



NAUGATUCK VALLEY COUNCIL of GOVERNMENTS

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RECORD OF MEETING

NVCOG Executive Committee Meeting

NVCOG Conference Room

49 Leavenworth Street

Waterbury, CT, 06702

10 a.m., Thursday, December 5, 2019

Executive Committee Members Present: Mark Lauretti, Shelton; Pete Hess, Naugatuck; Len Assard, Bethlehem; Tom Dunn, Wolcott; Kurt Miller (by phone) Seymour.

Guests/Other: John Accavallo, MAWC; Attorney Gary O'Connor; Gerard Smith, First Selectman, Beacon Falls.

Staff: Rick Dunne, Michael Szpryngel, Lauren Rizzo.

1. Pledge of Allegiance and Roll Call

The meeting was called to order at 10:05 a.m. Those in attendance recited the Pledge of Allegiance and roll was called. A quorum was present.

2. Approval of the July 31, 2019 Record of Meeting

On a motion by Pete Hess, seconded by Tom Dunn, it was unanimously

VOTED: To approve the July 31, 2019 Record of Meeting as presented.

3. Review of FY 2019 Audit for Acceptance by Full NVCOG Board at its 12/13/19 Meeting

Michael Szpryngel referred to page 4 of the preliminary draft audit for NVCOG noting that, in the opinion of the auditor, financial statements present fairly, in all material respects, the financial position of NVCOG's activities, each major fund and the aggregate remaining fund information as of June 30, 2019.

John Accavallo said the first 11 pages of the preliminary draft audit are the management discussion and analysis, which is an overview of what happened during the financial year. Most of the numbers did not change dramatically from what was reported initially. There were four or five audit adjustments made during the year, which is very good, considering NVCOG is a governmental entity as well as the amount of activity going through the books and records. Mr. Accavallo directed everyone's attention to pages 13 and 14 of the preliminary draft report which shows the break out of the individual funds and the operations of NVCOG. Federal revenues make up a significant portion of inflows to NVCOG. Significant expenditures go to contractors/subcontractors and salaries and fringe benefits. Revenue over expenditures was \$73,000 for the fiscal year. There were reductions in some benefit and salary lines. There were no findings to report during the fiscal year and no significant internal control deficiencies or material weaknesses or compliance issues. The draft report will now go through the auditor's internal review process. From a governmental standpoint, he said NVCOG is one of the most complex entities to audit and also manage.

Mr. Accavallo explained custodial credit risk as being the inability of a depositor to recover its deposits, or the inability to recover collateral securities that are in the possession of an outside party. He

explained the custodial risk that NVCOG is exposed to by having funds only in one qualified public institution. The risk can be reduced by using multiple qualified public institutions. Rick Dunne stated that he feels the risk is low, and NVCOG will most likely continue to use one banking institution, unless instructed otherwise by the board. Mr. Dunne noted that page 25 of the report provides information on budget performance and roughly conforms to what Mr. Szpryngel had projected in his September report. Referring to page 26, Mr. Dunne spoke about the excess of expenditures over appropriations for NVCOG's telephone/internet service (\$14) and website (\$4,198). Mr. Accavallo said another item will be added to this, namely computer capital replacement in the amount of \$14,973. Mr. Dunne said while these line items had been under-appropriated, funds were available to cover them. By way of grants, NVCOG gets reimbursed for most computer equipment from revenue funds from other levels of government. Mr. Dunne also gave an explanation of NVCOG's indirect rate. Mark Lauretti inquired about findings, and Mr. Accavallo affirmed there were none.

Mr. Dunne asked that the audit committee submit any questions to NVCOG over the next week or so, as the auditor works to finalize the draft.

4. Nomination of Officers Discussion

Per the NVCOG Bylaws, the full board appoints the nominating committee. This will take place at the December 13, 2019 NVCOG meeting. Rick Dunne said the Executive Committee is being asked to make a recommendation of who should serve on the three-member nominating committee. Volunteers were Tom Dunn, Kurt Miller and Len Assard. On a motion by Len Assard, seconded by Pete Hess, it was unanimously

VOTED: To recommend to the full NVCOG board that Tom Dunn, Kurt Miller, and Len Assard serve as the nominating committee to put forth a slate of four officers and five at-large members of the Executive Committee.

5. Discussion of Non-Profit Brownfields Arm

Rick Dunne stated that over the course of the year there had been some discussion about creating a non-profit arm of NVCOG. He believes that NVCOG may be the only urban COG without a non-profit arm. Essentially, a non-profit arm would make NVCOG eligible for funding from foundations and other entities that only give to 501(c) corporations. The Connecticut Brownfield Land Bank is a non-profit, of which Arthur Bogen is president, and there is an opportunity for NVCOG to become the new home of the land bank. He noted that the NVCOG mayors and first selectmen would need to have a super majority of any board. Attorney Gary O'Connor stated that Connecticut had adopted a unique model, whereby non-profits could be certified if they had experience doing brownfield redevelopment and remediation. They are certified by the commissioner of DECD. The land bank has all the liabilities, powers and liability immunities that have been vested into municipalities. Land banks can receive grants from not only the public sector, but if set up correctly, can also accept grants from community foundations and other philanthropists. A municipality enters into an agreement with the land bank, whereby the municipality essentially controls what happens, without being in the chain of title or being subject to that type of liability. Land banks acquire the property through an assignment of municipal tax liens. The land bank works with the town and state and secures funding to remediate the property. The municipality looks for a redeveloper. Under the land bank agreement, and by statute, the land bank conveys the property to the redeveloper upon municipality approval. It is a way for municipalities to be out of the chain of title, but to still retain control. Mark Lauretti had questions about the make-up of the land bank's board, especially with regard to changes to NVCOG's representatives, as a result of municipal elections. Concerns were raised about the number of

brownfields in the state and the ability of the state and federal government to allocate funds for cleaning up the properties. A possible option would be to keep the land bank as it currently operates, but substituting different qualified leadership. Rick Dunne felt that NVCOG has the capacity to take on the role and maintain the land bank as a successful part of the NVCOG operation. Mr. Dunne said he would like to bring a proposal back to the Executive Committee which would show how the brownfields arm would be either integrated or remain separate, and the steps that would need to be taken.

6. **Other**

Rick Dunne said that neither he nor Mark Nielsen would be at the December 13 NVCOG meeting. The CEO's holiday party will be held on December 16. The Waterbury Branch Line Rail Conference is scheduled for December 19, but may be rescheduled due to possible legislative sessions.

7. **Adjournment**

At 11:08 a.m., on a motion by Tom Dunn, seconded by Len Assard, it was unanimously

VOTED: To adjourn the meeting.

Respectfully submitted by
Lauren Rizzo
Administrative Services Coordinator
for
Ed Mone
Secretary