

**CITY OF BRIDGEPORT
BUDGET AND APPROPRIATIONS
COMMITTEE
REGULAR MEETING
JUNE 13, 2022**

ATTENDANCE: Scott Burns, Co-chair; Ernest Newton, Co-chair; Mary McBride-Lee, Tyler Mack, Matthew McCarthy, AmyMarie Vizzo-Paniccia

OTHERS: Council Member(s): A. Boyd, J. Cruz, F. Hodges & M. Pereira; Ken Flatto, Finance Director; Nestor Nkwo, OPM Director; Veronica Jones, Tax Collector; Andy Toledo, Legislative Affairs Director; Mike Andreana, Pullman and Comley

CALL TO ORDER

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

Co-chair Newton thanked everyone for their hard work on the budget. There were some budgetary goals that the Committee was not able to accomplish. He added that they have been working on preventing the same situation that happened at the end of the budget from occurring again. He spoke about how the Council Members could fund the positions they had intended to establish.

He reminded everyone that the discussions should be respectful and focused on the budget.

APPROVAL OF COMMITTEE MINUTES:

March 29, 2022 (Rescheduled Meeting); April 26, 2022 & April 27, 2022 (Public Hearings); April 6, 2022; April 7, 2022; April 9, 2022; April 11, 2022; April 14, 2022; April 16, 2022; April 19, 2022; April 20, 2022; April 21, 2022; April 23, 2022; April 28, 2022; April 30, 2022; May 3, 2022 & May 4, 2022 (Special Budget Hearing Meetings).

**** COUNCIL MEMBER MCCARTHY MOVED TO CONSOLIDATE AND APPROVE THE FOLLOWING MINUTES:**

MARCH 29, 2022 (RESCHEDULED MEETING); APRIL 26, 2022 & APRIL 27, 2022 (PUBLIC HEARINGS); APRIL 6, 2022; APRIL 7, 2022; APRIL 9, 2022; APRIL 11, 2022; APRIL 14, 2022; APRIL 16, 2022; APRIL 19, 2022; APRIL 20, 2022; APRIL 21, 2022; APRIL 23, 2022; APRIL 28, 2022; APRIL 30, 2022; MAY 3, 2022 & MAY 4, 2022 (SPECIAL BUDGET HEARING MEETINGS)

**** COUNCIL MEMBER NEWTON SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

85-21 Municipal Suspense Tax Book.

Council Member Burns asked for a motion to amend by substitution because there were some changes made to the documentation. There was nothing substantive in the changes.

Ms. Jones said that she was present to request the suspension of accounts that the Tax Collector deems to be uncollectible. She said that the reasons the accounts were suspended were because of death, out of business or bankruptcy. The City will use a collection agency to contact the businesses that had closed.

Council Member Pereira asked why there were some that were from 2006. She said that 16 years was a long time. Ms. Jones said that 2006 bills were due in 2007, so they can still collect until July 1st. The businesses that have closed have to provide evidence that they are no longer in business.

**** COUNCIL MEMBER MCBRIDE-LEE MOVED TO APPROVE AGENDA 85-21 MUNICIPAL SUSPENSE TAX BOOK.**

Council Member Newton reminded everyone that the document had to be amended with the slightly updated document in the packet.

**** COUNCIL MEMBER MCBRIDE-LEE WITHDREW HER MOTION.**

**** COUNCIL MEMBER NEWTON MOVED TO AMEND AGENDA ITEM 85-21 MUNICIPAL SUSPENSE TAX BOOK BY SUBSTITUTING THE DOCUMENT #06-13-2022-A.**

**** COUNCIL MEMBER MCBRIDE-LEE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER NEWTON MOVED AGENDA ITEM 85-21 MUNICIPAL SUSPENSE TAX BOOK AS AMENDED.**

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

Council Member Hodges asked if the City could take over the personal property of businesses that had gone out of business. Mr. Flatto said that if the new business was related to the other business, they could tax the new business, but if not, it is declared uncollectable by the Tax Assessor.

**** THE MOTION PASSED UNANIMOUSLY.**

86-21 Proposed Approval of General Obligation Bonds – To Refund Certain General Obligation Bonds.

Mr. Flatto said there were times that it would be good to refund bonds. The U.S. Treasury Rates have increased dramatically. He said that the different in the interest rates could potentially

generate enough interest to reduce the debt. He assured everyone that they would only do this if it was advantageous to the City.

Mr. Mike Andreana of Pullman and Comley greeted the Council Members. He gave a brief summary of the details and confirmed that the refund would not be done unless it benefitted the City.

Council Member McCarthy said he was not comfortable with the words “might”, “may” and “could” in the explanation. He asked how much they would be paying bond counsel to do this in light of possibly not going ahead with the refund.

Mr. Flatto said that they had refunded some bonds last year and about 1/3rd of its cost was for the rating agency. He gave the details and said that they had charged about \$70,000 last year. He said that if the savings wasn't close to a couple million, he would not go forward. The current budget is fairly balanced, but he is looking at the 2024 budget, which would make it worth doing this.

Council Member McCarthy said that he would like to know how much money they would be out if they decided not to go through with the refund. Mr. Flatto said that they give a tentative decision before the actual rating agencies go ahead with the refund.

Council Member McCarthy asked if there was a time limit on this. Mr. Flatto said that he thought they were talking about four or five months. He said that he could come back to the Committee at the August meeting.

Mr. Andreana said that because they were looking to tie this to selling bonds, the cost would be negligible. The disclosure documents can be put together quickly and the underwriters would then decide if it looked favorable to them. He gave the details.

Mr. Andreana said that there were other municipalities that do have deadlines and if the bonds are not viable by the deadline, they just go away. Discussion followed about the potential rates.

Council Member Newton said that he liked the idea about having a deadline. He asked when the bonds were issued. Mr. Flatto said that it was about seven or eight years ago and there were 12 years left of payments remaining. He explained that it was a combination of the old bonds and the interest on the new ones that could be put together for the City's benefit. Discussion followed.

Council Member Burns asked what kind of term they were looking at. Mr. Flatto said that he did not think that they would be looking at 10 years. He went on to give a brief overview of the timeline of when the old bonds would be paid off and the new interest reductions.

Council Member Pereira then said that the second paragraph of the cover letter from Mr. Flatto was vague and she was incredulous. She said that they should have a table and this was insulting.

On the actual resolution, it said that the amount was not to exceed 3%. Mr. Flatto said that the bond counsel fees were included in that number and it had never been higher than 1%.

Council Member Pereira said that she would not support this because of the generalities.

Council Member Burns asked how these would be marketed. Mr. Flatto said that the new bonds would be available for a 20-year bond and these bonds would only be offered for 10. It is dependent on the rating agencies analysis. This is why a table cannot be issued until two or three weeks before they go ahead with the refund.

Council Member Burns said that if they approved this tonight, Mr. Flatto could come back to the Committee in August to report on the status. Discussion followed.

**** COUNCIL MEMBER NEWTON MOVED TO AMEND AGENDA ITEM 86-21 PROPOSED APPROVAL OF GENERAL OBLIGATION BONDS – TO REFUND CERTAIN GENERAL OBLIGATION BONDS WITH CAPPING THE BOND REFUND AT \$20 MILLION WITH THE ACKNOWLEDGEMENT THAT THE AUTHORIZATION WOULD ONLY BE VALID UNTIL MARCH 31,2023.**

**** COUNCIL MEMBER MACK SECONDED.**

**** THE MOTION PASSED WITH FOUR (4) IN FAVOR (NEWTON, MACK, MCBRIDE-LEE AND VIZZO-PANICCIA) AND ONE (1) OPPOSED (MCCARTHY).**

**** COUNCIL MEMBER NEWTON MOVED TO APPROVE AGENDA ITEM 86-21 PROPOSED APPROVAL OF GENERAL OBLIGATION BONDS – TO REFUND CERTAIN GENERAL OBLIGATION BONDS AS AMENDED.**

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

**** THE MOTION PASSED WITH FOUR (4) IN FAVOR (NEWTON, MACK, MCBRIDE-LEE AND VIZZO-PANICCIA) AND ONE (1) OPPOSED (MCCARTHY).**

87-21 Proposed Approval of General Obligation Bonds and the Reallocation of City Bond Proceeds for Certain Board of Education Capital Projects – To Fund Certain Capital Improvement Projects.

**** COUNCIL MEMBER MCBRIDE-LEE MOVED AGENDA ITEM 87-21 PROPOSED APPROVAL OF GENERAL OBLIGATION BONDS AND THE REALLOCATION OF CITY BOND PROCEEDS FOR CERTAIN BOARD OF EDUCATION CAPITAL PROJECTS – TO FUND CERTAIN CAPITAL IMPROVEMENT PROJECTS.**

**** COUNCIL MEMBER NEWTON SECONDED.**

Mr. Flatto said that this was the normal process for Capital Project bonding. Mr. Flatto said that they had planned for all of the projects with the single exception of the Remington clean up since they had not started spending some previous funding.

He noted that the BOE had offered to handle some of the projects with other funding. This will involve deauthorizing some projects which were indicated on the listing with asterisks. The BOE will be able to work on those projects and they will be done this summer with grant funding.

Council Member Newton said that there was bond funding that was not being used and it makes more sense to use the funding to move things forward. He gave a hat tip to the BOE for their working with the City in getting the various projects accomplished.

Council Member McCarthy asked how they ended up with \$1 million dollars left over from last year. He also wished to know why these funds weren't used for paving. Mr. Flatto said that they were able to secure more LOCIP funding last year. Council Member McCarthy said that he did not like to use bonded funds for paving, but if the money was available, he thought they should use it.

Council Member Newton said that he agreed with Council Member McCarthy. He said that they had been told that paving one long street would take up all the District allocated paving funding. Council Member McBride-Lee agreed and said that the residents would like to have their streets paved.

Council Member Pereira said that her paving budget was \$250,000 last year, but they had \$1 million in excess. She said that this was problematic.

Council Member Pereira said that there were consultants that were rating the condition of the roads. She was told by Mr. Urquidi that the consultants would be sitting down with the District representatives. However, only the Council can determine which streets can be paved.

Council Member Pereira said that she had some concerns about the chillers and elevator repairs at Battala. Mr. Flatto said that the list had been presented to the Council by the BOE and Mr. Testani. The elevator had excessive funding left over.

Council Member Pereira asked for the details about the ice chiller. Mr. Nkwo gave a brief overview. Mr. Flatto reminded everyone that this came from the BOE.

Council Member Pereira said that the form did not indicate that the projects had been completed and had come in under budget.

**** COUNCIL MEMBER MCCARTHY MOVED TO AMEND EXHIBIT A AS FOLLOWS:**

- **TO ADD ROADWAY PAVING TO \$3 MILLION DOLLARS;**
- **AMEND THE DOLLAR AMOUNT IN THE RESOLUTION FROM \$17,153,433 TO \$18,153,433; AND**
- **ADJUST THE PUBLIC FACILITIES TOTAL ACCORDINGLY.**

**** COUNCIL MEMBER MACK SECONDED.**

Council Member Newton said it would be important to have Public Facilities inform the Council Members of the new paving allocations.

The discussion moved to the previous paving amounts. Council Member Burns said that there had been a discussion about the paving consulting firm during the budget season.

Council Member Vizzo-Paniccia said that this was not the first time that the City had hired a consultant for rating the roads. She added that sometimes the Mayor withholds some funding for paving streets that he wants to pave. Council Member Burns noted that they also may be paving some of the City parking lots.

**** THE MOTION PASSED WITH FIVE (5) IN FAVOR (NEWTON, MACK, MCBRIDE-LEE, MCCARTHY AND VIZZO-PANICCIA) AND ONE (1) OPPOSED (BURNS).**

**** COUNCIL MEMBER NEWTON MOVED TO APPROVE AGENDA ITEM 87-21 PROPOSED APPROVAL OF GENERAL OBLIGATION BONDS AND THE REALLOCATION OF CITY BOND PROCEEDS FOR CERTAIN BOARD OF EDUCATION CAPITAL PROJECTS – TO FUND CERTAIN CAPITAL IMPROVEMENT PROJECTS AS AMENDED.**

**** COUNCIL MEMBER MCCARTHY SECONDED.**

Council Member Burns asked for clarification on the TANS on the second page. Mr. Andreana said that this allows the city to issue short term notes, but the City had not typically used that method.

Mr. Flatto said that the only time that the City had done something like this was in relationship to Bassick and he updated the Committee on the status of the State bonding. A discussion followed about taxable bonds.

**** THE MOTION PASSED UNANIMOUSLY.**

UPDATE ON ARPA PROJECT FUNDING FROM FINANCE DEPARTMENT.

**** COUNCIL MEMBER NEWTON MOVED TO ENTER THE DOCUMENT TITLED ARPA PROJECT LISTING AS EXHIBIT 06-13-2022-B.**

**** COUNCIL MEMBER MCBRIDE-LEE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Flatto gave a brief overview of the various projects listed on the form. He explained the listing was done by dollar amount rather than category.

Council Member Newton pointed out that there were numerous organizations that have not used any of their funding. Mr. Flatto explained that some of the projects take time to plan. As far as the NRZs, some of the projects are scheduled for the summer.

Council Member Cruz said that he would like to know why these projects were delayed. Mr. Flatto said that the non-profits have to issue a report to the Mayor's Office and that has to be authorized before the check is issued. Therefore, there are projects that were done, but the checks have not yet been issued. Mr. Gaudett also confirmed this process and gave a number of examples. The non-profits are on a three-year program and some of them receive quarterly payments. He noted that this was year one and that the funds had to be expended by June 30th.

Council Member Cruz said that he would like to see the reports, particularly with the mental health, housing and homelessness programs. Mr. Gaudett said that he would send Council Member Cruz the reports the following day.

A discussion followed about how the administration knows that the project is being moved forward.

Council Member Newton said that the items listed on the report do not indicate how much funding remains on the various accounts.

Council Member Burns said that Bridgeport has been working on this for many years and that they are showing other municipalities how to manage the process.

**** COUNCIL MEMBER NEWTON MOVED TO ENTER A DOCUMENT TITLED AS "ARPA NON-PROFIT SUMMARY" AS EXHIBIT # 06-13-2022-C.**

**** COUNCIL MEMBER MCBRIDE-LEE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Council Member Newton asked for the next report to show the outstanding balances for the non-profit accounts. Council Member Burns said that several people had come up to him and thanked him for the ARPA funding. Mr. Gaudett said that there were many organizations that were acting on a reimbursement basis where they are paying the bills and will present the receipts to the City.

**** COUNCIL MEMBER NEWTON MOVED TO ENTER A DOCUMENT SHOWING THE SMALL BUSINESS ARPA DISBURSEMENTS FOR STORE FRONT IMPROVEMENTS.**

AS EXHIBIT # 06-13-2022-D.

**** COUNCIL MEMBER MCBRIDE-LEE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Gaudett said that he was not surprised that the amounts were not drawn down because the owners are waiting on equipment or work to be done. He said that there was one business that had gone out of business, but they were resolving this.

General Discussion re: Review of the Monthly Financial Report.

Mr. Flatto said that the report was consistent for the last three or four months. There is the possibility of a slight surplus. He said that the budget was getting tighter and there were tougher decisions that have to be made.

Council Member Newton said that Mr. Flatto was underestimating. He said that there would be an article in the newspaper about the police budget. He said that there was a rumor that the half a million dollars could be used for education, but the article will lay out the reasons why this cannot be done.

Council Member Vizzo-Paniccia said that the Bridgeport Blue Fish and the Amphitheater should not be an apples to apple comparison.

Council Member Burns asked if there would be a \$4.5 million surplus. Mr. Flatto said that they reserve some funds for legal payouts. Council Member Burns said that they pay the cost of the police outside of the amphitheater. Mr. Flatto said that there were some events where the vendor purchased a number of seats. A discussion followed about the details of the seats sold vs. complimentary seats.

Council Member Burns said that the previous City Attorney has resigned and a former contractor is now acting as Interim. Mr. Flatto said that he believed that the terms of the current contract would continue. Mr. Nkwo said that he would not charge the City anything more than what the current contract would call for.

ADJOURNMENT

- ** COUNCIL MEMBER NEWTON MOVED TO ADJOURN.**
- ** COUNCIL MEMBER VIZZO-PANICCIA SECONDED.**
- ** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:19 p.m.

Respectfully submitted,

Telesco Secretarial Services