


**MUNICIPAL ACCOUNTABILITY REVIEW BOARD**

MEMORANDUM

TO: Members of the Municipal Accountability Recovery Board (MARB)

FROM: Alison Fisher, OPM 

SUBJECT: West Haven Subcommittee Update; Evaluation of Compliance with MARB Resolution of May 3, 2018

DATE: June 6, 2018

In advance of Thursday’s meeting, OPM staff wanted to update the full Board on the activities of the West Haven MARB Subcommittee regarding the City of West Haven’s compliance with the MARB resolution of May 3, 2018. At their meeting yesterday, the West Haven subcommittee reviewed the following list of attached documents and the staff status report provided below related to the May 3<sup>rd</sup> resolution requirements. The committee’s findings will be reported at tomorrow’s full MARB meeting.

- 1) MARB May 3, 2018 Resolution Package
- 2) Summary of City Council Budget Changes, as approved by the Council on May 29, 2018
- 3) Details Regarding City Council Budget Changes
- 4) MARB Budget Documentation Requirements
- 5) Documentation sent to OPM in Response to Documentation Requirements

As a result of staff analysis, please find below a table summarizing our findings as they relate to the compliance with the MARB Resolution.

<b>Resolution Requirement</b>	<b>Status</b>	<b>Status Detail</b>
Tax revenue collection assumptions for FY 2018-19		Received and appears sufficient
Restructuring funds for FY 2018-19 are changed to \$8.0m for operating purposes, \$1.75m for prior year deficit reduction, and \$250k for MARB-related expenses		Completed and is adequately reflected in amended FY 2018-19 budget; need to ensure restrictions as to their use (MARB approval required)
Transfers to and from the Sewer Fund in the proposed FY2018-19 budget		FY17 Audit indicates fund balance deficit reduced from \$1.5 million to \$75,000
Sufficient budgets for pension, debt service		Completed and is adequately reflected in amended FY 2018-19 budget
Allingtown Fire Department budget is balanced		Completed and appears adequately reflected in amended FY 2018-19 budget
Handling/budgeting for Education Cost Sharing funds (as an Alliance District)		Information received but not sufficient to determine if ECS is appropriately budgeted or handled
Health Insurance Projections		Information received but more documentation and clarification required

Deficit in FY 2016-17 audit		Information received but still in draft form
<p>FY 2018-19 amended budget meets MARB budget review criteria as listed below.</p> <ol style="list-style-type: none"> <li>1. The reasonableness of the assumptions utilized with respect to expenditures and revenues.</li> <li>2. the overall balance and imbalance of expenditures and revenues;</li> <li>3. the achievability of efficiency measures included in the recommended budget;</li> <li>4. its impact on the municipality's long-term liabilities and the municipality's most current three-year financial plan; and</li> <li>5. any other issues or matters that would impact, in the MARB's opinion, the municipality's financial sustainability and vitality.</li> </ol>		<p>See "MARB Budget Documentation Requirements" schedule for details. Issues of concern include:</p> <ul style="list-style-type: none"> <li>• Recycling savings</li> <li>• Street Lighting (information from UI provided)</li> <li>• Worker's Compensation</li> <li>• 401k, FICA</li> <li>• Building Permits</li> <li>• Changes to Contingency</li> </ul>
Deficit mitigation plan for FY 2017-18		Need updated projections
5 Year Plan		Not received
Application for Municipal Restructuring Funds for FY2017-18 and/or FY 2018-19		Not received

Please contact myself or Robert Dakers if you have any questions in this regard.

Attachments:

- MARB May 3, 2018 Resolution Package
- Summary of City Council Budget Changes, as approved by the Council on May 29, 2018
- Details Regarding City Council Budget Changes
- MARB Budget Documentation Requirements
- Documentation sent to OPM in Response to Documentation Requirements

Cc: Mayor Nancy Rossi, West Haven  
Linda Savitsky, Acting Director Finance, West Haven