FINANCE AND ADMINISTRATION COMMITTEE VIRTUAL MEETING
SEPTEMBER 30, 2021, 8:00 A.M.
MINUTES

1. Call to Order

A. Meeting was called to order at 8:00 a.m. by Chairman Leon Davidoff.

B. Attendees – Chairman Leon Davidoff, Mayor Shari Cantor, Councilor Mary Fay, Councilor Liam Sweeney, Councilor Ben Wenograd, Town Manager Matt Hart, Finance Director Peter Privitera, Human Resources Executive Direct Rick Ledwith, Budgets and Grants Manager Pattie Lewis, Deputy Corporation Counsel Gina Varano and Patrick Sullivan from the Assessor's Office.

2. Business Items

A. Meeting Minutes of August 23, 2021 – Minutes were approved with no objections.

B. Recommendations for Use of American Rescue Plan Funding – Mr. Hart reported a spreadsheet listing the recommendations, as well as a narrative had been attached to BoardDocs regarding the use of a portion of the American Rescue Plan funds the Town will receive. The PowerPoint presentation will be loaded to BoardDocs following the meeting. Mr. Hart walked through the PowerPoint presentation with the Committee. Mr. Hart stated the Town had been awarded a large sum of money under the American Rescue Plan Act. The Town will receive just over $25M in two tranches; the first half was received on May 19 and the second half will be received in May 2022. The Town will also receive a County-based share as Connecticut is one of two states without counties in the amount of $12.2M and roughly another $10-11M for the school district, which the Board of Ed and the Administration have programmed. The Council must obligate the use of the money by December 31, 2024. The money needs to be expended by December 31, 2026. There needs to be quarterly reporting starting at the end of October. The Town has already committed approximately $4.1M as General Fund Revenue for the current fiscal year. The Staff has developed a list of recommended town projects, which is consistent with the broad goals and objectives outlined to the Council this past budget season. The proposed expenditures have been verified as being allowable.

There has also been discussion about proposed grants and loans, some type of meaningful assistance to small businesses and non-profit organizations within West Hartford. Some draft FAQs have been developed, as well as a draft grant/loan assistance application a business or non-profit entity could use. Mr. Hart reviewed the eligible uses for the American Rescue Plan funds including using the money to respond to the current public health emergency and the negative economic impacts associated with it such as revenue loss, using it for premium pay for eligible workers performing essential work during the emergency, utilizing the funds to provide and fund programs and services to the extent it makes up for the reduction in revenue for the previous fiscal year and utilizing the funds to make investments in water, sewer and broadband infrastructure, which would include stormwater and drainage projects. Mr. Hart briefly went over the spreadsheet, which was broken down by department with a brief description of the project, recommended amounts, proposed funding source and a description of how the project would further the guiding principles discussed during the last budget season, i.e., sustainability, customer service and operational improvement, public health and safety, etc. The proposal for the use of the American Rescue Plan monies totals approximately $18.8M. There is another $6.6M identified in Bond funding.

There are several projects that are in the spirit of the law but may not fit the categories, specifically projects like the Eisenhower Pool project and building out charging stations for electric vehicles across town. These would be sourced through Bond funding. Mr. Hart briefly touched on a few examples including a comprehensive project in the town center allowing for the upgrading of the infrastructure, i.e. the sidewalks are old and there are some accessibility issues, trees need to be replaced, etc. Another example was the assistance to two categories of non-profit entities within West Hartford; assistance to arts and cultural institutions and the other is non-profits who support human services. There would also be assistance for small businesses within West Hartford. Mr. Hart spoke more specifically regarding small businesses and non-profit organizations in which the interim final rule states assistance could be provided in the form of loans, grants, in-kind assistance, technical assistance, or other services responding to the negative economic impacts of the COVID-19 public health emergency. Some of the eligibility requirements for the funding include decline in revenue, financial hardship, new safety measures for COVID prevention and premium pay for frontline workers, improvements in data or technology infrastructure, impact evaluations, HVAC or air quality initiatives and programs addressing food, housing and financial insecurity for low-to medium-income families.

C. Special Assistant to Town Manager: Equity Officer Position – Mr. Hart stated this position would serve as the coordinator for a host of related initiatives with a focus on human resources but would be larger than that as equity impacts all elements in every department of the organization; zoning, public safety, public works, etc. Mr. Ledwith stated the position would demonstrate a deep organizational commitment to equity and will ensure the focus on equity does not stop after the training and equity will remain a focus for the Town, community, and organization moving forward. As the job market continues to be increasingly competitive, candidates will want to see a commitment to equity and diversity. It has made a tremendous difference on the school side and it will make a difference on the Town side as well. Over the last 8 weeks, 80 new teachers have been on-boarded and the focus on equity made a difference in bringing them in and it is believed this position will help going forward with a job market that will be increasingly competitive. The job description was uploaded to BoardDocs. This person will report to the Town Manager. This person will be working with the boards and commissions and will be a resource for the Town Council and the community. The potential start date is just after the holidays.

D. Investment Options for Pension Bond Reserve Fund – Mr. Privitera reviewed the purpose of this fund was to mitigate any year-over-year spikes in the annual required contributions. With respect to the investment of the fund, an account was created at Wells Fargo and there were three different options available. The first option is to invest the money in marketable certificates of deposit and government securities. The second option is the same process the pension board followed when the pension bond proceeds were put into an account and gradually moved into the pension allocation model. This includes investing in a short-term bond mix and investment-grade securities. Most of the bond mix is government securities but there are some investment-grade securities. The yield on these is a little more than double of the government-backed securities but they are not all fully backed. There is some minor risk. The third option is doing an asset-fixed income mix, which means investing half of the proceeds in stocks. If the stock market takes a negative turn, this would impact the fund. Mr. Privitera suggested the second option, the bond strategy, as it would provide a greater yield. Chairman Davidoff, seeing and hearing no questions, agreed with modeling the same conservative approach as was used in other instances.

E. Suspense of Taxes Owed on 2017 Grand List – Chairman Davidoff summarized the Suspense of Taxes Owed with the suspension of about $300,000, which encompasses unpaid motor vehicle taxes and business personal property accounts (approximately $80,000 for auto and $110,000 for business personal property). It does not mean efforts will be stopped to collect the taxes. This is an administrative financial move done every year to take them off the active role and put them in suspense status. Mr. Privitera stated there was a state statute requiring the submission of a suspense list to the Council every year. The only difference is this is a 3-year uncollectable account and this amount is a little higher than prior years, only because of the COVID crisis. Personal property is a little higher than normal. This does not negate the ability to go after and collect the funds, it just takes it off the receivable accounts.

3. Communications

Nothing reported.

4. Staff Reports

A. Director of Finance Report – Mr. Privitera briefly went over the year-end projection for Fiscal Year ’21. Although the auditors are still working and there may be additional adjustments made, the projections on the surplus basis is about $1.45M. Mr. Privitera recommended reserving $400,000 for outstanding tax appeals when the resolution goes to Council for action on the distribution of those funds. There are a couple significant appeals outstanding. Mr. Privitera also recommended $565,000 be allowed to stay in the fund balance, which will allow the Town to retain its 9.1% unserved fund balance ratio. Mr. Privitera also identified some options for the surplus of about 485,000; placing in the CNRE to offset future purchases, placing it in the Utility Services Fund and third, which Mr. Privitera would like the Council to consider, is possibly increasing the fund balance ratio from 9.1% to 9.2%. This would require an additional contribution of $301,000. This would be seen as very favorable by the rating agencies.

B. Town Manager’s Report – Mr. Hart reported there was a successful job fair hosted yesterday in collaboration with the Chamber of Commerce. There were over 150 job seekers with a couple of dozen employers in attendance. The feedback thus far has been very positive. Some people were hired on the spot.

5. Executive Session

Executive Session pursuant to section 1-200(6)(B) of the General Statutes to discuss pending litigation, to wit: Wakefern Food Corp. v. Town of West Hartford, Docket No. HHB-CV-20-6061052-S (property address: 245 Prospect Avenue) – Chairman Davidoff moved to go into Executive Session. Councilor Fay seconded the motion. Motion passed.

After coming back from Executive Session, Chairman Davidoff moved to accept the settlement in the matter of Wakefern Food Corp. v. Town of West Hartford, Docket No. HHB-CV-20-6061052-S (property address: 245 Prospect Avenue) in the agreed settlement amount of $23M for the agreed market value. Councilor Sweeney seconded the motion. The motion carried unanimously.

6. Adjournment

A motion was made by Councilor Wenongrad to adjourn the meeting, which was seconded by Councilor Fay. The meeting was adjourned at 9:16 a.m.

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