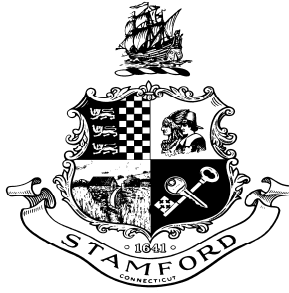


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BOARD OF FINANCE

STAMFORD GOVERNMENT CENTER
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CONNECTICUT 06904-2152

BOARD OF FINANCE REGULAR MONTHLY MEETING

Thursday, February 11, 2021 – 7:00 p.m.

MINUTES

CALL TO ORDER: Chair Richard Freedman called the meeting to order at 7:00 p.m.

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

OTHERS PRESENT: RALPH BLESSING; KAREN CAMMAROTA; SANTO CARTA; SANDRA DENNIES; RYAN FEALEY; JAY FOUNTAIN; TAMU LUCERO; KEVIN MCCARTHY; MARK MCGRATH; NIKOLETA MCTIGUE; DAVID PATNAUDE; TONY ROMANO; LYDA RUIJTER; THOMAS TURK; DAVID WOODS; AND DAVID YANIK.

PUBLIC PARTICIPATION: There was none.

REPORTS TO THE BOARD:

A. Contingency Update – FY 20-21

1. MINUTES: (Video:00:01:38)

Request for approval of minutes of the following meeting:

Regular Monthly Meeting – January 14, 2021

Submitted by: Clerk, Board of Finance

Motion to approve by Ms. Rinaldi, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

Chair Freedman noted that Items 9 and 10 will be taken out of order due to meeting conflicts.

ITEMS LISTED IN ORDER THEY WERE HEARD

9. ADDITIONAL APPROPRIATION – SOUTH END HISTORIC DISTRICT STUDY COMMITTEE

(Video: 00:02:09)

Request for approval of an additional appropriation to support the South End Historic District Study Committee, which was created by Board of Representatives resolution LU30.030 on February 1, 2021. Up to \$5,000 to be used to allow the Committee to hire a Consultant to prepare an application to the State Historic Preservation Office (SHPO) for a grant to conduct the study; the remainder would be for costs not covered by the grant but required under State statute, such as a vote by property owners creating the district after the study has been completed, public notices including certified letters to property owners and ads in the Stamford Advocate, etc. (See related item 10)

Action Requested: Approval of additional appropriation
Amount: \$45,000
Fund/Budget: \$25,000 transfer to grant funds (City-funded)
\$20,000 State Assistance (Grant-funded)
Submitted by: Ralph Blessing, Land Use Operations Chief
Attending: Mr. Blessing; David Woods, Deputy Director of Planning

Mr. Blessing provided background on this effort; at this time the committee will come up with a report about the historic significance of the South End Historic District, take inventory and make a proposal to create a local historic district which provides much stronger protection for its buildings. He said included in this appropriation is \$5,000 for hiring a consultant with a historical background to prepare the grant application.

Mr. Fountain said that in addition to the \$5,000 city-funded amount \$20,000 is allocated for work to be done after the report is completed and if the grant is awarded.

Board Member Ryan thanked the people who have worked to make this preservation effort happen.

Motion to approve by Mr. Cerasoli, second by Mr. Ryan, passed with a unanimous vote (6-0-0).

10. ADDITIONAL APPROPRIATION – TRANSFER – SOUTH END HISTORIC STUDY COMMITTEE

GRANT (Video: 00:02:09)

Request for an additional appropriation transfer of funds to South End Historic District Study Committee Grant. (See related item 9)

Action Requested: Approval of additional appropriation transfer
Amount: \$25,000 - Grants fund
Fund/Budget: Contingency
Submitted by: Jay Fountain
Attending: Mr. Fountain

Motion to approve by Mr. Cerasoli, second by Ms. Rinaldi, passed with a unanimous vote (6-0-0).

2. POSSIBLE DISCUSSION ON BUDGET MATTERS WITH MAYOR DAVID MARTIN (Video: 00:13:26)

The Mayor was not present.

3. BUDGET UPDATE – BOARD OF EDUCATION (Video: 00:13:37)

Ryan Fealey, Director of Finance, presented a brief update on the status of the BOE budget. As of December 31, he is projecting a modest surplus of \$200,000. This is due in part to the COVID-19 grant which has been instrumental in covering all costs associated with the pandemic. There was some discussion on more CARES Act funds becoming available in the future, but at this point the application has not been sent out, so there is no update yet.

4. UPDATE – BOARD OF EDUCATION – MOLD CAPITAL SPENDING (Video: 00:18:08)

Kevin McCarthy, Facilities Manager, provided an update on BOE mold capital spending to date. He said the BOE has spent \$51,180,000 on mold removal/remediation activities, including repairs, replacement of mechanical items, roofs, windows and construction.

5. FINAL CAFR FOR YEAR ENDED JUNE 30, 2020 AND MANAGEMENT LETTER (Video: 00:20:37)

Controller David Yanik and representatives of the Blum Shapiro firm, Nikoleta McTigue and Santo Carta were present to discuss the final CAFR and the Management Letter prepared by Blum Shapiro.

Ms. McTigue spoke of the financial and audit highlights of the Fiscal Year ending June 30, 2020. She indicated the following financial highlights:

- The City's governmental funds reported a combined ending total fund balance of \$134.7 million, an increase of \$12.3 million from the prior year;
- Total fund balance for the General Fund was \$64.7 million, an increase of \$13.1 million from the prior fiscal year. Included in total General Fund fund balance was \$26.7 million assigned for Rainy Day purposes. The amount available from current year operations was \$14.8 million;
- Enterprise funds reported a combined ending total net position of \$100.9 million, an increase of \$6.7 million from prior fiscal year;
- Internal service funds reported a negative net position of \$5.8 million, an improvement from a negative net position of \$8.5 million in the prior fiscal year;
- Combined net position for all Pension and OPEB Trust Funds totaled \$821.4 million, an increase of \$21.2 million from prior fiscal year. In total, the City's four pension plans are 71.6% funded while the OPEB Trust Fund is 36.9% funded; and
- The City's total bonds payable (including premiums) for governmental activities increased by \$.9 million to \$445.7 million, while the bonds and notes payable for business-type activities increased by \$13.4 million.

She then referred to the Management Advisory Letter which included recommendations as constructive suggestions for improvement on matters that were noted in previous years that have not been fully remediated, including:

- Schedule of expenditures for the state and federal single audits;
- Internal Service Fund;
- GASB 87 – Implementation of Lease Standard – Postponed due to COVID-19; and
- Cybersecurity Management.

Mr. Freedman thanked Ms. McTigue for her presentation.

6. ADDITIONAL APPROPRIATION – HOMELAND SECURITY 20/21 – GRANT FUNDED (Video: 00:35:11)

A FY 2020 Homeland Security Grant award of \$397,157 will be allocated for equipment and maintenance of assets to enhance the preparedness and response capabilities of first responders throughout lower Fairfield County. The City of Stamford will receive \$50,000 to act as the fiduciary agent for the 14 participating municipalities.

The 14 towns and cities comprising DEMHS Region 1 will each pay a pre-determined share of the costs to sustain the UAS1 interpretive radio system. As the fiduciary of the Region's Homeland Security Grant, Stamford will issue payment to the vendor.

Bridgeport	\$25,091.42	Stamford	\$22,667.03
Darien	\$ 5,754.55	Stratford	\$12,679.99
Easton	\$ 5,754.55	Trumbull	\$10,671.95
Fairfield	\$13,883.82	Weston	\$ 5,754.55
Greenwich	\$14,534.79	Westport	\$ 9,524.25
Monroe	\$ 5,754.55	Wilton	\$ 5,754.55
New Canaan	\$ 5,754.55	Norwalk	\$17,546.92

Action Requested: Approval of additional appropriation
Amount: \$608,287 100% grant funded
Fund/Budget: \$558,287 Non-capital Equipment
\$50,000 Grants Management/Software Maintenance
Submitted by: Karen Cammarota, Grants Officer
Attending: Ms. Cammarota

Ms. Cammarota indicated the City has acted as the fiduciary agent for this grant in the past and was present to answer any questions.

Motion to approve by Mr. Mannis, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

7. TRANSFER REQUEST – HOMELAND SECURITY – UASI RADIO MAINTENANCE (Video: 00:36:14)

This request is for approval of a transfer of Homeland Security Funding from General Funds to Grants to pay for Stamford's share of UASI Radio maintenance.

Action Requested: Approval of transfer of funds
Amount: \$22,667.03
Fund/Budget: To: Grant Fund
From: Emergency Comm./Radio Maintenance
Submitted by: Karen Cammarota
Attending: Ms. Cammarota

Motion to approve by Ms. Rinaldi, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

8. TRANSFER REQUEST – GRANTS OFFICE – CROSS TRAINING SALARY (Video: 00:36:46)

This request is for approval of a transfer of funds for cross training a new Grants Officer.

Action Requested: Approval of transfer of Funds
Amount: \$39,000
Fund/Budget: From: 01410221100 Revenue Services/Salaries
To: 01410121100 Grants/Salaries
Submitted by: Sandy Dennies, Director of Administration
Attending: Ms. Dennies

Ms. Dennies is recommending that these funds be made available so retiring Grants Officer Karen Cammarota can do cross training with the individual selected to replace her. She outlined the funding for this effort and said that because the position is complex, it is important for the City to have someone well trained to serve in this capacity prior to June 30. Members of the Board commended Ms. Cammarota for her work.

Motion to approve by Ms. Rinaldi, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

Items 9 and 10 heard earlier in the meeting.

11. ADDITIONAL APPROPRIATION – SPECIAL ELECTION (Video: 00:40:06)

Request for approval of an additional appropriation from contingency to cover the cost of a special election for State Senate District 27 to be held in March and election to fill State Representative Seat 145 in April, if needed. (See related item 12 below.)

Action Requested: Approval of additional appropriation
Amount: \$200,000
Fund/Budget: Contingency
Submitted by: Lucy Corelli and Ron Malloy, Registrars of Voters
Attending: As Ms. Corelli and Mr. Malloy were not present, Jay Fountain, Director of OPM, provided background information on this item.

Mr. Fountain said this election has to be held and the funds expended because of a vacant senate seat in District 27.

Motion to approve by Mr. Alswanger, second by Mr. Cerasoli, passed with a vote of 5-0-1 with Mr. Ryan abstaining.

12. ADDITIONAL APPROPRIATION – SPECIAL ELECTION (Video: 00:44:54)

Request for approval of an additional appropriation from contingency to cover the cost of a special election for State Senate District 27 to be held in March and election to fill State Representative Seat 145 in April, if needed. (See related item 11 above.)

Action Requested: Approval of additional appropriation
Amount: \$25,450
Fund/Budget: Contingency
Submitted by: Lyda Ruijter, Town and City Clerk
Attending: Ms. Ruijter

Ms. Ruijter provided details of the funds needed by her office to hold this election.

Motion to approve by Ms. Rinaldi, second by Mr. Mannis, passed with a unanimous vote (6-0-0).

13. CAPITAL PROJECT CPBM31 APPROPRIATION – STAMFORD HIGH SCHOOL (Video: 00:46:11)
Request for approval of a Capital Project CPBM31 appropriation from an EverSource rebate for energy efficiency measures related to installation of new high-efficiency boilers, water heaters, and unit ventilator controls at Stamford High School.

Action Requested: Approval of Capital Project CPBM31 additional appropriation
Amount: \$215,704.50
Fund/Budget: EverSource rebate
Submitted by: Kevin McCarthy, Facilities Manager
Attending: Mr. McCarthy

Mr. McCarthy explained this rebate is the result of the mold work done at the Stamford High School.

Motion to approve by Mr. Alswanger, second by Mr. Mannis, passed with a unanimous vote (6-0-0).

14. CAPITAL PROJECT CPBM17 APPROPRIATION – WESTOVER MAGNET SCHOOL (Video: 00:46:55)
Request for approval of a Capital Project CPBM17 appropriation from an EverSource rebate for installing two new high efficiency boilers at Westover School.

Action Requested: Approval of Capital Project CPBM17 appropriation
Amount: \$53,808.50
Fund/Budget: EverSource rebate
Submitted by: Kevin McCarthy
Attending: Mr. McCarthy

This rebate is similar to Item 13, however is for equipment installation as part of the construction project work done at Westover School.

Motion to approve by Ms. Rinaldi, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

15. CAPITAL PROJECT C56182 APPROPRIATION – STREET PATCH AND RESURFACING
(Video: 00:47:36)
Request for approval of a Capital Project C56182 appropriation to restore final pavement conditions based on the work recently performed by Aquarion Water Company on the east side of Stamford. As this work will be done by the citywide paving contractor, Aquarion has reimbursed the City in the amount required to perform final paving in lieu of performing the work using their contractor. The dollar amount is based on the unit prices provided by the citywide paver multiplied by the quantity of paving required.

Action Requested: Approval of Capital Project C56182 appropriation
Amount: \$205,753.58
Fund/Budget: Private contributions
Submitted by: Thomas Turk, Traffic and Road Maintenance Supervisor
Attending: Mr. Turk

Mr. Turk said these funds are a reimbursement to the City so the City can restore the roads to their original condition prior to the utility's work.

Motion to approve by Mr. Alswanger, second by Ms. Rinaldi, passed with a unanimous vote (6-0-0).

ITEM TAKEN UP UNDER SUSPENSION OF THE RULES

As Mayor Martin had submitted a request for an additional appropriation to be brought up under a Suspension of the Rules and Mr. Turk was attending the meeting to address this item, Chair Freedman called for a motion to hear this item next.

Motion by Ms. Rinaldi, second by Mr. Alswanger to take up the following item under Suspension of the Rules passed unanimously (6-0-0).

26. ADDITIONAL APPROPRIATION – INCREASE SALT DUE TO STORM (Video: 00:49:41)

Half way through the 2020-2021 snow season the City has already had more storms than all of last year and more than four times the snowfall amounts at over 34 inches versus 8 inches. So far, almost 200 working hours have been spent working the events. Over 7000 tons of salt have been used thus far with more than 5500 of that being used in the past three weeks alone. Maintaining the roads for one big storm can require almost 2000 tons of salt. Snow events seem to be a constant threat in the ten-day forecast. Considering the current weather pattern, additional monies will be needed so salt is ordered and delivered in a timely manner to ensure the roads can be kept safe for the residents. Over half of the current salt budget has been spent trying to maintain supply levels in the three domes. This emergency appropriation will ensure the domes can be kept at a sufficient level throughout the remainder of the season and be left with an acceptable level for the start of next season.

Action Requested: Approval of additional appropriation
Amount: \$702,000
Fund/Budget: Contingency
Submitted by: Mayor David Martin
Attending: Thomas Turk, Traffic and Road Maintenance Supervisor

Mr. Turk explained the need to order more salt due to the demand so far this season and the forecast for more snow in the near future. He added that having a supply of salt at the beginning of next winter is advisable.

Mr. Freedman thanked Mr. Turk and his department for their hard work.

Motion to approve by Mr. Alswanger, second by Mr. Mannis, passed with a unanimous vote (6-0-0).

16. RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF NOT EXCEEDING \$50,000,000 CITY OF STAMFORD GENERAL OBLIGATION REFUNDING BONDS (Video: 01:00:53)

Request for approval of the issuance of two General Obligation Refunding Bonds: \$16,190,000 from 2011 and \$32,500,000 from 2014.

Action Requested: Approval of resolution
Amount: Not exceeding \$50,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Sandy Dennies, Director of Administration
Attending: Ms. Dennies

Ms. Dennies said this is an incredible opportunity to issue these two bonds and anticipates the City savings to be almost \$5.5 million.

Motion to approve by Mr. Cerasoli, second by Mr. Alswanger, passed with a unanimous vote (6-0-0).

17. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$25,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2017

(Video: 01:06:32)

This request is for a resolution approving an amendment to prior resolution No. 4051 dated June 2, 2020 reallocating the proceeds of the 2017 Bonds as set forth in Exhibit 17 attached.

Action Requested: Approval of a bond resolution
Amount: \$25,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano, Management Analyst, OPM
Attending: Mr. Romano

Mr. Romano described the reasoning for repurposing these resolutions (Items 17-24) and provided answers to members' questions. *For a full understanding of the discussion, please view the video at the end of these minutes.*

Motion to approve by Mr. Cerasoli, second by Ms. Rinaldi, passed with a unanimous vote (6-0-0).

18. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$40,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2020

(Video: 01:17:36)

This request is for a resolution approving an amendment to prior resolution No. 4051 dated June 2, 2020 reallocating the proceeds of the 2020 Bonds as set forth in Exhibit 18 attached.

Action Requested: Approval of a bond resolution
Amount: \$40,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Mr. Mannis, second by Mr. Alswanger, passed with a vote of 5-1-0 with Mr. Cerasoli opposed.

19. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$45,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2011

(Video: 01:17:55)

This request is for a resolution approving an amendment to prior resolution dated July 11, 2019 amending the issuance resolution to reallocate the proceeds of the 2011 bonds as set forth in Exhibit 19 attached.

Action Requested: Approval of a bond resolution
Amount: \$45,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Ms. Rinaldi, second by Mr. Cerasoli, passed with a unanimous vote (6-0-0).

20. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$45,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2016

(Video: 01:18:11)

This request is for a resolution approving an amendment to reallocate the proceeds of the 2016B bonds as set forth in Exhibit 20 attached based on expenditures.

Action Requested: Approval of a bond resolution
Amount: \$45,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Mr. Mannis, second by Mr. Alswanger, passed with a unanimous vote (6-0-0).

21. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$50,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2013

(Video: 01:18:34)

This request is for a resolution approving an amendment to reallocate the proceeds of the 2013 bonds as set forth in Exhibit 21 attached based on expenditures.

Action Requested: Approval of a bond resolution
Amount: \$50,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Mr. Cerasoli, second by Mr. Alswanger, passed with a unanimous vote (6-0-0).

22. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$50,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2014

(Video: 01:18:48)

This request is for a resolution approving an amendment to reallocate the proceeds of the 2014 bonds as set forth in Exhibit 22 attached based on expenditures.

Action Requested: Approval of a bond resolution
Amount: \$50,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Ms. Rinaldi, second by Mr. Mannis, passed with a unanimous vote (6-0-0).

23. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$60,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2019

(Video: 01:19:03)

This request is for a resolution approving an amendment to reallocate the proceeds of the 2019 bonds as set forth in Exhibit 23 attached based on expenditures.

Action Requested: Approval of a bond resolution
Amount: \$60,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Mr. Alswanger, second by Mr. Mannis passed with a vote of 5-1-0 with Mr. Cerasoli opposed.

24. RESOLUTION AMENDING A RESOLUTION WITH RESPECT TO THE ISSUANCE AND SALE OF \$65,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF STAMFORD, ISSUE OF 2015

(Video: 01:19:28)

This request is for a resolution approving an amendment to reallocate the proceeds of the 2015B bonds as set forth in Exhibit 24 attached based on expenditures.

Action Requested: Approval of a bond resolution
Amount: \$65,000,000
Fund/Budget: General Obligation Bonds
Submitted by: Tony Romano
Attending: Mr. Romano

Motion to approve by Ms. Rinaldi, second by Mr. Alswanger, passed with a unanimous vote (6-0-0).

25. SECOND QUARTER FINANCIAL PROJECTIONS: FY 20-21 (UPDATE) (Video: 01:19:54)

An update on the second quarter financial projections for fiscal year 20-21 was given by Director of OPM Jay Fountain. He said as of the end of the second quarter of FY2021, the Office of Policy and Management is projecting a \$28,582,098 improvement over budget in the full-year estimates. The improvement still leaves estimated year-end deficit of \$4,628,639. Because this deficit is associated with uncollected current levy he is projecting that it will be covered by the use of Short Term borrowing of \$4,628,639 (although this allocation is subject to change). This recognizes a reduction in use of Rainy Day funds by \$18,210,737 and of Short Term borrowing of \$10,371,361.

He said the most significant improvement in year-end projections is that General Fund revenues are projected to be more than budgeted by approximately \$29,548,986. Other revenues are coming in strongly. Conveyance taxes have increased dramatically. We are expecting expenditures to be \$4.4 million to \$4.5 million under budget. Mr. Fountain's report is attached.

The members of the Board are to be congratulated for their conservative approach to the budget given COVID-19 pandemic conditions.

Item 26 heard earlier in the meeting under Suspension of the Rules.

27. ADJOURNMENT (Video: 01:33:49)

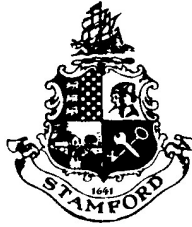
Motion to adjourn the meeting at 8:34 p.m. made by Ms. Rinaldi, second by Mr. Freedman.

The next Regular Meeting of the Board: Thursday, March 11 at 7:00 p.m.

[This meeting is on video.](#)

Cynthia R. Winterle

**Cynthia R. Winterle
Clerk of the Board**



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CITY OF STAMFORD
OFFICE OF POLICY & MANAGEMENT

To: Board of Finance & Board of Representatives
From: Jay Fountain, Director of OPM
Date: 2/10/2021
RE: Second Quarter Projection Fiscal Year 2021

The OPM department has finished its Q2 projection for the FY21. The outlook for the rest of FY21, as you realize, remains somewhat uncertain. This could significantly change the projections. While we have tried to be conservative in our projections, we remain somewhat uncertain about how much will be collected for the second payment of current tax levy due in January 2021 because of the deferred payment option allowed by the state.

FY21 is an unusual year because with the uncertainty associated with the COVID-19 pandemic, the Mill Rate was held at the same level of FY2020, other revenue estimates were decreased, and the current tax levy collection rate reduced to 93.9% from the normal rate of 99.0%. Because of these reductions the general fund budget was adopted, even after reductions in appropriations, with a shortfall of revenues less than expenditures of \$33,210,737 proposed to be covered by use of Rainy Day funds of \$18,210,737 and Short Term borrowing of \$15,000,000. However, we are doing much better than anticipated in the collection of the current levy, the receipt of State grant revenue, and departmental revenue especially building permits and conveyance taxes.

Attached is an overview of the General Fund's revenue and expenditures with year to date actuals and projections for the fiscal year. As of the end of the second quarter of FY2021, the Office of Policy and Management is projecting a \$28,582,098 improvement in the full year estimates. The improvement still leaves estimated year end expenditures more than revenues by \$4,628,639. Because this shortfall is associated with uncollected current levy we are projecting that it will be covered by use of Short Term borrowing of \$4,628,639 (although this allocation is subject to change). This recognizes a reduction in use of Rainy Day funds by \$18,210,737 and of Short Term borrowing of \$10,371,361.

It recognizes a projected increase in expenditures for OPEB contributions \$3,346,951 recognizing the City's responsibility for contributing the Actuarial Determined Contribution of the OPEB plan. It is assumed that only the portion of the city workforce that were shifted on January 1, 2021 will be transferred to the State health plan.

The most significant improvement in year-end projections is that General Fund revenues are projected to be more than budgeted by approximately \$29,548,986. For many revenue items the current amount received already exceeds the amount budgeted which was reduced significantly because of the uncertain economic conditions. This includes the current levy projected to be \$21,030,326 more than budgeted primarily due to the improvement in the collection rate. The collection rate for first half of the year was slightly more than 99.0%. Given that there was a Federal stimulus in place last spring and no stimulus in place now (although we understand that discussions in Congress are continuing), we are concerned there is even a less uncertainty as payments due in January have been being received and there is slightly less uncertainty over the economy than there was the estimated collection rate for the full year collections has been increased from the estimated rate used for Q1 of 96.5% to 97.5%.

Other property tax revenue is projected to be \$2,053,513 greater than budgeted; state grant revenue is projected to be \$1,828,904 greater than budgeted, and departmental revenue is projected to be \$4,784,246 greater than budgeted. Departmental Revenue is projected to be greater than budgeted largely because Building Permit revenue is projected to be \$2,400,000 more than budgeted, Street Use Permits are projected to be \$215,000 more than budgeted, Multi Family Dwelling fees are projected to be

\$266,865 more than budgeted, and Conveyance Tax revenue is projected to be \$1,970,000 more than budgeted (a significant increase since Q1).

On the expenditure side, we are projecting City operating expenditures to be \$489,324 less than budgeted. This is largely because PSH&W projected expenditures are less than budgeted by \$1,436,299. This is offset by projections that Operations will be \$192,523 over budget, Legal Affairs will be \$416,912 (largely due to professional consulting fees for legal assistance which were budgeted below prior year expenditures) over budget and Government Services will be \$309,769 over budget (in large part due to the special election being held in March).

However, in total we are projecting that total expenditures will be greater than budgeted by \$2,750,127. City expenditures for non-operating items, which includes Benefits & Insurance, debt service and transfer to other funds are projected to be \$3,239,451 more than budgeted which is largely due to the remaining portion of the general reduction made by the BOF of \$3,107,283 associated with salary rate and benefit savings many of which have not been achieved. While significant salary savings have been achieved with negotiated agreements with non-union employees such as UAW, MAA, and Nurses, we continue to negotiate with several major unions including Fire, Police, IUOE, and Custodians.

BOE expenditures are projected to \$196,047 less than budget primarily due to vacancy savings as well as a reduction in the estimate for out of district special education costs. City BOE Support Services are projected to be less than budgeted by \$548,454 due to savings associated with crossing guards and nurses.

It is important to note that we are still projecting a major shortfall in revenues less than expenditures totaling \$4,628,639. The final projections for FY21 are largely contingent upon second half tax collections and other revenue.