

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS
COMMITTEE
REGULAR MEETING
MARCH 8, 2021**

ATTENDANCE: Ernest Newton Co-chair; Scott Burns, Co-chair; Jorge Cruz, Jeanette Herron, Matthew McCarthy, Denese Taylor-Moye, AmyMarie Vizzo-Paniccia (6:22 p.m.)

OTHERS: Council President A. Nieves; Council Member(s): A. Castillo, J. Herron, E. Martinez, M. McBride-Lee, M. Pereira & R. Roman-Christy; K. Flatto, Finance Director; N. Nkwo, OPM Director; Atty. John Stafstrom, Bond Counsel; Lauren Mappa, General Manager, WPCA; Shaurice Bacon, Barbara, Joe Laliberteji, Project Manager; Mamie Mayes, WPCA; Dan Murphy, Jamilla S., Diane Walker, S. Walker, WPCA; iPad; 203-275-6420

This meeting was conducted by Zoom/Teleconference.

CALL TO ORDER

Co-chair Newton called the meeting to order at 6:01 p.m. A quorum was present.

Co-chair Burns noted that Council Member Vizzo-Paniccia would be late.

APPROVAL OF COMMITTEE MINUTES: FEBRUARY 8, 2021
(Regular Meeting)

**** COUNCIL MEMBER HERRON MOVED THE MINUTES OF THE FEBRUARY 8, 2021 REGULAR MEETING.**

**** COUNCIL MEMBER CRUZ SECONDED.**

**** THE MOTION TO APPROVE THE MINUTES OF THE FEBRUARY 8, 2021 REGULAR MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

24-20 Proposed Resolution Approving Financing for the Design, Rehabilitation, Upgrading and Construction of Various Renovations and Improvements to the City's Wastewater Treatment Plants.

Council Member Newton said that he would allow the members of the WPCA and the individuals accompanying them to speak first, followed by Mr. Flatto and Mr. Nkwo. The Committee members would be able to ask questions after that and then the general Council Members.

**** COUNCIL MEMBER BURNS MOVED TO ENTER EXECUTIVE SUMMARY OF WEST SIDE WATER TREATMENT PLANT AS EXHIBIT #2021-03-08-01.**

**** COUNCIL MEMBER HERRON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Ms. Lauren Mappa, the Water Pollution Control Authority General Manager, then addressed the Committee. The Water Pollution Control Authority (WPCA) is currently under two Consent Orders from DEEP and the Consent Orders obligated the City to perform the work.

The first consent order requires the City to upgrade both of the wastewater treatment plants. After evaluation both the East Side and West Side plants, they have decided to work on the West Side Plant first in order to stagger the projects.

The resolution is for the design and construction of the West Side plant and the preliminary design for the East Side upgrade at the same time.

The second consent order is an older, coastal city with combined sewers. The combined sewers handle storm water and sanitary flow in the same system. The second order requires the 26 overflow regulators (20 on the East Side and 6 on the West Side) which must eliminate the CSOs from overflowing during a heavy rain event.

The two consent orders were developed separately. Ms. Mappa looked at increasing capacity of the Westside plant to reduce the CSOs. When DEEP issued the consent orders, the question was raised about financing them. However, the EPA set up the Clean Water Fund for these types of situations and the City will not be required to bond for the project. The State will be bonding for the money and it will be presented as a grant.

The sewage treatment plants need to be upgraded because the last “upgrade” was not really an upgrade, but some superficial changes. Now they have to meet all the regulatory goals and incorporate sustainable methods for the future.

It would be good to develop a visitor center to introduce students at the Aquaculture School and Fairchild Wheeler to what the City is doing.

Ms. Mappa then spoke about reducing the bypass events and by increasing the capacity at both plants, they will be able to handle it. By separating the combined sewer/storm water systems, it will also help reduce bypasses and upgrade the system.

The WPCA has never missed a payment in the last 20 years and they expect to continue making payments on the 2% loan to the State.

Mr. Flatto said that he was a member of the WPCA Board and was aware of the project. He said that he had a few concerns about finances. He explained that the reason WPCA needs the Council approval is because if something happens, the City would have to make the payments. Mr. Flatto said that this would have some impact on the rate payer fees.

Council Member Taylor-Moye said that Mr. Flatto answered her question about the bonding issue. Council Member Taylor-Moye said that there had been a number of problems regarding people having their homes foreclosed by the WPCA. She wished to have an update on that.

Ms. Mappa said that over the past 18 months, they had worked to become a kinder, gentler WPCA and worked to get people onto payment plans. There is also a committee on the Board that property owners can appeal to if they want to. There are low interest rates right now.

Council Member Vizzo-Paniccia joined the meeting at 6:22 p.m.

Council Member McCarthy asked about the Average Annual Sewer Bill listed on page 29 of the PowerPoint presentation. He asked if it would really double and possibly triple over the next 12 years.

Ms. Mappa said that there were public hearings and a presentation to the Council about it. She then reviewed the estimated amounts as listed in the presentation. She explained that they were in a third party operating contract and felt the charges were exorbitant. She hopes to negotiate the cost of the operators down.

Council Member McCarthy asked if they would have to separate all the lines. Ms. Mappa said that if she could increase the capacity of the plants, she would not have to separate all the lines in the City.

Council Member Newton said that the WPCA could raise their rates if they have to pay their expenses. He said that the collection rate was about 90% and reminded everyone that the plants were old. They have their own government board and could raise the rate as needed without Council approval.

Council Member Cruz said that the Board sets their own rates and the Council has no input. He wondered why the WPCA has to come to the Council for this. He asked Ms. Mappa to supply him and Council Member Taylor-Moye with a list of the foreclosures in their district.

Council Member Newton said that some of the City Attorneys who work for both the City and the WPCA would be the ones placing liens on properties that reach a particular level of delinquency in their bills. They should be receiving the information from Atty. Liskov because the WPCA would not have that information.

Council Member Herron said that they definitely need an updated system in the City. She said that the City was in the default position if the WPCA cannot make their payments. She reminded everyone about what they went through with the moratorium.

Council Member Burns said that the project was in two phases and would take about two years. he asked how the process would work.

Ms. Mappa said that this was the first step in the project because she could not go to the DEEP without Council approval. The WPCA facility plan has been completed. The earliest that the design could be started would most likely be about June. The design phase would take about 18

months and then it has to go back to DEEP for approval. An approval would move the project start to 2024. The second project design phase would start after the first project begins with the construction beginning in 2028 and likely completed in 2030. The DEEP Clean Water Fund issues funding on an as needed basis.

Council Member Burns asked Ms. Mappa if she would be sending the Council reports on what amounts were borrowed and the status during the projects. Ms. Mappa said that the goal was to be as transparent as possible. She had reached out to the Council leadership, had public information sessions and met with P.T. Barnum residents.

Council Member Pereira said that Council Member McCarthy had spoken about the difference between the baseline and the stagger noted in the documentation. On a cash basis, the rates were not doubled, but the baseline in 2027 is a 17% increase and with the staggered option it is a 66% increase or 4 times the percentage increase. In 2033 with the baseline, it would be a 34% increase over 8 years, but on a percentage basis, it is 3.5 higher for a household over the 8 year period. That is a massive issue with the re-evaluation underway this year since many owners are going to receive significant tax increases because of the re-evaluation.

Council Member Pereira had several questions about the lengthy resolution. She mentioned the Council approval of a \$75 million dollar bond in 2018. Now the Council was being asked to increase it from \$75 million to \$395 million, which is likely the largest infrastructure project in Bridgeport's history. Harding High School was the most expensive school construction project at \$20 million, which the State paid 70% of that with no loan and no interest.

Council Member Pereira said that the proposal states there will be a low interest 2% rate on 70% that will be paid by the WPCA. However that leaves \$118,500,000 funded solely by the municipal taxpayer. She asked to be provided with the information regarding what the term was for the \$118 million and what this would do to the bond rating.

Ms. Mappa explained that \$118 million was the State grant funding.

Council Member Pereira asked if the 70% would be paid for by Bridgeport municipal taxpayer. Ms. Mappa replied the WPCA would be paying that amount.

Council Member Pereira pointed out that the resolution states that the obligation would be secured by the full faith and credit of the City. It is the Bridgeport homeowner that pays the WPCA. The taxpayers will be paying \$276,500,000 over 20 years at a 2% rate.

Ms. Mappa explained it would be the rate payers, not the taxpayers.

Council Member Pereira said that the people who pay the WPCA were homeowners and taxpayers. She wished to know what the total interest dollar amount would be on the \$276,500,000 over the 20 year term.

Ms. Mappa pointed out that it was difficult to provide an exact number as they do not know what the incremental payments will be. The loans will be taken in smaller amounts rather than one

large amount. She gave the details. Discussion followed about the length of the loan repayments with interest.

Council Member Newton said that this was not their first rodeo with the WPCA. Mr. Nkwo said that it was not. Council Member Newton asked for the record, if the WPCA had ever been late or defaulted on their payments. Mr. Nkwo said that they had never been late one day on a payment. Council Member Newton said that this type of bonding does not fall under the same category as when the City goes out for Capital projects. Mr. Nkwo said that this was correct.

Mr. Stafstrom said that this type of resolution was not unique. He reminded everyone that he was on the Council when the Council created the WPCA. Periodically, the WPCA requires the Council approval for plant upgrades. Occasionally, the WPCA has borrowed from the City, but always paid it back. This will appear on the City books as contingent debt.

Mr. Stafstrom reminded everyone that there was a consent order for separating the City sewers and if the WPCA does not do this project, they will have to separate all the sewers. He added that user fees were different than taxpayers since user fees are paid by everyone in the City, including hospitals and non-profits.

Council Member McCarthy said that he had been working with the sewers since 1999 and doing the upgrades will save the City money. Council Member McCarthy said Ms. Mappa had said that the worst case scenario was \$395, but he wished to know what the best case would be.

Ms. Mappa explained that it was too early to have that figure available.

Council Member McCarthy asked if the 2% interest would remain. Mr. Flatto said that it was a Federal loan and had not changed in a long time. Mr. Stafstrom said that he believed it was a fixed rate. Ms. Mappa said that once they signed the agreement, the rates were locked in.

Council Member McCarthy asked if the fence would be fixed any time soon. Ms. Mappa said that it should be done by Friday.

Council Member Cruz said that he would support it since they had received a grant from DEEP and the City has never had to provide payment for the WPCA. He said that he was concerned about those who were on a fixed income and might end up in foreclosure. Council Member Newton reminded everyone that the WPCA had set up a committee that reviews hardship issues. They are on top of this.

Council Member Pereira said that Ms. Mappa has mentioned it having a Visitor Center and while it is nice, it should be removed from the project. Bridgeport has the largest foreclosure rate in all of New England. Asking people to pay a triple increase over the next few years, she did not know how they could ask the residents to take this on with the re-evaluation underway. She said that they should be removing everything that is not absolutely necessary.

Council Member Pereira said that the President had spoken about a massive infrastructure bill and wished to know if there was anything that could help with this. Ms. Mappa replied that if

Federal money was allowed by DEEP, she would try for it. But it has to go hand and hand with the DEEP application.

Council Member Burns said that one of the critical needs is to clean the water. Black Rock Harbor is a mess and this needs to be done. He thanked Ms. Mappa for being available to the Council and others about the design.

Mr. Nkwo said that on a financial basis, the figures were basically gross numbers. The upgrade will reduce the annual repairs, which would continue to increase for an older plant.

Council Member Newton asked Ms. Mappa asked when the last time there was an increase in the rates. Ms. Mappa said that last year there was 3% increase. Previously, it had not increased for seven years before that.

**** COUNCIL MEMBER VIZZO-PANICCIA MOVED TO APPROVE AGENDA ITEM 24-20 PROPOSED RESOLUTION APPROVING FINANCING FOR THE DESIGN, REHABILITATION, UPGRADING AND CONSTRUCTION OF VARIOUS RENOVATIONS AND IMPROVEMENTS TO THE CITY'S WASTEWATER TREATMENT PLANTS.**

**** COUNCIL MEMBER BURNS SECONDED.**

Council Member McCarthy asked what would happen if it was not approved by the Council. Ms. Mappa said that if it was not approved by the Council, the project will not happen. Due to the Consent Order, if the WPCA does not upgrade the plans, the State can fine the WPCA anywhere between \$25,000 and \$50,000 per day until the consent decree conditions are met.

Council Member McCarthy explained that he just wanted everyone to hear that.

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

25-20 Proposed Five-Year Capital Plan for Fiscal Years 2022-2026.

Mr. Nkwo said that he had included the FY 2020 and FY 2021 Capital Plans for informational purposes. Those have no bearing on the 2022-2026 Plan. The Council has requested to see every Capital request. Many of the requests do not meet the criteria.

Council Member Newton asked Mr. Nkwo to review the projects that were likely to move forward than all the requests. Mr. Nkwo said that at the next Council meeting, he would focus on the projects that were likely to be handled in 2022.

Council Member Burns said that the Five Year Plan that OPM presents to the Committee every year and they need some time to review it and the overall bonding, the impact on rating and overall debt.

Council Member Newton said that they would not be taking a vote on this at this meeting. The questions would be focused on the general overview and 2022. He encouraged everyone to speak to Mr. Nkwo with specific questions.

Council Member McCarthy said that the BOE would be getting a lot of money from the CARES Act. They will be getting \$6 million this year and over the next few years, they would receive \$20 million.

Mr. Nkwo said that the Senate bill would be allocating funding to the BOE and could be used for school buildings in terms of boilers, window replacements, asbestos and a variety of other things.

Council Member Herron asked Mr. Nkwo about the CARES Act money and the American Relief Fund would be released soon. The second grant funding can be used for other items.

Council Member Pereira said that the bill had to go back to the House for approval because the Senate made changes. The CARES Act has to do with COVID costs. She added that the buildings belong to the City, not the BOE.

Council Member Pereira asked why the column shows \$3 million for street paving and not \$2 million, which was discussed.

Council Member Pereira asked about the Wonderland of Ice and said that there were major issues with the doors there. She asked for details for the City owned building.

Mr. Nkwo said that the tenant had reported that the immediate need was for the roof. He said that he would check into the details and get back to her.

Council Member Pereira asked who had authority over Wonderland of Ice, since it was on Park's property. Council President Nieves said that she had just reviewed the contract. Eleven years ago, some patch work was done on the roof. The Parks Board entered into the contract with Wonderland of Ice and the Council had to approve it. Public Facilities was responsible for the roof and the contract was amended.

Mr. Nkwo said that Wonderland of Ice rent is deposited into the General Fund.

Council Member Castillo said that he wanted to follow up with Mr. Nkwo about the doors. There are 40 doors there which are rotted and it's a fire hazard. The City is responsible for the outside and the tenant is responsible for the inside.

Mr. Flatto suggested some language for the contract and said that they would have to bond some money for Bassick, and wished to have a bond resolution by May.

Council Member McCarthy had some detailed questions about the Capital funding. Discussion followed.

Council Member Herron said that during the last five years on the Council, the City has been hit with the highest tax rate and a WPCA increase. It is time to make the corrections when they need to be made. The pipes are old and they are breaking everywhere. This will affect the constituents across the board. Finance and OPM need to make sure that the administration has been making the best financial decision for the residents.

Council Member Burns said that if Council Members had questions or issues they should contact the co-chairs. There are items that should come off the Capital Project list.

Council Member Newton reminded everyone that these two items do not require votes at this time. Every Committee Member should have received the BOE report and the Monthly Financial Report.

**** COUNCIL MEMBER VIZZO-PANICCIA MOVED TO TABLE AGENDA ITEM 25-20 PROPOSED FIVE-YEAR CAPITAL PLAN FOR FISCAL YEARS 2022-2026 TO NEXT BUDGET MEETING.**

**** COUNCIL MEMBER BURNS SECONDED.**

**** THE MOTION TO APPROVE PASSED UNANIMOUSLY.**

General Discussion re: Review of the Monthly Financial Report.

Mr. Flatto said that the financial report remained steady, but there was still a question about the \$2 million for Steel Point. The America Recovery Act may help the City.

Council Member Cruz asked if the OPM and Finance were monitoring the PSE&G money. He asked if the money was available.

Mr. Flatto said that it was not City money. Mr. Nkwo said that he had not set up an account for it because it was not City money.

Council Member Burns said that there was a fiduciary for the funds and they had just received the funding recently.

Council Member Taylor-Moye said that Mr. Sachs was in charge of the funding and some of the grant funding had been transferred. An RFP would be released soon. There will be a meeting in the near future.

Council Member McCarthy asked if there were limitations on the grant funding applications. Council Member Taylor-Moye said that once the RFP is released, everyone would know. Council Member McCarthy asked if they would know about the conflicts of interest. Council Member Taylor-Moye said that Mr. Sachs would know what those conflict issues would be.

Council Member Pereira had some detailed questions about the variances revenue involving naming rights and rental payments. Mr. Flatto said that he would check with the City Attorney's about what might be required in the contract for the Amphitheater and the Arena.

Council Member Pereira asked where the money was for the Hartford Health Care naming rights, and the Webster Arena naming rights. Mr. Flatto said that they would request a report on that from OPED.

Council Member Pereira said that she would like to know why Wonderland of Ice was paying rent and the Amphitheater and Arena were not.

Council Member Burns said that they would follow up with OPED about rent payments.

Council Member Burns said that some departments seem to be running ahead with Personnel costs. If there are vacancies, he wished to know if the City was functioning at its best.

Mr. Flatto said that there were partial vacancies where it took two or three months to fill. Mr. Nkwo said that some vacancies were delayed because of COVID since most people were working from home. Civil Service is moving forward with interviews and tests now that COVID seems to be receding.

Council Member Burns said that there had been an open Grant Writing position and felt that they could have generated funding.

Council Member Newton said that it was time to fund the tests for various positions and not let people sit in provisional or acting positions. Mr. Flatto said that Civil Service was working on some of the positions like Tax Assessor and Personnel.

Council Member Cruz asked about both the Health Department and Social Services. They needed the Social Service workers at the Health Department.

DISCUSSION REGARDING BOE QUARTERLY FINANCIAL REPORT.

**** COUNCIL MEMBER HERRON MOVE TO TABLE THE ITEM UNTIL SOMEONE FROM THE BOE WAS PRESENT TO DISCUSS THE REPORT.**

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

**** THE MOTION TO ADJOURN PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COUNCIL MEMBER HERRON MOVED TO ADJOURN.**

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

**** THE MOTION TO ADJOURN PASSED UNANIMOUSLY.**

The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Telesco Secretarial Services