

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

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

OTHERS: Council Member(s): E. Martinez & R. Roman-Christy; Ken Flatto, Finance Director; Nestor Nkwo, OPM Director; Thomas Gaudett, Mayor's Office; Tyler Mack, Barbara

CALL TO ORDER

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

APPROVAL OF COMMITTEE MINUTES:

• August 9, 2021 (Regular Meeting)

**** COUNCIL MEMBER NEWTON MOVED TO APPROVE THE MINUTES OF THE AUGUST 9, 2021 MEETING.**

**** COUNCIL MEMBER HERRON SECONDED.**

**** THE MOTION TO APPROVE THE MINUTES OF THE AUGUST 9, 2021 MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

GENERAL DISCUSSION RE: REVIEW OF THE MONTHLY FINANCIAL REPORT.

Mr. Flatto presented his combined report for July and August. A separate July report was sent to the Council Members in August.

Mr. Flatto said that the City had invested over \$5 million dollars over a period of years for Steel Point. He explained that on Wednesday, they should be receiving the full amount of the debt service reimbursement. Steel Point is a non-profit district and this allowed the District to make improvement on the parcels, some of which were public improvements. During that period, the City agreed to finance some of the improvements such as roadwork and utilities. The District has tax increment financing. Mr. Flatto gave a summary of this process and said that they expected to build about 300 units of housing. He said that the City expects to receive about \$5 million back in reimbursements and may get more money back on the interest on the debt service in the future.

Council Member Newton asked for a copy of who would be involved as part of the Special District. Mr. Flatto said that he would send the committee members a copy. He added that there

was a Board made up by property owners on that parcel. Mr. Gill also will be part of the Board as a City representative.

Council Member McCarthy asked what the plans were for that \$5 million. Mr. Flatto said that they would have to book this as revenue for this year. Council Member McCarthy said that he would like to pay down long-term debt.

Mr. Nkwo said that the budget that the Council adopted was \$6 million short because of the State shortfall and he would send the Committee a spreadsheet showing this. Discussion followed about the details of bonding issues and debt service.

Council Member Newton asked why the Committee had created a budget based on what the State had indicated they would be giving the cities, only then to have the State changes the amount.

Mr. Nkwo said that the City sets their budget before the State does. He said that he would caution the Committee about this so they don't end up having to make the residents pay more afterwards.

Council Member Newton said that he would like to take the low end of the projections until the Governor signs the budget. This is a terrible way to do a budget and doesn't make any sense. Discussion followed about using the potential Cares Act money. He spoke about having a revolving capital work finance account to use for roadways or other items that they bond for.

Council Member Herron said that she agreed with Council Member Newton. She said that she would like to have some of the State Legislators at the table during the budget process. Council Member Herron agreed with Mr. Nkwo about the revolving fund account.

Council Member McCarthy asked for a comprehensive report on the bonds. Mr. Flatto said that he has that information and has a few summaries that he could send.

Council Member McCarthy asked if they had saved any money by refinancing the bonds. Mr. Flatto said that they did, but most of the savings would come over the next two to three years. Mr. Nkwo explained that it would actually be cost avoidance in the next few years. They are trying to contain the debt rather than reduce debt.

Council Member Council Member Burns reminded everyone that they would have to look into the timing of the budget process. He added that the State Legislators would actually have an idea of what the City's needs are.

Council Member Newton said that there was always around \$2 or \$3 million dollars for the rainy-day fund. He said that the State fully funded the PILOTs and there was other aid that the State provided.

Mr. Flatto said that the change on the PILOTs was permanent, but the Cares Act was only was a one-time influx of extra aid. He said that apparently there was a tug of war over the aid funding. They are getting more State aid this year, but there were fix costs that also increased.

Mr. Nkwo said that the \$2 million dollars that the Governor was saying they would get was only a one-time influx of cash while the \$6.5 million increase in the PILOTs is a permanent increase.

Mr. Flatto said that when they were budgeting, the Council thought that they would receive both the \$13 million one-time revenue and the permanent increase in PILOT payments.

Council Member Burns asked Mr. Flatto for more details on the interest paying that the City would receive in the future. Mr. Flatto reviewed the details of the agreement with him and suggested it might be another five or six years before they see that money. He also explained that the interest stopped accruing once the \$5 million dollar reimbursement is paid.

Council Member Newton wanted to know why they would not be receiving the reimbursement on the interest. Mr. Flatto spoke about the arbitrage, which might have resulted in a tax penalty for the City if they got the interest before the principle was paid. He added that they could not finance the full repayment all at once. Discussion followed.

Mr. Flatto said that there were no dramatic events in the revenue report. The tax revenue is low because the Tax Collectors had to reconcile a portion of August. The amount in report is just for July. The full amount has not been booked into MUNIS yet.

Council Member Burns asked if they would need TANS this year. Mr. Flatto said that he was pleased to say that they would not have to request a TANS resolution this year.

Council Member Newton said that it was good news to know that they would be using the funding from the Rescue Act for the WPCA. He asked if they should make an adjustment to the bonds that they had designated for the WPCA. Mr. Flatto said that they have not finished the design for the plants yet and suggested that they wait a year before they adjust the bonding amount. He said that the idea was a good idea, but timing was critical. Discussion followed about the details.

Mr. Flatto noted that the police and fire overtime was moving at a rate that would exceed the budget, but also added that both departments have a number of vacancies.

The discussion moved to the LOCIP line item. Mr. Nkwo will check the line title to verify what funding was put in that account.

Council Member Burns said that he had reviewed the job openings and saw that some of the positions were being filled. However, there was one position that the Committee had unfunded but the listing was still in Public Facilities.

Mr. Nkwo said that the administration had put the Construction Manager back in the budget because of the number of construction projects that were underway. He added that the administration had reduced another position and transferred the funding to the Construction Manager.

Council Member Burns said that he would have liked the administration to have come to speak to the Budget Committee about this change.

Council Member Newton said that Ms. Otero had been doing construction project supervision and was excellent at what she does. She should be made Director and given the salary increase rather than hiring someone new. The previous employee was not capable and Ms. Otero had to help him straighten issues out.

Council Member Herron said that she did not agree with this and did not like the administration putting the job back in. Adding more positions for this department is wrong and she will fight this position.

Council Member McCarthy said that he agreed with his colleagues about this position. They need inspectors and OPED staff should be handling things that are going on.

Mr. Nkwo said that the first batch of police recruits should be going to the academy in December rather than November. Internal Affairs is short-handed and is trying to process the work.

Council Member Newton said that he thought some of the COVID money would be available to help cover the police overtime. Mr. Flatto reviewed what overtime was eligible. He said that there were some enhanced patrols in the housing projects. Council Member Newton said that they have to do a better job scheduling the classes because every time 16 recruits come on, 20 leave. This means that they will never get to the full manpower. Contracts need to work on having the new recruits stay for a certain period before leaving.

Council Member Burns reminded everyone that there were Civil Service rules that regulate how often they can hold classes. Council Member Newton suggested that the Council may need to change the Charter.

Council Member McCarthy said that they had budgeted for a number of positions in the Police Department. He asked for clarification about those positions. Mr. Flatto said that there may be more funds left over that could go to Overtime, but he was hesitant to project that in the middle of the year. Discussion followed.

Council Member McCarthy said that one of the top reasons that the police were leaving was the cost of health care.

Council Member Herron agreed that the medical benefits was a factor and nearby municipalities were enticing officers to leave. She also reminded everyone that the previous administration had

not authorized one single Police class during that eight-year term. There have been five classes authorized by this administration this year. However, this had depleted the pool of Bridgeport residents and now the candidates are from outside of Bridgeport. The non-residents aren't happy with the benefits. The new officers have to pay a very high rate for medical coverage.

Council Member Cruz said that he had met with Council President Nieves and the City Attorneys along with various other officials about various discrimination issues. He added that the attorneys had discussed requiring the officers to remain on the force for four years. If they require them to remain for five years, the officers are qualified for retirement. He said that it would be important to stop the exodus of officers to other cities. Bridgeport is paying for the training. He would like the Contracts Committee, the Budget & Appropriations Committee and Civil Service Commission to look at this. The officers are doing an extraordinary job.

Council Member McBride-Lee said that they need to listen to their officers to find out why they are leaving. She said that the medical benefits play a part of this but believes there are deeper reasons. She said that she had never seen as many officers leaving Bridgeport as she was now seeing.

ADJOURNMENT

**** COUNCIL MEMBER HERRON MOVED TO ADJOURN
** COUNCIL MEMBER CRUZ SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:16 p.m.

Respectfully submitted,

Telesco Secretarial Services