## Fiscal Committee - Board of Representatives



Monica Di Costanzo, Chair Lindsey Miller, Vice Chair

## **Committee Report**

Date: Monday, December 16, 2019

**Time:** 7:00 p.m.

Place: Democratic Caucus Room, 4<sup>th</sup> Floor, 888 Washington Boulevard,

Stamford, CT 06905-2098

The Fiscal Committee met as indicated above. In attendance were Chair Di Costanzo, Vice Chair Miller and Committee Member Reps. Fedeli, Figueroa, McMullen, Morson and Nabel. Absent or excused were Reps. Coleman and Pendell. Also present were Reps. Cottrell, de la Cruz and Zelinsky; Mayor Martin; Jay Fountain, Director of OPM; Lou Casolo, City Engineer; Mike Handler, Director of Administration; Tamu Lucero, Superintendent of Schools; and Mark McGrath, Director of Operations.

Chair Di Costanzo called the meeting to order at 7:00 p.m.

Item No. Description Committee Action

1. F30.272 REVIEW; Financial Results of FY 18/19. 12/04/19 – Submitted by Director Fountain

Report Made

Mayor Martin and Mr. Fountain discussed the results of the 2018/19 fiscal year financial results with the Committee. Items discussed included the following:

- The City ended the fiscal year with a \$14.3M surplus
- The primary driver was development fees and related fees (\$11.5M better than the revenue estimate)
  - \$5.5M is probably pulled in from the following year (2019/20) as a result of the large number of building permit applications in advance of the fee increase in May 2019
- This helped offset the holes in the budget on the Board of Ed side, particularly due to the mold crisis
- The State paid the full grant amount of \$2.6M
- The haulaway and leaf collection added about \$1M to expenses, since the City had not planned for leaf pickup
- Public Safety expenses came in \$2.6M ahead of budget, possibly due to structural changes to the police contract
- Operations, excluding haulaway and leaf pickup, came in \$4.5M ahead of budget
- Some of the surplus will have to be used to increase the Rainy Day Fund, as part of the commitments to bond obligations
- The majority will go into short term capital, of which a majority will be dedicated to roads, so that some roads on the priority list will be paved in the next calendar year that might not have been gotten to

2. <u>F30.269</u> \$336,605.65

ADDITIONAL APPROPRIATION (Capital Budget); C56182; Street Patch & Resurfacing; Utility Contribution from Eversource for Milling, Paving,

Police Time, Trench Remediation, Line Stripping and

Administrative Fee - Travis Ave & Weed Ave. 12/04/19 – Submitted by Mayor Martin 12/10/19 – Approved by Planning Board

12/12/19 - Approved by Board of Finance

Mr. Casolo discussed Item No. 2 with the Committee. This is an appropriation for Eversource's contribution for their portion of the paving of Travis Ave and Weed Ave due to utility installation. The City determined the work that needed to be done, including police extra duty, and then invoiced Eversource. The paving work will be done by the City. By combining it with City funds, the remaining part of the road can also be paved at the same time if necessary. The City can also evaluate the drainage and make any necessary repairs prior to paving. The representatives in the district are aware of this.

A motion to approve Item No. 2 was made, seconded and approved by a vote of 6-0-0 (Reps. Di Costanzo, Miller, Fedeli, McMullen, Morson and Nabel in favor).

3. <u>F30.270</u> \$314,494.77 ADDITIONAL APPROPRIATION (Capital Budget);

Approved 6-0-0

Approved 6-0-0

C56182; Street Patch & Resurfacing; Utility

Contribution from Aquarion for Milling, Paving, Police

Time, Trench Remediation, Line Stripping and Administrative Fee - Woodway Rd & Gaymoor Dr.

12/04/19 – Submitted by Mayor Martin 12/10/19 – Approved by <u>Planning Board</u> 12/12/19 - Approved by Board of Finance

Mr. Casolo discussed Item No. 3 with the Committee. This is an appropriation for Aquarion's contribution for their portion of the paving of Woodway Rd, Dorset La, Regent Ct and Gaymoor Dr. due to utility installation. The water company had done some paving in the area, and the remaining paving will be done in the summer. There is a box culvert which contains Springdale Creek that has deteriorated and is currently covered over with steel plates that will be paved over. This covers the share of the police time for the utility's contribution, as well as clerk of the works costs. The repair of the culvert will be a separate project

A motion to approve Item No. 3 was made, seconded and approved by a vote of 6-0-0 (Reps. Di Costanzo, Miller, Fedeli, McMullen, Morson and Nabel in favor).

The Committee next took up Item No. 5.

5. <u>F30.263</u>

REVIEW; Update on All Expenses Paid to Date and to be Incurred For Mold Repairs In Schools.

Report Made

10/10/19 - Submitted by Rep. Zelinsky

10/28/19 – Held by Committee

11/25/19 - Held by Committee 5-0-0

## Secondary Committee – Education

Mr. Handler and Dr. Lucero discussed this item with the Committee. The financial information can be found at the <u>Asset Management Group webpage</u>, under "<u>SAMG/MTF Financial Information</u>".

- The primary tools to monitor the expenses are the <u>MTF Costs Spread Sheet</u> and the <u>Capital Expense Mold Summary</u>.
- The MTF Costs Spread Sheet breaks down both capital and operating expenditures since inception: incurred, accrued or anticipated to be accrued.
  E.g. the full rent for 1 Elmcroft is included although it has not been spent yet. (The \$1 amount is a place holder for amounts yet to be spent). Mr. Handler reviewed this form with the Committee. This sheet has not been updated yet. \$36M has been spent in Capital, \$11M in Operating, for a total of \$47M
  - Approximately \$1M of operating has been capitalized since the date of this last report, so Operating will go up and Capital will be changed to correspond to this in the next update - this sheet is not updated to today
  - o The capital expenses are broken out by service and by school
  - Some of the projects are not mold projects, e.g. the Springdale bathroom project, and funds may come from prior capital funds
- The run rate is about \$1M per month
- They are trying to keep non-mold-related projects separate, but there is sometimes overlap; some of these projects already had funds in the capital budget
- The City has already spent almost all of the funds bonded last July; there may need to be funds advanced from the general fund for projects that are ready, with additional bonding next July
- They are making major progress and will do a presentation in a few months
- The SHS courtyard work had been planned already, but as part of the MTF review, it was discovered that there were classrooms below grade with significant water intrusion; this project was slowed down and changed to address the water issues
- The contractors have bid out subcontracting work
- There are at least six buildings that still are in need of serious capital improvements, not only due to mold

Committee members discussed having these types of reports quarterly.

4. F30.271 REVIEW; Fund 15 – Mill River. 12/04/19 – Submitted by Director Fountain

Report Made

Mr. Fountain reviewed the attached sheet with the Committee.

- ½ of the appreciation of the value of the property in the Mill River TIF goes the the Mill River TIF fund, which is Fund 15
- In 2012 and 2015, more revenue was transferred into Fund 15 than was supposed to be
- In 2012 and 2013 funds went into the fund that should have been transferred to the capital projects fund
- Everything else was done properly
- \$2,495,000 should have gone to the capital projects fund and was transferred
- \$1,059,000 improperly transferred to the TIF fund was transferred back to the general fund
- They don't know what caused these errors, but they are being checked every year
- The 2019 deficit balance has already been made up this year
- This would not have been something the internal auditor would have caught

Chair Di Costanzo adjourned the meeting at 8:40 p.m.

Respectfully submitted, Monica Di Costanzo, Chair

This meeting is on video