

MAYOR
DAVID R. MARTIN



BOARD OF FINANCE

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April 30, 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 Thursday, April 30, 2020 at 7:00 p.m. The meeting was held via webinar.

MINUTES

CALL TO ORDER: Chair Richard Freedman called the meeting to order at 7:03 p.m.

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

OTHERS PRESENT: MAYOR DAVID MARTIN, JAY FOUNTAIN, SANDY DENNIES, TAMU LUCERO;
AND BOARD OF REPRESENTATIVES FISCAL COMMITTEE MEMBERS MONICA DI COSTANZO,
MARY FEDELI, DENNIS MAHONEY, J. R. MCMULLEN, LINDSEY MILLER AND SUSAN NABEL

Prior to beginning the first item on the agenda, Chair Freedman brought up the calendar and said the a date of May 6 to vote on budget reductions was not realistic. After speaking with Sandy Dennies, Interim Director of Administration and Matthew Quinones, President of the Board of Representatives he recommended the BOF vote on the budget on May 27 and set the Mill Rate on June 4.

Mr. Freedman said that at the request of an attendee at our April 27 meeting, he will be uploading documents pertaining to the meetings.

1. DISCUSSION ON EXPENSE REDUCTIONS

Ms. Rinaldi outlined the approach taken by the Expense Reduction Working Group committee, made up of one Democrat, one Republican and one Independent member from the BOF, and three members of the BOR Liaison team. She said the budget received from the Mayor represents a 4.1% increase over the 19-20 budget.

Ms. Rinaldi said the recommended budget revisions do not include salary cuts and are an initial step only. Ms. Rinaldi thanked Messrs. Cerasoli and Ryan, for their hard work. Mr. Freedman

also added his thanks to the committee. This group is proposing a more formal review process beginning with next Wednesday's meeting.

Chair Freedman announced that Superintendent Lucero and Board of Education President Andy George will be presenting the BOE budget on Monday night and next Wednesday the Board will go into more detail on proposed cuts.

Mr. Cerasoli then presented the proposed revisions to expenditures for the 2020-21 budget. He stated the reductions only address the City side for now. He moved through the spreadsheet which included: Proposed Budget Revisions made on: (1) Program Basis, (2) Additional Allocated to Office, (3) Not Allocated by Office, and (4) Assumed FICA Revisions. This resulted in a grand total of \$7,633,869 in reductions.

Mr. Freedman said the Board will go over these items in detail and will have the Mayor, Mr. Fountain, Ms. Dennies and possibly some department heads discuss these reductions. He said it is appropriate to have feedback from the administration and again thanked the committee for its hard work.

Mayor Martin said he will be looking for other potential ways to save money in this coming year. He thanked the Board, saying he appreciated the information being given now so they can respond constructively. He added that this is a better way to do it and is major progress.

2. APPROVAL OF \$35 MILLION IN A SHORT-TERM FUNDING FACILITY

Approval of \$35 million in a short-term funding facility to cover anticipated cash flow shortfalls beginning July 1, 2020 resulting from deferred tax payments mandated under the Governor's Executive Order 7S.

Mr. Freedman said the proposal is for a \$50,000,000 funding facility and he didn't think it could be voted on this evening because the agenda was noticed to the public with a \$35,000,000 facility. He recommended it be discussed and placed on Monday's agenda for a vote.

Mayor Martin said projections with \$35 million in borrowing capacity were ran close to using up the entire borrowing facility and hence the recommendation for \$50 million in borrowing capacity. He it is a resolution to use up to \$50 million, not the entire \$50 million, which provides a safety margin should it be needed. He said there are four (4) ways of managing a temporary shortfall in revenue, which will be made up in the future:

1. Tax Anticipation Notes
2. Line of Credit
3. Permission from the State to bond for operating purposes for up to 3 years
4. The Federal Reserve is now providing a working capital loan to municipalities, although not as small as Stamford

Mr. Mannis cautioned that any money borrowed should be used exclusively for the purpose of covering a temporary shortfall in tax revenue due to deferred payments. Mayor Martin assured that any borrowed funds would be used for this purpose only in order to protect our financial integrity and finance responsibly.

A lengthy discussion on a broad range of topics followed with many questions asked and options offered. For an accurate accounting of this dialogue, please utilize the video link below.

Mr. Freedman thanked everyone and said the Board will vote on the \$50 million at its Monday meeting. The Board of Education will also be present to discuss their budget.

3. ADJOURNMENT

Motion to adjourn by Ms. Rinaldi, second by Mr. Alswanger passed unanimously (6-0-0). The meeting ended at 8:45 p.m.

This meeting is on video.

Cynthia Winterle
Clerk of the Board