

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS
COMMITTEE
REGULAR MEETING
JULY 12, 2021**

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

OTHERS: Council Member(s): M. E. Brantley, E. Martinez, M. Pereira, R. Roman-Christy (6:06 p.m.), S. Suliman, D. Taylor-Moye, & M. Valle; Constance Vickers, Legislative Affairs Director; K. Flatto, Finance Director; N. Nkwo, OPM Director; Barbara; Robert Christoph Jr.; Ericka Castillo; Tyler Mack, Wanda Geter-Pataky; 203-209-1058; 203-275-6420; 203-726-0823; 203-880-5666

CALL TO ORDER

Co-chair Burns called the meeting to order at 6:04 p.m. A quorum was present.

He stated that Council Member Vizzo-Paniccia was not able to attend due to health reasons.

APPROVAL OF COMMITTEE MINUTES:

- **June 14, 2021 (Regular Meeting)**
- **May 25, 2021 & June 3, 2021 (Special Meetings)**

**** COUNCIL MEMBER NEWTON MOVED TO APPROVE THE MINUTES OF THE FOLLOWING MEETINGS:**

- **JUNE 14, 2021 (REGULAR MEETING)**
- **MAY 25, 2021 & JUNE 3, 2021 (SPECIAL MEETINGS)**

**** COUNCIL MEMBER HERRON SECONDED.**

Council Member Pereira said that on page 2 of May 25th, the statement “She said that there were people in trouble across the company that used the Federal funding for purchasing boats and planes and were going to jail” and it does not make any sense. The correct statement was “She said that there were people in trouble across the country that used the Federal funding for purchasing boats and planes and were going to jail.”

Council Member Brantley pointed out that this was simply the wrong word and a mistake. She said that the Council Members did not need to be demeaning.

Page 2, paragraph 7, line 2: please change the following from “ across the company that used”

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To “across the country that used”

Council Member Cruz asked if Mr. Gill was present. Council Member Burns said that he did not see anyone from OPED on the call.

**** THE MOTION TO APPROVE THE MINUTES FROM THE JUNE 14, 2021 REGULAR MEETING AND THE MAY 25, 2021 & JUNE 3, 2021 SPECIAL MEETINGS AS CORRECTED PASSED UNANIMOUSLY.**

Council Member Roman-Christy joined the meeting at 6:06 p.m.

Council Member Herron said that she would text Mr. Gill.

Update from OPED, Tom Gill and Robert Christoph, Bridgeport Landing Development, on Steelpointe bonding process.

Mr. Christoph said they had been working for the past two years and were looking to start to pay for the bonds now that they have control of the property. Mr. Christoph said that they were looking to go to the market with the bonds by the end of the month. He said that when they conclude the negotiations, the City will receive about \$5 million once the bond is purchased. He thanked everyone for their patience and assured everyone that they would receive their money back.

Council Member Burns then gave a brief overview of the infrastructure agreement. He added that for the last two years, this amount has been included as a potential revenue source.

Council Member Herron announced that Mr. Gill would be joining the meeting in a moment.

Council Member Newton thanked Mr. Christoph. He asked how far they were from starting the second phase of the Steelpointe site shovels in the ground,

Mr. Christoph said that he was hoping to break ground by next spring. He said that there were delays in the supply chains and other unforeseen factors. They are moving forward and hope to have some announcements by the end of the year. Discussion followed.

Council Member McCarthy asked about the comment regarding the limiting bonding. Mr. Christoph said that the bond agencies will only allow them to bond for what is already there and what is going up in the next phase.

Council Member McCarthy asked about the relationship between the tax payments on the property and the bonding. Discussion followed.

Council Member Brantley asked for confirmation on the amount coming back to the City as \$5 million. Council Member Burns confirmed that this was so.

Council Member Brantley said that she was pleased with the developer and the work they did on the East Side.

Mr. Flatto then gave a brief overview of the revenues that come to the City. The City will receive approximately \$5 million of the total \$7 million. He gave the details of this.

Council Member Pereira said that she was not on the City Council when the project started and wished to know what the taxpayer's total investment. Mr. Flatto said that the City invested approximately \$17 million, but some of that was from Tiger grants. The City expended approximately \$5 million and would receive interest on the investment.

Council Member Pereira expressed concern regarding the interest being waived.

Mr. Gill said that the interest was not being waived and would remain intact in the next bond phase. That is the interest that was paid on the \$5.32 million investment by the City.

Council Member Pereira has asked what was included in the July 1st budget. Mr. Nkwo said that for FY2022 they had budgeted half a million dollars.

Council Member Pereira stated that this would be a \$4.5 million dollar surplus even though it was just a repayment. Mr. Nkwo said that assuming that all things were correct, this would be so.

Council Member Pereira said that they were using the word "negotiation". Mr. Gill said that they were negotiating the actual reimbursables. Nothing was negotiated regarding the original capital investment. Council Member Burns then gave a very brief overview of what would constitute infrastructure. Mr. Gill added that it also has to do with public purpose. There are sections that were construction that were not for public use and those cannot be reimbursed.

Council Member Newton thanked Mr. Christoph for reaching out to the East End community and his commitment for other items such as a gas station and hiring local residents. Council Member Newton said that everything Mr. Christoph promised to the East End community has been done.

Council Member Valle thanked Mr. Christoph for speaking to her group two weeks ago about the projects. She asked for the parking for the tenants who are about to be moved.

Mr. Gill said that the Christophs had acquired two parcels on East Main Street and those will be used for parking. The blight will be removed which will be a plus for the neighborhood. Mr. Christoph explained that they were waiting for some test results on the soil mounds before moving them. Once they have that, they can move forward and the parking will remain for the retailers who are nearby.

Council Member Martinez said that she supports the project and thanked them for bringing a new project to Bridgeport. She stands in full support of them and thanked them for uplifting the City.

Council Member McCarthy asked where the design plans were available. Mr. Christoph said that the originals were made public during the bid process but the updated plans were available in his office. Council Member McCarthy said he would like to make an appointment to meet about this.

Council Member McCarthy asked about the first \$400,000 going to the General Fund. Mr. Flatto confirmed that this was so.

Discussion followed about how the bonding would work as the new construction was completed.

Council Member Cruz thanked Mr. Christoph and said it was a pleasure to meet him. It is refreshing news to hear that shovels would be in the ground soon on that vacant parcel. He added that he would like to see the layout of the project. Council Member Cruz asked Mr. Christoph to take the Council Members on a boat ride. Mr. Christoph said that he does not have a boat, but the City does.

Council Member Cruz congratulated Mr. Christoph. Council Member Herron said that OPED had done an amazing job and mentioned that the Council Members had gone to other cities that look like Bridgeport. She said that she can't wait to see it completed. When there are investors who are willing to put their own money into the project, it is a boon for the City. Mr. Christoph said that they love the community and want people to see how amazing Bridgeport is.

Council Member Herron said that she was not born or raised in Bridgeport but has lived in the City for 22 years and did not see herself leaving the City. Mr. Christoph said that he had sold his property in Florida and now was a Connecticut resident.

Council Member Burns asked Mr. Gill and Mr. Christoph to elaborate on the delays. Mr. Gill said that it has been great working with the Christophs. This is the first bond issue that the Christophs have done and timing is important. There are many factors they have to consider. COVID slowed things down, along with getting appraisals, but everything was done carefully.

Mr. Christoph gave some of the pre-COVID delay details. There were also changes in the area, such as Stratford Avenue, which was previously two lanes but is now four lanes plus turning lanes. FEMA changed the flood plain by four feet during the middle of the design phase, so designs had to be changed to accommodate that. This will become part of the City and will increase the overall value of the City as a whole.

Council Member Brantley reminded everyone that Rome was not built in a day and the Christophs had kept working on the project. She mentioned that she had worked on the relocation plans back when she was still in college. She said that she was supportive of Bridgeport Landing and the overall project. Nothing could be done until the infrastructure in that area was addressed.

Council Member Newton said that he was on the Council in the late 80s when this project started. The Christophs have taken the project to where it should have been 30 years ago. He said that he was sorry it took this long but reminded everyone that the developer put up his own

money to move things forward. Bridgeport should be glad to have the Christophs here because they put their money where their mouth is. The Council needs to do a better job in moving these projects along.

Council Member Burns agreed that the City needs to do whatever they can do to help the serious developers. He thanked Mr. Christoph and Mr. Gill for joining the meeting to update the Council.

Council Member Brantley asked Council Member Burns to get the development information to the Council Members. Mr. Christoph said that the plans were a very large file that most likely could not be emailed. However, the Council Members were welcomed to come to the office to view the plans.

75-20 Proposed Approval of Tax Anticipation Notes (TANS) To Pay Current Expenses and Obligations of the City – FY2022.

Council Member Burns said that Mr. Flatto had submitted a letter requesting the item be withdrawn because there was no longer a need for TANS this year.

**** COUNCIL MEMBER NEWTON/ MOVED THE WITHDRAWAL OF AGENDA ITEM 75-20 PROPOSED APPROVAL OF TAX ANTICIPATION NOTES (TANS) TO PAY CURRENT EXPENSES AND OBLIGATIONS OF THE CITY – FY2022.**

**** COUNCIL MEMBER MCCARTHY SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

General Discussion re: Review of the Monthly Financial Report.

Council Member Burns noted that Mr. Flatto was actually on vacation. Mr. Flatto said that the report was looking good and the revenues and expenses were doing better than budgeted.

Council Member Pereira said that after the Nutrition Program and [inaudible], the report appeared to indicate that they were running \$6 million ahead of projection. The Nutrition Fund will look like a break even on the spreadsheet.

Council Member Pereira has several detailed questions about the Revenue Variance Report, which Mr. Flatto answered. Mr. Nkwo indicated that in the back of the Budget Book there was a \$2 million dollar line item that was credited for COVID. He went on to give the details.

Council Member Burns said that there was a question about police coverage for utility work. Mr. Nkwo indicated which line item contained the information.

Council Member Newton asked about the status of the Fund Balance. Mr. Flatto said that the Fund Balance had improved for the fund Balance. It is now about 6% which is a major improvement over the 3.5% Fund Balance that was in existence when the administration came into office. Discussion followed about how the BOE uses their excess funds.

Council Member McCarthy asked about the police overtime. He said that they need to reconsider the rate to cover the overtime pay and the fringe benefits, mainly the pension.

Regarding the Fund Balance, Council Member McCarthy said that it was very impressive to move the balance from 3.5% to 6%. He asked if they were able to attain an 8% balance, if the City should start to pay down the debt service. Mr. Flatto said that AAA communities have a 10%-12% balance, but the rating agencies look at the debt. Mr. Nkwo said that the easiest way would be going on a debt diet, which means paying capital improvements out of the General Fund.

Council Member Pereira said that the Expenditure Report and wished to know where the savings from the vacancies were accounted for. Mr. Flatto said that the actual spreadsheet reflects the more accurate figures. He said that any surpluses would be put into the Fund Balance excluding the salaries and contract negotiations reserves.

Council Member Pereira then asked about the Tax Collector's report and wished to know where the \$10 million increase in revenue was generated from. She said that the library was only given a percentage of the mill rate and the library does not get all the funding they deserve.

Mr. Flatto said that there were some revenues from the tax lien sale and added that there is a reserve for tax appeals. The City Attorney's Office has been very successful in the appeals areas, so there is more surplus.

Council Member Pereira said that instead of projective budgeting they need to have honest budgeting. Mr. Nkwo pointed out that these numbers would be presented to the audited number and the auditors will go through the figures.

Council Member Herron said that Grand List is entered and taxes are charged to past accounts. She asked if taxes from 2016 or 2017 were being collected. Mr. Nkwo confirmed this was so. He gave the details.

Council Member McBride-Lee said that she knew there was a reason why the money was coming in the way it is and as long as it is right, she is not worried.

Council Member Newton said that there were many things included in the budget and the City Budget can't be compared to the BOE or any other budget. The Council Members don't understand the formulas, but the Co-chairs have been given the answers to the questions they have asked, so they don't create conspiracy theories. There are no smoking guns or hidden funds. The staff has tried to be as up front with the Council and it is good to know that the figures will be reviewed by the auditors.

Mr. Nkwo said that he was sure that they would end up with a surplus last year. Everyone should be pleased that they are ending up with a surplus.

Council Member Newton said that since he and Council Member Burns have been co-chairs, they have learned how the figures are generated. All of their questions have been answered. Council Member Newton thanked Mr. Nkwo for his report.

ADJOURNMENT

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

**** COUNCIL MEMBER NEWTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:28 p.m.

Respectfully submitted,

Telesco Secretarial Services