

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS
COMMITTEE
SPECIAL MEETING
APRIL 24, 2021**

ATTENDANCE: Scott Burns, Co-chair; Ernest Newton, Co-chair; Jorge Cruz, Jeanette Herron, Matthew McCarthy, Mary McBride-Lee, AmyMarie Vizzo-Paniccia

OTHERS: Council President A. Nieves, Council Member(s): E. Martinez, M. Pereira, R. Roman-Christy, M. Valle, & M. Lyons (11:15 a.m.); N. Nkwo, OPM Director; K. Flatto, Finance Director; T. Gaudett, Mayor’s Office; Fred Gee Jr., SMB Office; Veronica Jones, Tax Collector; Barbara, Kenneth Heltzer, 203-345-9789; 203-880-5666; 203-275-6420

This meeting was conducted by Zoom/Teleconference.

CALL TO ORDER

Co-chair Burns called the meeting to order at 10:00 a.m. A quorum was present.

Co-chair Newton said that there would be a caucus with the committee to discuss the Capital Budget. Those who are not on the Committee will not be allowed into the caucus because they do not have a vote. Council Member Newton will notify the Committee Members when this would take place.

Council Member Newton reminded everyone that the Department heads were present to answer questions and all the Council Members were to be polite and respectful. Any issues with a department should be sent to the Co-chairs who will pass along the problem to the Department head.

SMALL AND MINORITY BUSINESS OFFICE

Mr. Fred Gee, the Director of the Small and Minority Business Office (SMB), addressed the Committee. He said that 2020 had shut the office down and brought many of the programs to a halt. Currently numbers have increased greatly and the office was outperforming 2020. There has been \$6 million set aside for MBEs during 2020.

Council Member Pereira asked how many of the MBEs were owned by women. Mr. Gee said that it was listed on the spreadsheet in Column H. Council Member Pereira said that there should be a key listed on the spreadsheet.

Mr. Gee said that the term “self-performing” had to do with the City hiring African Americans.

Council Member Pereira asked what the business does to ensure that there were minority contractors involved in the projects. She brought up the Amphitheater project, where Mr. Saffan had claimed that McBride Electric was involved, but turned out not to have been involved.

Mr. Gee said that Mr. Saffan had not known about the MBE and now McBride Electric was a contractor. He then listed the various percentages for the various minority businesses. He also commented that Mr. Saffan had more than met his MBE requirements.

Council Member Pereira asked how Mr. Saffan could not know about the MBE requirement in the contract. Mr. Gee said that this question would best be referred to Mr. Gill in OPED.

Council Member Burns said that he had been concerned about the America Cares Act funding and how the funding had been delayed in disbursement. Mr. Gee said that HUD has a contract and many of the small business owners did not read the requirements thoroughly. He added that they worked with the owners to straighten out the problems and then sent the funding out. The State took five months to distribute \$5,000.

Council Member McCarthy said that he had some issues with the companies that received funding regarding one business' allocation and an insurance company their own building.

Mr. Gee said that employee retention was a major factor for allocation. He went into the details regarding HUD requirements. Discussion followed regarding the requirements for the CARES Act and the PPP allocations.

Mr. Gee said that they worked very hard to make sure that the process was fair and equitable.

Council Member Burns asked about the communications efforts. Mr. Gee said that they had made many phone calls and contacted people for those who may have specific skills for a project.

Council Member Newton thanked Mr. Gee for his hard work. He said that Mr. Gee had gotten a late start in distributing the funding. He asked how many black and brown businesses received funding. Mr. Gee said that between 85% to 90% funding was for black and brown businesses.

Council Member Pereira said that there were not many businesses that were women owned on the list and only one Hispanic owned business despite the fact that the Hispanic population was the largest population in Bridgeport. She asked what the phrase "self-performing" referred to.

Mr. Gee said that the 2005 disparity study focused on the African American businesses. The percentages are based on the ordinance. The disparity study needs to be done again.

Council Member Pereira said that there are 31 African American businesses, 1 Latino business and only 1 woman owned business. This is not right.

Council Member Newton asked which department would be responsible for having a new disparity study done. Mr. Gee said that it would come from the Mayor's Office.

Council Member Newton asked how many Hispanic companies were registered with them. Mr. Gee said that he did not have the number available. He added that there were Latino contractors that were not on the list.

Council Member Newton said that it would be very dangerous to present a situation that pits the African Americans against the Latinos.

Mr. Gee said that the companies that participate all understand what the disparity study requires and what they are obligated to do.

Mr. Nkwo said that this was the first time that he had been made aware of how old the disparity was and asked Mr. Gee for a cost estimate for having a new one done. Mr. Gee said that he would have to do an RFP and he would guess it would be \$150,000 and \$200,000.

Council Member Burns said that there had been a number of Latino businesses and African American studies done.

Mr. Nkwo said that the Council could set aside some funding to kick start the study.

Council Member Cruz said that he felt Mr. Gee was doing a good job and that this discussion shouldn't be about race.

Council Member McBride-Lee said that she felt Council Member Newton had addressed her questions and concerns. She said that she was concerned when people try to pit the races against one another.

Council Member Martinez said regarding the disparity study, she believed the project cost would be between \$150,000 and \$200,000. She complimented Mr. Gee on his handling of the outdated requirements. She said that the City had neglected to address the changes since the original study had been done.

Council Member Pereira spoke about a number of the percentages and Mr. Gee reviewed the data with the Committee. Discussion followed.

Council Member Newton said that it was time to stop assuming they know all the facts and doing their own interpretation.

Council Member Burns thanked Mr. Gee for his time and said that the Council would be working on this.

FINANCE DEPARTMENT

Mr. Flatto gave a brief overview of the PowerPoint presentation. There is one request for a software program to modernize the cash flow needs. The American Rescue Act will involve cash disbursements directly to the City rather than a grant type funding process.

Mr. Flatto then directed everyone to page 58 where the Tax Revenue was listed. Other than the first few months of the COVID shutdown, the office has been open and operational.

Council Member McCarthy said that the Chief Accountant was a new position. Mr. Nkwo said that last year, the Finance Department wanted an Assistant Comptroller and asked to have the Chief Accountant position unfunded. They were unable to locate an Assistant Comptroller in the salary range, and therefore shifted the focus back to the Chief Accountant. Discussion followed about which positions were unfunded and which ones were removed.

Council Member McCarthy asked how many staff were working in the Financial areas. Mr. Flatto said that there were 19 positions. Council Member McCarthy said that other departments often have an accounting clerks in their departments. Mr. Flatto said that he believed that there were five or six other accounting clerks assigned to major departments.

Mr. Nkwo said that Public Facilities need a Financial Manager and that position was shifted from Finance to Public Facilities about 15 years ago.

Council Member Burns asked about the details on page 58. Mr. Flatto said that the tax rates remained steady this past year and he has discussed the projects with the Tax Collector. They want to give people more time to pay.

Council Member Burns asked how the State program allowing the tax payments to be submitted over a period of time with a low interest rate. Mr. Flatto said that it worked well but now most that were struggling last year have worked their way back to a normal course. Last year's collection rate was over 98%. Last year, there were not many tax appeals, but there may be more this year. The real estate market in Bridgeport has been strong.

Council Member Newton asked about the status of the Steel Point payment being made this year. Mr. Flatto said that he had been working with Mr. Gill and Atty. Pacacha on updating this every few weeks. They hope that there will be a payment by June. They have to issue the bond in order to give the City the reimbursement.

Council Member Pereira asked whether the Tax Collector resigned. Mr. Flatto said that the Tax Collector had an appointment at 11:00 and had to leave the call.

Council Member Pereira asked for a list of the amounts of taxes that were lost due to the PILOT payments. She was told that they would send that information.

Council Member Pereira asked why 515 West Avenue was listed in the Budget when the item was just coming to the Council. Discussion followed.

Council Member Cruz asked for a listing of all of the unaffiliated, non-union positions and the positions appointed by the Mayor. Council Member Newton said that they could get totals, but not the names.

Council Member Burns said that they have an Acting Tax Assessor. Mr. Flatto said that they have had a part time Acting Tax Assessor and the staff is very experienced, so they have been

moving forward. The position has been posted twice but they have not gotten a viable response from a qualified candidate.

Mr. Flatto said that he had spoken with Mr. Amado about creating a test for the Tax Assessor. The current salary is in the low range and this is a problem in attracting candidates. There were two candidates who were from out of state and both felt that the salary was insufficient.

Council Member McCarthy said that the City should have been grooming a staff member towards becoming the Assessor.

Council Member McCarthy asked if there was anything in place for personal property taxes in order to attract companies.

Mr. Flatto said that there were some staff who had the potential of becoming Tax Assessor.

Mr. Heltzer said regarding the personal property, he has seen where there were some abatements for personal property because they qualified as the distressed.

Council Member Newton said that Mr. Flatto had indicated that it was hard to recruit candidates because of the salary scale. He said that there were political positions that need to be reviewed in order to capture the best talent for the City.

Council Member Pereira asked about the details Comptroller's Office on page 38 involving the revenue reductions. Mr. Flatto said that part of the reduction to zero was the Steel Point payment and the second part was the COVID CARES Act. Discussion followed about the details.

Council Member Pereira asked about the Appropriation Summary fringe benefits. She said that last year's amount was exorbitant. She said that they had reduced the amount, which she had never seen with the BOE.

Mr. Nkwo said that he could not project when someone had a baby, got married or got a divorce. He said that the numbers were generated by MUNIS. Mr. Flatto gave an example that someone on his staff had a child and another new employee was hired who had children.

Council Member Newton said that there was a lot of work to do and the Council needs to limit their questions to two. No one will be allowed to dominate the meeting. He pointed out that when the Chair says two questions, he means two questions.

Council Member McBride-Lee said that Council Member Newton had made her point.

Council Member Pereira asked about a projected raise for the Finance Director and was almost 6%. She asked for the justification for the raise.

Mr. Flatto said that there had been COLA raises and certain key positions had fallen well behind the COLA increases.

Mr. Nkwo said that when the salary scales had been created, they were all support to be making the same amount, but the ITS Director had joined the union. He then reviewed the details of the various salaries compared to the union salary scales. Discussion followed.

Council Member Pereira said that comparing what other people make is a justification for a salary increase.

Council Member Pereira asked where the section for the Fire Department and Police Department salary increases was.

Council Member Lyons stated that she arrived at 11:15 a.m.

Council Member McCarthy said that he did not have a problem with the salary increases to bring parity to the positions.

Mr. Flatto said that one of the positions in Purchasing was filled last week.

OPM

Mr. Nkwo said that his department was fairly constant. There is one vacancy listed on page 130.

Council Member Pereira asked where the contingency funding was and where the reserve funds were listed for the Police and Fire salary increases.

Mr. Nkwo directed everyone to page 415 and the appropriate line item for unsettled contract agreement.

Council Member Pereira asked where the contingency line item was. Mr. Flatto said that it was the line above it.

Council Member Pereira said that the OPM's salary was a 12% increase over the last three years. She said that her constituents were fighting tax and WPCA increases would not be supportive of this.

Mr. Nkwo said that the 4% in 2020 was because of 2019 and 2020. When contracts are settled, there are retroactive payment without interest.

Council Member McCarthy said that a request was made for a list for the amount of taxes the City forfeited with PILOTS. He suggested that they compile a list of the amount of money that the City had not paid out due to the salary lag.

The discussion moved to the details of the Contingency line and how the funding was handled.

Mr. Nkwo said that Mr. Denton, the ITS Director, had been phenomenal and had everyone equipped to work from home without a glitch.

CAPITAL BUDGET

Council Member Newton said that he would prefer that this be discussed in caucus.

Mr. Flatto said that there had been a discussion on the CARES Act. He spoke about an item that would be included in the bonding.

Council Member McBride-Lee said that Mr. Flatto and Mr. Nkwo had been doing a great job in keeping the finances straight. She thanked them.

Council Member Newton said that he and Council Member Burns would be in touch with the Council Members about the major issues.

Council Member McCarthy asked for clarification.

Council Member Vizzo-Paniccia recommended that they extend the two hour limit on meetings. She suggested that next Saturday be a complete work session on the budget.

Council Member Burns said that he and Council Member Newton had been reviewing the Capital Plan and which items might be covered by the CARES Act.

Council Member Herron said that they had never rushed on the Budget meetings. The Capital Plan was always done on a Saturday.

Council Member Vizzo-Paniccia said that this was a large amount of money and they need to take the time. She said that they could expedite the process by getting the questions and comments to the Co-chairs.

Council Member Newton said that there were only seven members on the Committee with a vote. Those are the people that should be in the caucus. Whichever way they want to do it is fine.

Council Member Burns displayed a spreadsheet with potential changes. He said that they would be able to make some purchases now and potential reduce their debt rating.

Council Member McCarthy said that there was funding for the schools such as paving, he felt that they should do it and avoid the debt service. He spoke about the Land Management and said that this should be moved to OPED.

Council Member Burns said that Mr. Nkwo had given him a list of funding that OPED had not disbursed it yet and Council Member Burns had not sent it out yet.

Council Member McCarthy asked if they could use the Federal funding for replacement of the Wonderland of Ice roof. Mr. Flatto said that he did not believe that this would qualify. He also cautioned them about the line item for paving school parking lots. Discussion followed about the various details.

Council Member Newton said that he and Council Member Burns had information that the Committee Members that was crucial that should be shared with them first.

Council Member Vizzo-Paniccia noted that air quality was included in the Federal funding. She pointed out that if the roof was leaking, it might affect the air quality.

Council Member Vizzo-Paniccia asked where the funding for the SR money. Council Member Burns said that there were two allocations of the SR money. The City has received the first allocation. Mr. Flatto said that the second allocation would come through the State. Discussion followed.

Mr. Nkwo explained that the City cannot spend the SR money, but the City was responsible for setting up the account for that money.

Council Member McBride-Lee said that her concern was the same as Council Member Vizzo-Paniccia's. She said that she had been hoping the BOE control would change when the Federal funding arrived and could direct it to the classroom. Mr. Nkwo said that the BOE had expressed the desire about working with the City on some projects.

Council Member McBride-Lee asked if she could get a list of where the funding was being spent. Council Member Burns said that the B&A committee was now getting regular reports from the BOE about where the money was spent.

Council Member McBride-Lee said that she would like to see where the money was being spent. Mr. Flatto said that he would ask Ms. Siegel for a summary.

Council Member McCarthy agreed with Council Member McBride-Lee about spending money in the classroom.

Council Member McCarthy said that there was a municipal lot that has about 60 to 65 spaces in Black Rock and it is not enough. He suggested starting a decking design for the lot and planning for next year for the construction.

Council Member Newton said that this was probably the first time that the City had a Superintendent who was willing to work with the Council. In return, they need to come up with some creative ways to add money for the ECS funding. They are helping the City by reducing the cost of some of the projects. Superintendent Testani came up with these suggestions and was looking at the budget as a partnership.

Council Member Roman-Christy asked about the numbers that were highlighted in yellow. Council Member Burns indicated where it was located on the spreadsheet.

Council Member Roman-Christy said that there were no dollars allocated for the North End Library until 2024. Mr. Nkwo explained that they had to decide where the library would be located first. He said that by 2024, the preliminary steps will have been taken and they will be ready to spend the money.

The discussion then moved to the programs that had been approved but not yet bonded, such as the bridge project.

Council Member Pereira said that she did not have a copy of the document that was being displayed on the screen. Council Member Burns said that it had been created the previous day.

Council Member Pereira asked if the BOE had voted on the projects that were listed. Mr. Flatto said that they had spoken with the District staff about the various projects that might be covered by the AR Act. He gave the details.

Council Member Pereira said that the BOE is the only one that would decide on how to spend the money. Superintendent Testani does not make that decision.

Council Member Pereira said that in 2019, Mr. Flatto had come to the Council about \$50 million that had been bonded and he requested the Council to de-authorize the amount which included the Wonderland of Ice.

Mr. Flatto said that the items were authorized to bond, but had not been bonded at that time. He said that he had not been aware of the leaking roof.

Mr. Nkwo said that if they have too much credit exposed, the rating agencies. No one knew about the roof leaking.

Council Member Pereira said that the \$26,000 million in funding had been re-directed to other projects. All this money was a slush fund and was being used illegally.

Council Member Lyons asked about the funding for the Oxford Flood Design. Mr. Nkwo said that the design was in one of the outlying years and things might change before they get to it.

Council Member Lyons said that John Winthrop had asked for some repairs. Mr. Nkwo said that the BOE was looking into fixing some of the issues. It was placed in an outlying year and now it has migrated to the top of the list.

Council Member McCarthy said that the B&A Committee has the ultimate decision about the budget. Mr. Nkwo said that this was so.

Council Member Pereira said that Mr. Flatto had mentioned more funding about Bassick High School. Mr. Flatto said that there had been a Capitol approval for Bassick in 2018-2019 and now the project is ready for construction.

Council Member Pereira said that there was a berm that was being constructed at Seaside park and the school project could not be bonded until that project was completed.

Mr. Flatto said that DEEP had indicated that it could be done simultaneously. He said that he was waiting for some clarification as to whether it was time to bond.

Council Member Newton said that he was on the School Construction Board and it was his understanding that both projects could actually work in conjunction, but it would have to wait until they receive a letter from the State about this. Mr. Flatto is saying that they make the funding available to meet the matching State requirement.

Superintendent Testani knows his job and he will be bringing this to his Board.

Council Member Burns reviewed the dates from the upcoming meetings.

Council Member Lyons asked if this was the same capital plan that everyone had received earlier. Council Member Burns said that it was.

Council Member Newton said that every document that the Co-chairs had, they had sent out to the Committee members.

ADJOURNMENT

**** COUNCIL MEMBER NEWTON MOVED TO ADJOURN**

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

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 12:48 p.m.

Respectfully submitted,

Telesco Secretarial Services