to advanced age. He stated that these issues will wind their way through in about 10 years.
3. Pension Plan B: Mr. Flatto stated that this plan accounts for the middle-aged pensioners; people who started retiring in the 1980s or are still working. These retirees are in their 60s or 70s, or some police or firefighters in their 50s and 60s who are still working. He stated that this is a mid-range plan for Police and Fire personnel, and that most people in the past 10 years are on the state pension plan. He stated that the State requires that they make a contribution based on their actuary, and that the City pays about 15% of their wages earned for current employees. Mr. Flatto stated that this pension is not 100% funded, but it is roughly 70-80% funded. He stated that this is fairly healthy compared to some municipalities, and only about 30 communities in the country out of 10,000 are 100% funded in this regard.

In summation, Mr. Flatto stated that Plan A needs more funding and Plan B is sufficiently funded.

Co-Chair Burns stated that Plan A as it reads was nearly 28%, and inquired about the targeted dollar figure or percentage for the next 5 years. Mr. Flatto stated that the estimate is going up by about \$3.5 million for the next year, whereas it was in the \$11 million range last year. Mr. Flatto

stated that he suspects in may creep up, and with all these plans the actuaries take any one year in bond or the stock market, then smooth it over the next 5 to create a projection. Mr. Flatto stated, at the last 2 years were not good for the investment world, it did not help these figures, and that there is a double hit, as they were informed by the actuaries that they need to start using the latest mortality table. As people are living longer, the pension costs will go on longer, and the payout will be higher. Mr. Flatto stated that the stock and bond market assumptions are changing more conservatively, and that every community is currently grappling with these issues. Mr. Nkwo stated that everything related to bonding in contingent on timing, and that when they bonded for Plan A, the market was on the bubble, and that it was assumed for the next 20 years, there would be an aggressive 7.5% return. Mr. Nkwo stated that the City got in at the wrong time, and that it was not a matter of intelligence, but a matter of inopportune timing, as they had to use a rate of return that was current. Mr. Flatto stated that this helped with short-term and bankruptcy concerns. Mr. Nkwo stated that while some people would allege that they bonded to address the unfunded patient liabilities, the former explanation regarding timing was the actual reasoning. Mr. Nkwo stated that they could have gotten in when the rates were 2-3%, but it unexpectedly shot up. Mr. Flatto stated that the liability won't be growing, and that it is more an issue of assets catching up to liabilities.

Co-Chair Burns asked if the State has any position of the aforementioned matters, and if they have any suggestions for the City in regard to addressing those issues. Ms. McTigue stated that when they see what assumptions are used, they compare those throughout the state, and that Bridgeport's figures are comparable to those evidenced throughout the state.

Mr. Nkwo stated, in respect to their nutrition center, the Board of Education would like to carve their budget out of the general fund and instead place it in the special revenue fund. They receive reimbursement from the state and federal government, and the center sometimes find themselves pressed to use the money by their June 30th expiration date. By moving the funding to the special revenue fund, they believe this will allow to wisely use excess money instead of finding themselves rushed. Mr. Nkwo stated that Ms. McTigue expressed that Bridgeport is one of the few cities that still has the nutrition center funds in the general fund, and that virtually every other town or city has this money in a revolving fund. Mr. Nkwo stated that this would allow them to utilize these funds without coming to the City for approval of capital expenditure. Mr. Nkwo stated that he wanted to make the committee aware in the event they decided to carve these funds out for the next year. Mr. Flatto concurred with Mr. Nkwo, and stated that every other grant fund is separate, and that it isn't the norm to have that funding in the general fund.

Co-Chair Taylor-Moye asked how the City would go about reallocating the location of the funds. Mr. Nkwo stated that they would examine the ordinance to see what it required, bring it before the committee, and then take everything in the same way they do presently once it is changed into a fund. He stated that there should be no impact on employee payout. Mr. Flatto stated that it would likely require a disclosure or resolution, and Mr. Nkwo posited that it would need an

ordinance, with authority from the committee. Mr. Flatto stated that they would address the idea further next month.

Co-Chair Burns asked if there are any further significant changes that need to be highlighted, as well as notable weaknesses and strengths. Ms. McTigue stated that there is one finding regarding the Board of Education that was resolve. She explained that the Board of Education over calculated by \$1,000, the firm brought it to their attention, and it was resolved, though they reported it as a material witness. Mr. Flatto stated that they would like to improve their reconciliation from special revenue funds, and that this involves balances between funds, which the accounting staff has been diligently working on for 3 months. Mr. Flatto stated that they appreciated the praise of the auditing firm, who complimented the work of the City's accounting staff. He further stated that they felt good about 1-2 internal control points rather than 13.

GENERAL DISCUSSION RE: REVIEW OF THE MONTHLY FINANCIAL REPORT.

Regarding the explanations of revenue, Mr. Nkwo directed the committee to look at the numbers section of the document, on page 1. He stated that those things indicated earlier when he disclosed the deficit are still holding.

Mr. Nkwo stated that the arrears taxes were aggressively over-budgeted by \$1.4 million, which is not a feasible number. He stated that they will ideally be \$1.9 million short.

Mr. Nkwo stated, in regard to penalty arrears, that they only attained \$123,000, and that the most they see doing is \$1 million. He stated that this is progressive with interest, and that the closer they come to June, the more they charge interest. He stated that they have only collected \$523,000 at present. Mr. Flatto stated that they will see a small increase if the Council approves the lean sale, and Mr. Nkwo stated that this will thus provide an additional \$400,000 in the next three months.

Council Member Brantley arrived at 7:25 PM.

Mr. Nkwo stated, regarding Captain's Cove, that the City may be recouping some money. He stated that the City gave them credit for the land they are leasing, and that the land is going to be used solely for the benefit of the WPCA to build the digestive plant. He stated that there are energy benefits to the arrangement, and that he purveyed this to the WPCA, stating that the City Council appropriated this money are revenue. Mr. Nkwo stated that the WPCA and Board voted last night to reimburse the money they gave Captain's Cove, as the City is losing their rent. He stated that the agreement has immediately transferred the land to the City, and that they can apply the \$350,000 credit is rent, and that they will be getting that money back. Co-Chair burns asked for clarification that they can apply the \$350,000 in lieu of the rent they would normally pay. Mr. Nkwo answered in the affirmative, and stated that they will have to put some of the funds into the portion they booked as liability, creating a yield of at least \$120,000 in this year's

current rent. Mr. Flatto stated that the Cove shows the loss from the dockage fees, so the City agreed to give them credit, and thus the WPCA will provide reimbursement. Mr. Nkwo stated that much of the confusion surrounding the matter was due to the fact that the City Attorney thought the City was entitled to a rent credit when the plant was built, but after reviewing the agreement, they found that they are entitled to this once the land is turned over. Mr. Flatto stated that the WPCA was pleased with the agreement, and that they have the right to get the \$200,000 in rent back from the company, which they will likely see next year. Mr. Nkwo stated that that all parties benefit from the arrangement, and that City secured the grant to help remediate the land, allowing the WPCA to get waterfront, prime locations with a little cleanup. Co-Chair Taylor-Moye stressed the importance of remembering that, in actuality, the Cove didn't owe them anything, as they had an agreement.

Council Member Brantley asked Mr. Nkwo what the City is doing moving forward in relation to reimbursement of outside police overtime so that they do not find themselves in the same position again. Mr. Nkwo stated that nothing has been done incorrectly with outside overtime, and that the reimbursement is running at \$4.9 million. He stated that the issue occurred when they took the revenue and left the expense at what it has been in the past 4 years, not acknowledging the increase in expenses that drives the revenue. He stated, for example, if the expense went up \$1 million, the revenue goes up about \$1.1 million in revenue. If one takes the \$1.1 million in revenue, but doesn't increase the expense, for all practical purposes, the \$1 million no longer exists. Mr. Nkwo stated that it was simply a part of the budget process that overlooked. Mr. Flatto stated that the accountant responsible for that work has been plowing ahead, and that things have only improved since receiving the bill 3 months ago.

Council Member Brantley stated that they were told there was an issue with non-payment, and that the officers were paid, but the City was not reimbursed. Mr. Nkwo stated that the only instance in which that is true was in regards to the Gathering of the Vibes, whereas the other part of the projected shortfall results from being over budgeted with money that doesn't exist.

Council Member Brantley asked what measures are being taken to cut back internal overtime. Mr. Nkwo stated that, moving forward, the City has held the department to an overtime budgetary cut of \$2 million dollars, to be implemented for the next 6 months. Council Member Brantley asked what measures were being taken to prepare for the next fiscal year. He stated that, before the next fiscal year begins, the police chief must account for his overtime on a weekly basis, starting the very first week. Mr. Flatto stated that, between Mr. Nkwo and CAO, they have been diligent in policing the expenditures. Mr. Nkwo stated that, at the end of every week, the Fire Chief and Police Chief must report on their overtime.

Council Member Brantley asked what is being asked of the chiefs, as realistically, a hard number can be exceeded. Mr. DePara stated that the police department is given a total departmental budget for the month, and what they have to do within their budget is their purview. This allows

the Chiefs to exercise their managerial rights, though they are accountable for what they do in regards to personnel re-allocation and overtime.

Mr. DePara further stated that these matters are also prorated. Mr. Nkwo stated, for example, if they have 4 more months to go and they have a budget of \$4 million for those 4 months, the amounts are prorated by seasonality, as there is often a spike in overtime needs during the holidays. Mr. Nkwo stated that amounts trend on seasonality, and thus long-term, small unit (weekly) projection is not feasible. Mr. DePara additionally noted that calls for service may necessitate additional man hours.

Council Member Brantley asked if the committee could be provided with those numbers, and Mr. Nkwo answered in the affirmative, stating that he could provide the figures plotted by month and week. Mr. DePara noted the significance of not only the dollar amount, but also the justification for the overtime provided in the Chiefs' explanations, which will help the committee understand trends and reasons for the overtime usage. Mr. DePara stated that they are taking a serious look at the spending, while ensuring they in no way compromise the safety of personnel or the public.

Mr. DePara clarified that some of the salaries that appear higher are due to contractual retro pay that was given in a lump sum, and is a combination of inside and outside overtime. He stated that some individuals are making as little as \$6,000 in that regard, where others made \$20,000.

Mr. Nkwo stated that they can show the committee what the projected amounts would be if the control had not been implemented, as compared to the amount they now anticipate it to be. He stated that the one thing they do not have purview over is telling the Chiefs how to exercise the funds.

Co-Chair Taylor-Moye requested the figures for the amount owed by the Gathering of the Vibes. She stated that she believes the organizers gave the Parks and Recreation Department some form of cash, and that they were distributing other cash amenities as well. Mr. Nkwo stated that he will ask Charlie Carroll, and whatever he provides he will bring to the committee. Mr. Nkwo stated that he doesn't know anything regarding the auxiliary arrangements made. Co-Chair Taylor-Moye stated that they need to see the figures and reports, as the Department needs to go after them to attempt and retrieve the money owed. Council Member Brantley requested the figures cover the Police personnel, Fire personnel and EOC personnel.

Mr. Nkwo stated, in regard to fire personnel, that the prior administration negotiated the contract with the Fire Union, which puts the City in a box in regards to minimum and maximum manning. He clarified that, even if there is an excess body, they cannot bring them in, and that they are effectively boxed in to incur overtime.

Council Member Paoletto asked how the meetings are going regarding the money owed by Bluefish or the Arena. Mr. Nkwo stated that they have been in talks with them, and that is a complex dialogue. Mr. Nkwo stated, as the City is the landlord, if anything goes wrong with the property, they are liable to fix these things. Mr. Nkwo stated that there are allegations that the City did not repair some of the items that would be under their purview, and that the renters then paid them, leading them to request these amounts be taken out of their rent, as they had to utilize what otherwise would have been rent to make repairs. Mr. Flatto stated that the City may be disputing these claims. Mr. Nkwo stated that the City Attorney is currently going through receipts and looking into the lease agreement, though this doesn't necessarily mean that they agree with the assertions. Mr. Nkwo stated that nothing is conclusive until they thoroughly research the matter.

Mr. Flatto stated that they are slowly but surely chipping away at the deficit, and that they will provide an update every month. He stated that there is a list of things they are currently working on, and that the Mayor will brief the Council on these things next month.

Co-Chair Burns inquired about the progress of staff reductions, and Mr. Flatto stated it was a difficult matter. Mr. Nkwo stated that the amount would total roughly \$1.5 million, though some individuals will incur some form of cash out due to accumulated sick time, which comes in a lump sum. Mr. Nkwo stated that this year, the savings will likely be closer to \$500,000, while next year they will likely save the full sum. Mr. Nkwo stated that, even if the savings would be less this year, the reductions will eliminate the liability and newer employees will have a limited amount of days they can accumulate, leading to less accumulated time payout in the future.

Mr. Lee asked to make a comment. Co-Chair Taylor-Moye asked if the members of the committee would be amenable to this, and they answered in the affirmative. Mr. Lee commended the meeting, and stated that the committee members asked good questions and received good answers. He stated that, while they are only scraping at the surface level, they are beginning to get a look at the mechanisms of what the Department is doing, and that they are receiving good narratives in regards to what is controllable and what is not. He stated that he initially had comments for the report tonight, but Mr. Flatto addressed them. Mr. Lee stated that what they received from this source is effectively a fairer statement, whereas before the legislators passing out benefits looked like the hero, but left the taxpayer holding the bag. He stated that the implementation of GADSB 68 made the contributing factors and minutiae more present, with much more disclosure. He further stated that while they are in the red, it isn't the fault of the people present, and that they are actively working to fix the issues.

Council Member Brantley stated that she hopes something is being done to address the staff reductions, as it isn't something that is going away, and some of those positions need to be filled, specifically mentioning those people involved with the Block grant. Mr. Flatto stated, in relation to OPED, because of the staff changes, they are going through to make sure things are reimbursed. He stated that there is currently a competent young woman learning systems on all

of the grants, and that David Kooris is working to ensure that everything is in good hands by the time he departs. Council Member Brantley asked if those remaining and being training are proficient in things such as applications and timelines, and Mr. Flatto stated that Ginny Rae is taking a number of the grant things head on, and that it may be worthwhile to procure an update.

Council Member Nieves asked if there is a schedule by department regarding vacant position savings. Mr. Flatto stated that they should be able to, the question being how quickly they will be able to get them. He stated that when the committee does receive these things, they will see that the proposals will refer to those positions being retired and those being filled, and that it may be worthwhile to wait the month. Council Member Nieves stated that they are interested in this as they have no figures or infographics related to the restructuring. Co-Chair Burns stated that this information would be helpful so they can get an idea of the staffing and restructuring plans and issues from the City.

Co-Chair Taylor-Moye asked who the committee should call regarding their questions and issues. She stated that, as there is emphasis on promoting accountability and transparency, it would be advantageous to do so. Mr. Nkwo stated, due to layoffs, some people are still exercising their bumping rights, so some of that information is currently unclear. Council Member Nieves stated that they would ideally like an organizational chart of duties, complete with contact information. Mr. DePara stated that there are a number of personnel issues still being resolved, and when they have something concrete and clear, they will provide the information they requested for contacts.

Council Member Brantley emphasized the importance of maintaining services and the need to get information to their constituents. She expressed her displeasure at the way in which the distillation of information is being handled in light of the restructuring. Mr. DePara asked for specific direction so he could aid in fixing it. Council Member Brantley specifically noted issues concerning the Citizen's Union, Block Grant funding (who is spearheading this and how the process is changed), and the lack of discussion regarding the change of processes. She stated that if the funding is compromised because of a lack of organizational clarity, it would be shameful. Mr. DePara stated that they would not allow that to happen. Council Member Brantley expressed her displeasure with the manner in which Mr. DePara was communicating with the Council Members. Mr. DePara stated that he was trying to act as a conduit and purvey information to the Council, and that he appreciated their position, as well as their concern for their communities and constituents. Council Member Brantley stated that people are hanging in the balance, and that in the meantime, they have to ensure that vital matters are accomplished.

Co-Chair Taylor-Moye expressed her appreciation for Mr. DePara helping her contact the correct people regarding a lighting issue. She further stated that the Council as a whole would appreciate a direct channel to people who can help address their issues, rather than having to go through an intermediary. She stated that it would be more advantageous for them to go to the person in question, rather than several bureaucratic layers.

Council Member Nieves stated that the consensus of the Council Members is that their lack of knowledge prevents them from developing relationships with Department Heads, as they don't know who to go to. She stated that going to the top person and waiting for information to disseminate can be tricky and time consuming.

Council Member Brantley asked that Mr. DePara provide a list of Department Heads and their phone numbers to the Council members. Mr. DePara stated that he would procure that information for them and provide it as soon as it is available.

ADJOURNMENT

**** COUNCIL MEMBER BRANTLEY MOVED TO ADJOURN.
** COUNCIL MEMBER NIEVES SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:12 PM.

Respectfully submitted,

Catherine Ramos
Telesco Secretarial Services