

**CITY OF BRIDGEPORT
BUDGET & APPROPRIATION
REGULAR MEETING
SEPTEMBER 12, 2016**

ATTENDANCE: Scott Burns, Co-chair; Denese Taylor-Moye, Co-chair; Anthony Paoletto, Jose Casco, AmyMarie Vizzo-Paniccia, (6:17 p.m.); Aidee Nieves (6:17 p.m.)

OTHERS: Council Member Jeanette Herron; Ken Flatto, Finance Director; Thomas Gaudett, Mayor's Office; Council Member Eneida Martinez (6:17 p.m.); Michael Andreana, Pullman & Comley; Council Member Richard Salter, (6:43 p.m.); Council President Thomas McCarthy (7:24 p.m.)

CALL TO ORDER

Council Member Burns called the meeting to order at 6:09 p.m. A quorum was present.

**APPROVAL OF COMMITTEE MINUTES: AUGUST 8, 2016
(REGULAR MEETING)**

**** COUNCIL MEMBER TAYLOR-MOYE MOVED TO APPROVE THE MINUTES OF AUGUST 8, 2016.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION TO APPROVE THE MINUTES OF AUGUST 8, 2016 AS SUBMITTED PASSED WITH THREE (3) IN FAVOR (BURNS, TAYLOR-MOYE, AND PAOLETTO) AND ONE ABSTENTION (CASCO).**

147-15 Proposed Budget Transfer to Fiscal Year 2016-2017 General Fund Budget to Accommodate the FY 2016-2017 Second Chance Initiative Program From: Public Facilities Maintenance (Property Insurance) Account #01310000-53435 (\$40,000) and P.F. Roadway (Public Facilities Services) Account #01320000-56185 (\$10,000) To: Police Department "Other Services" Account #01250000-56180 (\$50,000).

**** COUNCIL MEMBER BRANTLEY MOVED TO TABLE AGENDA ITEM 147-15.**

**** COUNCIL MEMBER TAYLOR-MOYE SECONDED.**

**** THE MOTION TO TABLE PASSED UNANIMOUSLY.**

**GENERAL DISCUSSION RE: REVIEW OF THE MONTHLY
FINANCIAL REPORT**

Mr. Flatto distributed copies of the monthly report. He pointed out that this was the first month of the new financial year. He said that there was a variable in that the State had given the City more money. He said that the first installment of the Sales Tax Revenue Sharing funds had been received. There may be some changes with the Educational Cost Sharing formula and it turned out to be somewhat less than expected.

Council Member Aidee Nieves, Council Member AmyMarie Vizzo-Paniccia and Council Member Eneida Martinez joined the meeting at 6:17 p.m.

Mr. Flatto explained that the previous administration had not realized a small State allocation has been deleted two years ago. Because of this, it continued to appear in the budget. He outlined the reasons for this.

Council Member Brantley asked about the Sales Tax Revenue Sharing Program. Mr. Flatto reviewed the details with the Committee.

Mr. Flatto said that he had reserved about \$1 million dollars for the Police Overtime and explained that there were vacant positions that could be filled with new hires.

He said that there were two Union contracts that were settled with 0% increases.

Council Member Taylor-Moye asked Mr. Flatto if he knew when the Sales Tax Revenue funds or the ECS funds would be available. Mr. Flatto said that the State had not given him a date, but he would try to get more information by next month.

Council Member Brantley asked about the two Contingency accounts. Mr. Flatto said that the regular Contingency A account was the \$2.5 million dollars that the administration hoped to add to the Fund Balance. The Contingency B fund has approximately \$3 million dollars in it that the Mayor hopes to utilize for these projects. Council Member Brantley asked what the process would be if the City was to use some of that money for educational purposes. Mr. Flatto said that it would involve a transfer from one account to another.

Council Member Burns asked about the revenues collected this year. Mr. Flatto reviewed the details with the Committee.

184-15 Proposed Approval of Tax Anticipation Notes (TANS) – To Pay Current Expenses and Obligations of the City – FY2017.

**** COUNCIL MEMBER BURNS MOVED THE ITEM.**

Mr. Flatto introduced Mr. Michael Andreana from Pullman & Comley, the City's Bond Counsel. Mr. Flatto then distributed copies of the various documents to the Council Members. He went on to give an overview of the Tax Anticipation Notes (TANS) and why they are needed. The BOE often has major cash outlays during the summer due to having work done on the buildings or ordering new textbooks. Another major factor is that the larger State grants are not released until the State is ready to do so.

Mr. Flatto said that often the cities have to request the TANS twice a year. He said that he was presenting a request for \$70 million dollars but only hope to use \$50 million in the fall and the remaining \$20 million in the spring.

Council Member Vizzo-Paniccia said that she would prefer there be two payments. Council Member Brantley agreed. Council Member Taylor-Moye asked if it would cost more to do two draws. Mr. Flatto said that it would not.

Council Member Burns asked Mr. Andreana for his thoughts. Mr. Andreana said that he would recommend that the document be amended to \$50 million. He pointed out that the point of the TANS was to insure cash flow. Mr. Andreana said he had been working with the City for the last 10 years and that the TANS were to meet the fluctuations of the cash flow.

**** COUNCIL MEMBER BRANTLEY MOVED TO AMEND THE RESOLUTION THE AMOUNT FROM \$70 MILLION TO \$50 MILLION IN ALL PLACES WHERE THE AMOUNT OF \$70 MILLION IS MENTIONED IN THE DOCUMENT.**

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

**** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER BRANTLEY MOVED TO APPROVE AGENDA ITEM 184-15 AS AMENDED.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Council Member Richard Salter joined the meeting at 6:43 p.m.

185-15 Proposed Approval of General Obligation Bonds – To Refund Certain General Obligation Bonds.

Mr. Flatto said that last year, the City had re-financed some bonds and saved the City significant money. However, the interest rate has continued to drop. The savings will not be as much as it was the first time. He reviewed the details of the re-financing.

Mr. Flatto then gave the Council Members an overview of the "Build America Bonds" and the fact that these can now be re-financed. The savings would not be realized for three or four years. He cautioned everyone that he could not guarantee the rates or the savings because of the changes in the interest rates. By doing all the bonds at once, the City saves money by not having to use the attorneys or the underwriters twice.

Mr. Andreana said that there were two types of bonds, the first being the regular bonds, which is something that the City does regularly. The second kind were taxable Build America Bonds were issued by the City in 2009 and 2010 and these received a subsidy from the Federal Government. The Federal Government has been reducing the subsidy amount over time and will likely continue to do so. He added that there was an economy of scale by doing all the bonds together because it saves on professional services and preparation of the documents.

Council Member Salter asked if the bonds could be extended. Mr. Flatto said that theoretically the City could extend a new bond, but the City has a policy not to extend the bonds. He explained the process and pointed out that ultimately, it would just be kicking the debt service down the road.

Council Member Burns asked about the impact that the refunding might have on the rating agencies. Mr. Flatto said that they had informed the rating agencies of this possibility and to keep them up to date. He said that New Haven and Hartford has been downgraded because they did not keep the rating agencies in the loop. Mr. Andreana said that re-financing the bonds would be reducing the debt service, which the rating agencies like.

Council Member Burns asked about the percentage reduction. Mr. Flatto said that it might be between 3 or 4%.

**** COUNCIL MEMBER BRANTLEY MOVED TO APPROVE AGENDA ITEM 185-15.**
**** COUNCIL MEMBER PAOLETTO SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Flatto asked if the next two items could be discussed together. Council Member Brantley asked if these were the items that had some changes. Mr. Flatto said that they were. Council Member Brantley said that she would prefer to have the items separately. Mr. Andreana said that it would make more sense to do 187-15, which includes new Capital Projects and 186-15 second since that had to do with approving the funding.

187-15 Proposed Approval of Amendment to Adopted FY2017-2021 Capital Plan.

Mr. Flatto said that last year, the Council had voted on a Capital Plan. There are two or three projects in the plan that the Council may have only allocated small amounts for or did not approve funding. The administration would like the Council to consider allocating funding for those projects.

The Mayor is seeking to move forward with a number of large Downtown Area Capital Improvements. The Council has authorized \$2 million dollars for these improvements projects over the last two years. The Mayor would like to add \$18 million dollars to that project. Mr. Flatto listed the projects involved in that Improvement Plan.

Mr. Flatto then spoke about the Seaview Avenue Waterfront Improvement project. He said that when the original proposal was made, allocations for the design phase were not included. There is a request for \$400,000.

The final request has to do with a new Congress Street Bridge Replacement Design Study.

Council Member Taylor-Moye said that her copy of the documents listed the amount as \$19 million. Mr. Flatto said that the correct number was \$18 million. She pointed out that the Downtown Special Services District was working on the downtown area. \$18 million is significantly more than the previously approved \$2 million.

Mr. Flatto said that the State would be willing to provide matching grant funding. There are three projects: the intermodal center; the Lafayette traffic circle and the replacement of the Main Street signalization. The City has Federal and State commitments to these projects, but did not put the funding aside for the matches.

Council Member Brantley asked why Mr. Gill, the Economic Development Director, was not present or Mr. Coleman. Mr. Flatto explained that Mr. Gill, was out of town today and that Mr. Coleman had to leave due to family issues.

Council Member Brantley said that she felt that she would like to have more information about the details because it is a great deal of money. She said that she would like to have a special meeting on this.

Mr. Flatto then said that there was another category of potential projects such as the Arena and the downtown Theaters. He added that the Mayor would like to initiate a Business Attraction program. He said that he would be happy to have a special meeting in the near future.

Council Member Vizzo-Paniccia asked what happened to the funding that was set aside for the theaters. Mr. Flatto said that he would look into where the money was.

Council Member Vizzo-Paniccia said that the City should not be in the lending business and there had been many people who were upset that the City was paying businesses to do business in Bridgeport.

Council President McCarthy joined the meeting at 7:24 p.m.

Council Member Vizzo-Paniccia said that she thought the Congress Street Bridge had already been designed and money had already been allocated and spent.

Council Member Taylor-Moye asked about the minority businesses. Mr. Flatto said that having the funding would allow the City to go to various groups and say "We are committed. How about you?"

Council Member Taylor-Moye said that while she was looking for improvements downtown, but wanted to know what all the other groups like the DSSD were doing. She said that it was important to move the items through the process so that everyone can hear all the information at the same time.

Council Member Paoletto said for the record that there was an email that had gone out to the Council Members about a meeting that the Mayor had with other groups. Council Member Brantley said that when she hears about things, it bothers her because she is often the last to hear. The two theaters have not been used in decades. She said that she would like to see some minority businesses working on these projects.

The issues about The Congress Street Bridge has been declared to be irreparable and she did not want to see more money used on the bridge when the curbs, sidewalks and streets in the various neighborhoods are in disrepair. This is wrong. It's time to start taking care of the neighborhoods. Every day, Council Member Brantley said that she had to go out and pick up the garbage around her house to help keep her neighborhood looking nice.

She pays over \$10,000 in taxes and felt that using the money for a design study on a bridge that no one uses was a waste of those funds.

Mr. Flatto said that he would definitely relay her comments to the administration.

Council Member Brantley added that she would like to have Mr. Ricci present at the Special Meeting.

Council Member Nieves said she felt that having another agency would duplicate what the DSSD was already doing. Her biggest concern was this would just be a triplication of services and another entity.

Council Member Nieves said her district wants the Congress Street Bridge and has always fought in favor of it. She said that the Army Corps of Engineers came and did a study of the bridge and asked the business owners along the river there. Supposedly, the business owners did not want the bridge replaced because they do water traffic transportation for their goods.

This request is for a lot of money, and out of the \$18 million, only \$400,000 is for the Seaview Avenue Corridor, which is a much bigger issue for her district, along with Council Member Paoletto's and Council Member Martinez's Districts.

Mr. Flatto said that none of the money would be used for operating costs.

Council Member Martinez said that for the next meeting, the DSSD should present statistics on what they are doing. She said it was her understanding that the businesses were leaving downtown Bridgeport because the homeless were driving them away. The money should be utilized for other purposes.

**** COUNCIL MEMBER BRANTLEY MOVED TO ENTER THE AMENDED DOCUMENT AS EXHIBIT 09-12-16-1.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER BRANTLEY MOVED TO AMEND AGENDA ITEM 187-15 BY SUBSTITUTION WITH EXHIBIT # 09-12-16-1.**

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

**** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER BRANTLEY MOVED TO TABLE AGENDA ITEM 187-15 AS AMENDED.**

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

**** THE MOTION PASSED UNANIMOUSLY.**

186-15 Proposed Approval of General Obligation Bonds – To Fund Certain Capital Improvement Projects.

**** COUNCIL MEMBER BRANTLEY MOVED TO ENTER THE DOCUMENT TITLED CITY OF BRIDGEPORT APPROVAL OF GENERAL OBLIGATION BONDS AS EXHIBIT # 09-12-16-2.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Flatto said that there were some projects that were previously approved and now need the matching funding. The BOE is moving forward on school renovations and replacing the fire alarms. All of the Public Works projects on the Capital Project list were previously approved.

Council Member Brantley pointed out that the Congress Street project was included. She said that the bridge had been out of commission for years and the City had been told that it could not be replaced. Council Member Brantley did not think another design study should be done. Mr. Flatto explained that if the Committee did not approve of the project, it would simply be removed from the list. He added that the Committee was not being asked to approve this list at this time.

Council Member Brantley asked if the Committee could vote on the School Renovations now. Mr. Flatto said that the entire list has to be voted on at one time.

Council President McCarthy asked if there had been a conversation with the contractors who are working on Central High. He explained that the BOE thought the City had set aside money for that project. Mr. Flatto said that the City had not set aside enough matching funding.

A discussion followed about whether the interest rates would remain low. Mr. Flatto said that he would take a look at this.

Mr. Andreana said that the Bond Agents typically does not advise the cities to borrow for projects that were two years out in to the future.

Council Member Martinez asked about the type of renovations that was on the list for Harding High School. Mr. Flatto said that it was a mistake and it not a renovation but constructing the new Harding High School.

Council Member Taylor-Moye asked why Bassick was not on the list. Mr. Flatto said that the plan for Bassick was a priority, but there was no plan for re-locating the Bassick students. He said that there had been a suggestion to move the Bassick students into the old Harding High while the renovations are done on the Bassick building.

Mr. Salter pointed out that when the students are shifted from one side of town to the other, there will be problems. Mr. Flatto said that he did not think that putting the Bassick students into Harding was a real solution, just a suggestion that someone had mentioned.

**** COUNCIL MEMBER BRANTLEY MOVED TO AMEND AGENDA ITEM 186-15 BY SUBSTITUTING EXHIBIT # 09-12-16-2.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Flatto said that he was distributing an information sheet on what this would do in terms of debt service. There are underwriters who help with the bond issues and this is a layout of the currently debt service and the impact of bonding \$45 million that they did. He said that this was

an estimate, but that there would not be a dramatic change one way or another with the projected figures.

**** COUNCIL MEMBER BRANTLEY. MOVED TO ENTER THE SPREADSHEET SHOWING THE NEXT 20 YEARS CITY ALL DEBT SERVICE BUDGET SHEET AS EX. 09-12-16-3.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Council Member Vizzo-Paniccia asked how much the report cost. Mr. Flatto explained that the projected bond Debt service charts are done routinely by the underwriters. There is no fee involved or a contract.

**** COUNCIL MEMBER BRANTLEY MOVED TO TABLE AGENDA ITEM 186-15 AS AMENDED.**

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

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COUNCIL MEMBER BRANTLEY MOVED TO ADJOURN.**

**** COUNCIL MEMBER PAOLETTO SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 8:13 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services