

MAYOR
DAVID R. MARTIN



BOARD OF FINANCE

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May 25, 2020

SPECIAL BUDGET MEETING OF THE BOARD OF FINANCE

Pursuant to Section 6-20-2 of the *City of Stamford Charter*, Richard Freedman and Mary Lou Rinaldi called for a special meeting of the Board of Finance on Wednesday, May 20, 2020 at 7:00 p.m. The meeting was held via webinar.

MINUTES

CALL TO ORDER: Chair Richard Freedman called the special budget meeting to order at 7:02 p.m.

MEMBERS PRESENT: CHAIR RICHARD FREEDMAN; VICE CHAIR MARY LOU RINALDI; AND MEMBERS GEOFF ALSWANGER, FRANK CERASOLI, DAVID MANNIS AND KIERAN RYAN.

OTHERS PRESENT: MAYOR DAVID MARTIN; CINDY GRAFSTEIN, SPECIAL ASSISTANT TO THE MAYOR; SANDY DENNIES, INTERIM DIRECTOR OF ADMINISTRATION; JAY FOUNTAIN, DIRECTOR OF OPM; TAMU LUCERO, SUPERINTENDENT OF SCHOOLS; ANDY GEORGE, PRESIDENT BOARD OF EDUCATION; JACKIE HEFTMAN, MEMBER BOE; KATHRYN EMMETT, DIRECTOR OF LEGAL AFFAIRS; ALFRED CAVA, DIRECTOR OF HUMAN RESOURCES; ROBERT STACY, DIRECTOR OF HUMAN RESOURCES & TALENT ACQUISITION AND RYAN FEALEY, DIRECTOR OF FINANCE; MONICA DI COSTELLO, CHAIR BOARD OF REPRESENTATIVES AND MEMBERS LINDSEY MILLER; MARY FEDELI; DENNIS MAHONEY; J. R. MCMULLEN; SUSAN NABEL

1. PUBLIC PARTICIPATION

Speakers: Michele Gough, Ruth Letson, Jana Henderson, Patricia Mould, Adriana Bertola, Douglas Hamm, Ann Paladino, Wendy Tang, Paula Barroso, Shelley Michelson, Brian Piechowicz, Christopher Woodside, Matthew Roberto, Evangelina Bilas and Georges Charles

Mr. Freedman thanked the speakers and reminded the public that it was not the practice of the Board of Finance to respond to people speaking during public speaking time. He encouraged members of the Boards of Finance (BOF) and Representatives (BOR) to share their thoughts on the process to date.

Please view the video for full comments made by the following:

(00:51:17) Ms. Rinaldi said she is grateful for the public input to the BOF. She said the City is faced with a large, drastic fiscal problem that must be addressed. She said both the City and Board of Education (BOE) have reached out to the various unions asking them to work with us so that jobs don't have to be lost. The BOF can only make an overall cut to the BOE budget and specific cuts to the school

district will be made by Dr. Lucero and the BOE. The BOF are volunteers and take their jobs seriously in trying to work through the budget problems over the past two-and-a-half months.

(00:53:47) Mr. Ryan thanked the public for their feedback and agreed with Ms. Rinaldi on all of her points.

(00:54:43) Mr. Alswanger thanked the public speakers and said he'd read all the emails sent by the public. He dispelled the idea of using the Rainy Day Fund and prior year surpluses to cover operating deficits. He said these are painful and difficult times and we have to work towards solutions now.

(1:00:10) Mr. Mannis also thanked the public speakers. He said the BOF's job is to set the mill rate, not to hire or fire people or change programs. This year is different and the BOF is not going to ask taxpayers for more than they paid last year. He said, compared to a pay freeze, it is far worse to terminate jobs in the schools, and it is most important that the students not lose their teachers and support staff.

(1:05:17) Ms. Rinaldi said the BOF has done an inordinate amount of work to come up with a realistic estimate of revenues.

(1:07:05) Mr. Cerasoli thanked Mr. Freedman for his presentation last meeting outlining the economics of the budget, and that the outlook is dire. The proposed budget is \$630 million and people should know there are large areas of the budget over which the BOF has no discretion: Pension costs, OPEB costs for retiree health benefits, debt service, State- and Federally-mandated special education services, healthcare expenses for active employees. That leaves only 16% of the budget that is not salary-related, and it is difficult to balance the budget working with only 16%. Since spending must match revenues, there is no choice but to discuss salaries. He hopes the city can work out an accommodation with its workers because otherwise it is hard to avoid layoffs.

(1:10:52) Ms. Nabel (BOR) mentioned her background on the Board of Education and said she hopes the BOE examines everywhere and anywhere before cutting classroom staff. If we are all truly in this together, the biggest and potentially most impactful reductions must come from the union discussions.

(1:16:59) Mr. McMullen (BOR) said it seems from the last few nights that many City employees don't believe they are appreciated, which troubles him. It is unreasonable for City employees to believe they will not share in the financial impact of the crisis. Much has been said about the kids but it is about people's financial pain. It is up to the employees and the unions as to whether reductions materialize in the form of layoffs or wage adjustments.

(1:19:27) Mr. Mahoney (BOR) said he appreciates the public comment and the work by the BOF, and there are no good choices. The BOF has said there will be no increase in the mill rate and therefore no increase in taxes. Other municipalities that have increased their budgets and taxes have done so at their peril. The BOF's inclination is in line with fiscal reality. We must plan for the worst but hope for the best. There will be a choice: will there be significant and debilitating cuts to every program we hold dear and the services we have come to expect, or will the City workforce agree to some concessions for the upcoming fiscal year? He believes the new reality is that the workforce, particularly the teachers, need to protect the children, their students and their future by agreeing to some concessions. The goal is to protect the kids, not the adults working for the City of Stamford. In this pandemic, no one has been or will be spared.

(1:23:30) Ms. Fedeli (BOR) thanked the public for their participation. In more than 20-plus years in public service she has never seen 800 people participate in a public meeting. She thanked Mr. Freedman for his work in educating the public on the budget process. The cuts being proposed on the BOE side are painful to parents and teachers but there is still time for the unions and the city to work together. We started out hoping that everyone will take an equal share and are still hopeful that this will happen. The boards and the citizens have high respect for the workers and appreciate what they do, but we need their help in balancing this budget. The taxpayers need a break. Everyone is feeling the pain.

(1:27:37) Ms. Di Costanzo (Chair of the BOR Fiscal Committee) thanked the BOF for giving the public a chance to be heard and the BOR liaisons the opportunity to participate in the BOF's budget process. None of us asked for this, none was prepared for where we are right now, but we must do the hard work to find the solutions and put ourselves in the best short, mid and long-term position as we possibly can with all the extraordinary research done by this BOF and the collaboration of all leaders in this process. None of us likes what needs to happen, but if we don't act, the long term effects will be devastating. She thanked Chairman Freedman and the BOF members for their time and dedication at this very difficult time.

(1:29:44) Mr. Freedman reminded everyone that the deficit the BOF needs to close is \$35 million but that the total amount of the shortfall is actually \$65 million. It is the BOF's duty to protect the financial health of the City both short- and long-term. He said the BOF's decision not to increase the mill rate was to bring the greatest amount of help to the greatest number of people possible. He said the BOF knows that large budget cuts with no concessions from the City's workforce will mean a reduction in services. He spoke of the contribution of the workforce and the value and quality of service they provide. He said that every employee of the city and BOE has been asked for the same wage freeze and that no one has been asked to reduce their salary. He said it is unfortunate that the teachers refuse to negotiate with the City and expressed his concern about what the loss of staff and services if there is no negotiation. He thanked the public for their many heartfelt and sincere comments.

Mr. Freedman asked that the Capital Budget (Item 3) discussion be conducted first as there were many city staff participating in this item. The Mayor agreed.

ITEMS LISTED IN THE ORDER THEY WERE HEARD

3. REVIEW OF CAPITAL BUDGET

Mr. Freedman announced there would be a summary by the Mayor of the capital budget. The Mayor discussed projects being closed out and other potential reductions of the capital budget.

Following Mayor Martin's summary, Mr. Freedman conducted the review of Capital Projects for the 2020-21 fiscal year.

Present to answer questions pertaining to their departments/entities or areas of expertise were:

Jay Fountain, Director of OPM
Tamu Lucero, Superintendent of Schools
Ralph Blessing, Land Use Operations Chief
Bill Brink, Executive Director WPCA
Lou Casolo, City Engineer
Ted Jankowski, Director of Public Safety, Health and Welfare
Kevin McCarthy, Facilities Manager, BOE
Mark McGrath, Director of Operations
Kevin Murray, Building Manager
Mike Pensiero, Information Services Director
Mike Robles, Assistant Fire Chief
Tony Romano, Management Analyst
James Travers, Transportation Bureau Chief
Thomas Turk, Traffic and Road Maintenance Supervisor

Mr. Freedman asked if the Board would be open to discussing the item #2 at tomorrow's special budget meeting, given the late hour. Mayor Martin and the members of the Board agreed to move the following item to tomorrow night's meeting:

2. DISCUSSION ON PROPOSED REDUCTIONS TO THE CITY BUDGET WITH MAYOR MARTIN – to be discussed May 21, 2020.
4. ADJOURNMENT
A motion to adjourn was made by Ms. Rinaldi, seconded by Mr. Cerasoli and the meeting adjourned at 10:41 p.m.

This meeting is on video.

Cynthia Winterle
Clerk of the Board