

**TOWN OF HAMDEN, CONNECTICUT
CHARTER REVISION COMMISSION
MINUTES OF MEETING**

February 3, 2021

A meeting of the Charter Revision Commission was held on Wednesday, February 3, 2021 via Zoom due to the Covid-19 Pandemic. The meeting was called to order at 7:01 P.M. by the Chair, Mr. Dixon and roll call was taken.

MEMBERS PRESENT: Frank Dixon, Chair; Jackie Downing, Vice-Chair; Lamond Battle, Secretary; Jay Kaye; Nancy Olson; Todd Berton; Joshua Sprague-Oliveira; Frank LaDore; Tom Figlar; Myron Hul; Marnie Hebron (after roll call); Sarah Gallagher (after roll call); Todd Moler (after roll call)

MEMBERS ABSENT: Tiffany Artis-Wilson; Jeff Cohen

ALSO IN ATTENDANCE: Steve Mednick, Counsel; Mick McGarry, Council President; Valerie Horsley, LC FSC Chair; Kristin Dolan, LC Finance Chair; Scott Jackson, Acting Finance Director

APPROVAL OF PREVIOUS MINUTES – January 21, 2021

Moved by Mr. Ladore, seconded by Mr. Kaye and approved with 1 abstention (Battle)

PUBLIC INPUT SESSION: There were 3 speakers and 3 comments were sent in (attached hereto)

Review of budget issues with recent and current Finance Directors, Deputy Finance Director, Council President, Finance Chair and Fiscal Stability Committee Chair

Mr. Mednick talked a little about some of the panelists they had at their last meeting and some of the things discussed at that meeting. (Discussion can be found in the meeting minutes of January 21, 2021)

Mr. Mednick then introduced the guests that were with them tonight: Mick McGarry Legislative Council President; Valerie Horsley, LC Fiscal Stability Committee Chair; Kristin Dolan, LC Finance Committee Chair; Scott Jackson, Acting Finance Director; Rick Galarza, Deputy Finance Director.

Mr. Hul expressed his disappointment that the BOE wasn't part of the budget discussion. Mr. Dixon said he wanted to reiterate that any of the commissioners can feel free to invite, by letting him, Ms. Downing and Mr. Battle know, if there is anyone that they'd like to bring in.

Mr. McGarry started first by saying he thought the last meeting was very valuable and there were a lot of interesting different methodologies and systems to look at. He said he thinks one thing they need to do is professionalize the process and take some of the politics out of it. He said we have a couple short term/long term fiscal problems in the Town that are connected so when he looks at these models he asks himself would this model have changed things as we're moving on, or helped us avoid these problems that have occurred over the course of many decades.

Mr. McGarry went on to say there's a lot of talk about a Town Manager position and he's talked about and advocates for a type of hybrid where we have a professionalized CAO with some responsibilities

and credentials built into that because when you think about trying to take politics out of the picture as much as possible Town Managers usually answer to the Council and now we just increased the amount of politics in that relationship by 15 so he's not sure that helps take the politics out. He said what we do need is the professional expertise and thinks something like a Town Manager with a Mayor system and get the expertise, but then really have one political actor that is being highly influential of that.

Mr. McGarry said he also very much agrees with putting together a process in terms of a Capital Budget and thinks having this outlined in the Charter is a good idea. He said in terms of some sort of Board of Finance situation for one, he would like to be sure we're not adding another layer of bureaucracy, but that it's something that would give them some advice and guardrails in terms of moving forward. He said one big issue is the underfunding of the pension over the years so when he thinks of the Councils role in that over the years they approved all those budgets so they need help and if a Board of Finance can provide that and perhaps set up some guardrails that could have pointed us in a different direction even 10 or 12 of those 40 years that got us into this mess maybe that would have been better. He said if we do have a Board of Finance he would recommend having it an appointed body with credentials and financial expertise.

Mr. McGarry said we heard so many interesting types of structures and the one where the Mayor sets a cap and the Board of Finance can only reduce from there he found very interesting. He said policy wise to think about not being able to raise money after the Mayor sets a cap gives him a little pause, perhaps we still want a Board of Finance or a Legislative Council to have the ability to say we need more revenue and need to go above that cap's but he's not sure how that should work out.

To sum it up he said those are his thoughts. To professionalize it as much as possible, try to take the politics out of the issues as much as possible, and always be thinking how would this have affected the many decades that led up to this issue.

Mr. Kaye asked for the appointment of a Board of Finance what he thought about the length of the term. Should it be coterminous, 4 year, 6 year, so that if you do still have an elected Mayor and elected Council would you want your Board of Finance appointment terms to end with the Mayor or stagger it. Mr. McGarry said he would like to see that staggered to both extend beyond the Mayors term and also be staggered like the Board of Ed so that you have some type of continuity on the Board like a couple 3 year a couple 5 year so that you're never looking at a time and see an absolute change and have no continuity of experience, a kind of bridge from one group to the next, he thinks that's important.

Ms. Horsley was next and started by saying they talked about this panel yesterday in the Fiscal Stability Committee and said the committee also felt they really needed to create independent mechanisms and professionalize the budget process. She talked about her own career as a scientist and overseeing staff and a large budget saying she has some sense of how to manage a budget and people so some of her thoughts are related to her own experience in her professional life but it's not at all municipal financing.

Ms. Horsley said in terms of the budget document she thinks could use some improving on what it does for the Town. She said something like adding milestones, goals and performance measures for departments saying this should be normal practice so that yearly goals are clear as well as what we're spending money on.

Ms. Horsley also said she thinks it's a really good idea to have a planning board that works with the capital and helps them prioritize what they should be doing. She said the way the Legislative Council

does this process now she finds is incredibly insufficient going line by line and they never get to the long term envision planning process so she thinks this could be folded into some kind of Finance Board or Commission and take away the hours and hours spends on minutia that doesn't get them far and she thinks a smaller group of less than 15 people would be a more efficient process and then given to Council for approval with an overview of the big picture instead of them going line by line.

Ms. Horsley went on to say when she thinks about how to take politics out of a budget she thinks that extending the terms for many of the people involved would be helpful. She thinks with a longer term you can really make changes and it also gives time to implement and see through things.

Ms. Horsley said the FARC in Waterbury that they heard about seems less of an issue saying independent auditing doesn't seem to be their problem, their problem is that they haven't established policies that create a strong fiscal plan and they need to do that and she thinks that's where a Finance Board too could be helpful.

Ms. Horsley said one thing she heard last time was contract negotiations were controlled by municipal and state statute but she thinks it would be nice to outline in the Charter that at least the President of the Council or a President of a Board of Finance sits in on contract negotiations because a CEO that is a bad negotiator can lead to fiscal problems further down the line. She said lastly, she thinks we need some true managers and strong leadership that know how to do this work or at least bring in folks who can.

Mr. Hul asked for a Budget Review Board does she think this should be separate from Council or part of. Ms. Horsley said she thinks it could be composed of Council people, but more importantly people with experience in finance and large budgets. Mr. Hul asked if she sees the Council giving up some of its fiscal authority under that model. Ms. Horsley said she doesn't think so because she assumes the Council could still perform budget amendments and changes.

Ms. Dolan said she has more questions than answers. First, she said she doesn't know you take politics out of this because the budget itself is a political document and also agrees that the way they do budget is inefficient and one of the problems is politics, Public Safety spending being one of the examples and said it's difficult to get people to agree.

Ms. Dolan said so if we had a Board of Finance would they be elected or appointed? What authority would they have? Is this Board going to create the budget or just check and approve it? Would they be auditing the budget? Would the Council be able to make amendments? She said one of the major problems they have now is who owns the information so if there is a Board of Finance or Town Manager would the finance department then report to that body rather than the administration, that would make a huge difference and would be very impactful.

Ms. Dolan said another thing is if you had a Town Manager how would you structure the current Mayoral department? She said she'd be all for a Town Manager as long as we weren't adding another body to our staff, if that person was going to come in and run the Town than the Mayor would be more of a figure head and she would like to see them either split that salary or maybe reevaluate all the salaries in that department so that the Mayor got paid something but she doesn't think it would be a full time salary as much as you would pay the business manager.

Ms. Dolan said lastly, for a Board of Finance did anyone get any information from the other municipalities as far as are they able to attract talented and financially savvy people to this volunteer position or was it an issue for any of them.

Mr. Jackson said when he was at the OPM 169 budgets and audits went through him and he's had the opportunity to see how these things work and said there's no magic bullet solution because it's always about people and some of the best administrators he ever met has had political headwinds and been moved along because of it and so the structure has to be as tight as you can make it, but it is only as tight as the people who are participating, so Hamden's 15 person fiscal authority is if not one of the largest in Connecticut where any individual has the same authority as anyone else and so he does think that breaking it down as Ms. Horsley said to a smaller contingent is important.

Mr. Galarza said he's been in government for almost 30 years and gave some of his background in it and said his efforts in Town for the last 3 years is to change the format of the budget document itself to be more transparent other than just identifying accounts. He gave a brief example of what you'd find now in looking at it in giving it a little more information over the last few years.

Mr. Galarza said he likes our budget process and thinks the Charter does align well with finance department requirements and likes that the operating department submits a budget and they show what a department wants in their budget for both revenues and expenditures and in that document they also highlight what the departments projections are going to be within the fiscal year. He said then all that gets forwarded to the Mayor, they have reviews internally, and they go over it and make adjustments and he thinks it's really critical that by the time it gets to the Legislative Council's hands that they see all the transactions that led to the recommended Mayor's budget. He said it's an opportunity to see what the departments are asking for and what the Mayor is recommending in his budget and it opens up for healthy conversation. He said speaking from the finance department they do a very detailed explanation of each account, they highlight where we're going to be in the current year, they highlight areas of concern and they also include a multi-year forecast, so at least for the General Fund it's very sound as far as the Charter requires them to present the budget and he likes that, he thinks it keeps it honest and in full disclosure as far as the budget is concerned.

Mr. Galarza said in reviewing the Charter over his few years with the Town he feels that for the security of the Town for the long term financial sustainability of the Town the Charter has some weaknesses and liabilities and one of them is the fund balance and the reason he says this is if we have a fund balance policy in our Charter that would require a number, let's just say 3 to 5 percent that we should sustain in our reserve, what that would do is equalize any revenue losses and also any unexpected expenses that may come along, and the fund balance will help protect that and it will also protect the resident meaning if we're having a favorable year and we're having a surplus you can always reduce your fund balance to give back to the community and/or reduce the mil rate appropriately. He said also, if you have a deficit in the prior year you should be budgeting for that in the ensuing fiscal year to make sure the Town is never in the red and is something in this year's Mayor's recommended budget that they're going to include for the losses in the prior year.

Mr. Galarza said also, he feels that the Charter is restrictive and he likes line item saying he understands going as slow as you can go for detail and transparency and he wishes that the Charter would allow them to control the operating department to the bottom line. He said that would give the department some flexibility especially if they cross departments, respecting the fact that they have to go to Council, but he thinks that if you're going to have a department head managing a budget then that's what they should do

and that's their duty. He said another thing he thinks for long-term financial sustainability his concern is in the last 2 ½ years we've had 5 Finance Director's and in the past decade twenty of them and that's like getting a Finance Director every six months with their own vision, their own policies, and their own way of handling finances. He said he thinks if you have other positions in the Charter you can have a vacancy and can continue running the organization saying he himself as the Deputy Finance Director has had to step up and play Finance Director and if he wasn't there to do so he doesn't know what the Town would have done so he thinks it's important to have those kind of safeguards in the Charter.

Mr. Jackson said he has a couple follow up items. He said one of the reasons Mr. Galarza is a strong force in the department is because he's worked in multiple places and so you see things from different perspectives and sometimes the way that Hamden has operated has been with blinders on and we have to get out of that practice so whoever ends up on the budgetary group he would recommend that you demand that for example they join GFOA (Government Finance Office Association) so they see the way that other places work and you can take the good and leave the bad.

Mr. Jackson said the fund balance policy that Mr. Galarza referenced is a great idea and he would suggest 2 months' worth of operating expenses should be your fund balance and it should be written in as a policy but you can't do it all at once, it's too big a bite, but once you get there then it becomes a Charter provision. He said he certainly thinks this is something we should be absolutely looking at because once you start skating on those margins of red and black at the close out of the fiscal year you're not able to make great decisions.

Mr. Hul said in reference to a budget line that creates surplus and feeds the fund balance he was always under the impression that it wasn't permissible for a municipality to do, one it was frowned upon for increasing a mil rate kind of artificially and secondly, there may have been some municipal accounting standards that limit you. He said also, for capital sweeps, Hamden does that quite frequently and we may be at the end of our ability to do that at this point, but it has been a mechanism used within the operating budget at year end, as well as the FEMA money that we put away. He then asked if he could talk about some accounting mechanisms that allow you or don't allow you to do some of the stuff that he just mentioned.

Mr. Galarza said regarding the fund balance GOFA has it written in its best practices having a fund balance policy, so it can be done, it should be done and it's recommended by GOFA so the Finance Department is recommending that to the administration who can then recommend it to Leadership. He said for capital sweeps, that's basically not really a term, but closing out a capital project or shifting the purpose of one project to another project we've done and did that with the Council a couple weeks ago. Mr. Galarza said the third point was the mechanism, and the mechanism to begin a fund balance is at any given point in time you can make that effort but usually you do those things during the budget process.

Ms. Gallagher asked if there are other best practices or budgeting principles other than structure that should be included in the Charter to help secure the Town's financial position because a structure is only as good as the people that are part of the structure.

Mr. Jackson said one of the things he doesn't think we've taken full advantage of over decades is the establishment of special funds or enterprise funds, we bundle them into general fund in large measure. He said by creating those additional types of funds you can get out of the habit of use of one time revenues to fill holes. He said he would propose that one time revenues go into a special fund that is

somehow related to the source of said revenue and if necessary could be tapped to support enterprise operations but you want to try to keep those things linked to the extent possible.

Mr. Kaye asked if there was a reason Hamden hasn't done that in the past, He also asked if they thought there was anything lacking in the requirements for reporting, especially with revenues.

Mr. Galarza said as far as reporting the Charter states that we have to provide the Council with revenues and expenses on a monthly basis and he thinks they do that and after that it goes on the website for public view. He said the challenge becomes that is system generate reports but he knows there are a lot of interested people in the budget and they've made modifications to the reporting to address community needs but he thinks the biggest piece on the income side is where you're going to end at the end of the year. Mr. Galarza after discussing the budget process for a short bit said what they need to do is get better at the beginning of the process in building those numbers and using 3 year actuaries unless they know of something big coming in like a hotel or something that they know would be a revenue increase.

Mr. Jackson asked Mr. Kaye to repeat the first part of his question. Mr. Kaye said it was about the fund balance and do you think you would like to see some language requirement for establishing a general fund and maintaining a certain level. Mr. Jackson said he doesn't know if it's practical to put it in the Charter because it's such a leap from where we are and where we would want to land but perhaps saying on an annual basis say this shall be reviewed and the policies to achieve those goals shall be implemented.

Mr. Mednick said what he was going to recommend at some point was the Mayor should recommend a formal policy on the level of unrestricted fund balance, etc. and that it's done by a date certain and done by ordinance.

At this time Mr. Dixon allowed public speaker Sam Julier who said he likes 2 year terms, not 4 years. He also said the system didn't create the mess the Town is in, it's the people. He then expressed concern with Mr. Galarza's statement about rolling the Town's deficit into the budget.

Ms. Dolan said Hamden's problem is that our expenses consistently run higher than our revenues and every year we mask this problem and so what she'd like to see in the Charter is something that says the revenue projections cannot be greater than let's say 2% of the prior year's amount unless the greater projection is supported by documentation and voted on by the Council.

Mr. Moler said he agrees that you have to balance the budget with realistic numbers. There was some discussion on the difficulties of sometimes balancing. There was then a lengthy discussion on how things have been done over the years with lots of blame thrown around.

Mr. Dixon stated it's not just about the people, he's a process guy and thinks you have to have processes and policies in place.

Mr. Mednick in speaking to Ms. Dolan's point said one of the defects in our Charter is that we don't have a look back and he's looked at other provisions that not only have a 1 year look back, but maybe a 4 or 5 year lookback to see how consistent those revenue figures are. He said two things he's been working on to give them language is this one we just referred to plus a requirement for the Mayor to delineate the assumptions that go into items.

Mr. Hul stated he thinks a lot of these issues are policies and not Charter. He also mentioned a structural problem with our revenues starts with the State.

There was some more discussion on adding to the Charter that anticipated revenues cannot exceed the previous 3 years by more than 2%. Mr. Mednick cautioned establishing percentages in the Charter and said this would be done better by an ordinance. He said he's thought about language that requires best practice standards and drives some of these policies towards ordinances as opposed to Charter. He said we establish the constitutional standard in the Charter and drive it towards policy in ordinance. He then suggested meeting in a workshop on Saturday morning or something so he can start redrafting.

Mr. McGarry said he thinks most of them on Council would agree that it's good to have some kind of process to help craft the revenues and asked if that would indicate that the Council has to pass an ordinance setting the rates for 3-5 years or whatever creating a revenue line. Mr. Mednick said yes, two things, the Charter should delineate the need to have the data in the budget document about a look back to be locked in so that you know what those years are but there should then be a mandate that tells you what the percentage is that's adopted by ordinance.

Mr. Mednick then asked if it would make sense to push the date for approving the budget out so that we know our revenues from the State before we adopt ours. Mr. Jackson said he thinks it's too close in terms of getting the tax bills out. He said if their fund balance was 50 million than sure.

There was a brief discussion about expenses and Mr. Mednick said the language he's developed covers both sides.

Mr. Dixon reminded everyone they'd be meeting on the 16th to finish up the language.

There being no further business Mr. Dixon requested a motion to adjourn. Moved by Mr. Kaye, seconded by Ms. Gallagher and Mr. Figlar and Ms. Gallagher and the meeting adjourned at 9:48 P.M.

Respectfully submitted,

Kim Renta
Clerk of the Council

CHARTER REVISION COMMISSION

**WRITTEN COMMENTS SUBMITTED FOR PUBLIC INPUT SESSION
for the meeting held:**

February 3, 2021

2/2/21

Dear Charter Review Commission Members,

Thank you for this opportunity to speak on 2 issues that I feel need to be changed in our charter.

1. Mayoral Appointments – All appointments should have a term and be accompanied by a contract. A few months ago, Mayor Leng appointed a new police chief with no set term or contract. There is no reason anyone should be appointed to a position, funded by tax dollars, that has no contract or term.
2. At the January 20th Charter review meeting a panel of 5 experts spoke on different budget procedures. The importance of transparency, accountability and communication to build trust and confidence in the process were stressed.

I believe Hamden needs a financial and audit review commission similar to what was described by Mr. Pernerewski, the panelist from Waterbury. This board must have the authority to examine anything that affects the town finances including education and must operate without mayoral oversight or control.

Hamden needs to take politics out of our budgetary process and take strong decisive action to resolve our financial crisis.

Thank you.

Diane Hoffman

Wilmot Rd.

Dear Charter Revision Commissioners:

We, members of Hamden's Technology Commission, are writing to request the following changes be considered for future meetings and made part of the Charter Revision:

- a. We feel all departments and commissions need to have the ability to secured oral and written public input. To receive secured written public input, they need to each have 1 Department / Commission Town Email address (. hamden.com or.hamden.org) that would ensure the public's written comments were protected as per the Town's Security Standards. ("We encourage town officials, especially those who are volunteer board members, to use town e-mail accounts whenever possible". – Thomas Hennick, Public Education Officer – Ct's FOI Commission)**

Lastly, please share the screen and show the item being discussed.

Thank you for your consideration.

Sincerely,

Technology Commission:

Chief Commissioner Gary Beard

Commissioner Daniel Dunn

Commissioner Phil Cronan

Karlen Meinsen
80 Santa Fe Avenue
February 3, 2021
Charter Revision Commission Meeting

Dear Charter Revision Commission,

Thank you for the hours of time you are dedicating to the revision of Hamden's Town Charter. This is a very important process and will undoubtedly lead us into a better place of improved fiscal management as well as effective town leadership. In comparing the various plans from the municipalities, there are many ways in which we can change the charter and improve the management of the town.

The **top** areas where I see needs for change are: the creation of an elected Board of Finance (or a related body which only deals with finances), submission of an itemized Board of Education Budget, submission of Operating and Capital Budgets, establishing the tax rate, and the BOE Budget to a "Board of Finance" (Stamford) or Finance and Audit Review Commission (Waterbury). Additionally, I strongly urge you to consider an area that is **not addressed in Hamden's Charter**; that is, in ***Stamford's model*** "Mayor requests submission of department requests for Capital Projects to be undertaken (six years) to be submitted to Planning Board by 12/10 which are presented to a joint meeting of the Planning Board and Board of Finance and designated members of Board of Representatives".

I believe creating an elected **Board of Finance** (Stamford) or **Finance and Audit Review Commission** (Waterbury) would give Hamden the opportunity for more stable financial operations by having a group of qualified individuals, financial experts, who can collectively look at a massive budget and find the best logical solutions to meet Hamden's financial needs and challenges. This commission or board will provide Hamden with the needed transparency and have more "voices at the table" to responsibly represent a greater portion of citizens in our town.

Another area where Hamden falls short is planning of our **Capital Budget**, *the long range and short term plan, the detailed estimate of the cost of each proposed project, listed according to the department, board, commission, authority or agency of the City principally concerned with the project, commencing the following year*. This is contained in the **Stamford Charter** where it goes on to explain 5 more detailed bullet points regarding the Capital Budget and its presentation. Overall, this is a very comprehensive and thorough way to plan effectively for a town the size of Hamden given the many and varied needs Hamden has, as well as future needs. Good planning is a crucial part of the budget process and the **Capital Budget** process needs to be given improved attention in Hamden's new charter.

I believe there is great value in having the **BOE** present an **itemized budget** rather than simply a dollar amount increase to a Board of Finance early on in the budget season. The citizens, as well as the town leadership should share in the expectations that each component of the budget be fully transparent and part of the discussions of the lengthy budget process. The town needs to consider its financial position and abilities to fund this portion of the town's budget and openly balance this with providing the necessary programming for our school system.

It seems logical and effective to have the tax rate set after this budget process has been thoroughly examined and the necessary planning done, by a Finance Board as proposed above. This is a much more democratic and representative system than the one Hamden currently employs.

Finally, I strongly urge you to consider some type of a town manager/Council form of government. This leadership is needed to manage the department heads, plan for budget & finances, improve economic development, and various other roles included in a town the size of Hamden. Removing the "politics", which hinder progress, will greatly benefit Hamden and lead us into a stronger, more stable future and onto a better financial path.

Thank you for your time and attention,
Karlen Meinsen