



## ***Fiscal Committee - Board of Representatives***

Monica Di Costanzo, Co-Chair Lindsey Miller, Co-Chair

# **Committee Report**

**Date:** Monday, March 28, 2022  
**Time:** 6:30 p.m.  
**Place:** *Democratic Caucus Room, 888 Washington Boulevard, 4<sup>th</sup> Floor, Stamford, CT, and remotely*

The Fiscal Committee met as indicated above. In attendance were Co-Chairs Di Costanzo and Miller and Committee Member Reps. Boeger (remotely), Figueroa (remotely), Morson (remotely), Nabel, Pierre-Louis (remotely), and Tomas (remotely). Excused were Reps. Fedeli and Florio. Absent was Rep. Coleman. Also present were Reps. Adams, Berns, de la Cruz, Goldberg, Grunberger, Sherwood, and Stella. Also present were Lee Berta, OPM; Sandra Dennies, Director of Administration; Doug Dalena, Corporation Counsel; Chuck Williams, ERP Project Manager; and Izzy Sobkowski, Chief Information Officer.

Co-Chair Di Costanzo called the meeting to order at 6:30 p.m.

<b>Item No.</b>	<b>Description</b>	<b>Committee Action</b>
1. <a href="#">F31.035</a> \$350,000.00	ADDITIONAL APPROPRIATION (Operating Budget); Director of Law; Unanticipated Expenses Incurred after the FY 21/22 Budget was Adopted (Source of Funds: Contingency) [Previously submitted as <a href="#">F31.003</a> ] 03/09/22 – Submitted by Mayor Simmons 11/10/21 – Approved by Board of Finance 5-0-0 02/28/22 – F31.003 Approved by Committee 6-2-1 03/07/22 – F31.003 Failed in full Board 21-11-4	Approved 5-2-1

Mr. Dalena stated that he is asking the Board to reconsider this item because the Law Department has responsibilities to protect the city and the taxpayers in many ongoing lawsuits and many other matters which could lead to lawsuits and to pursue reimbursement, on behalf of the taxpayers in some cases for tens of millions of dollars.

- These matters include including ongoing zoning enforcement cases; labor matters that the City must continue to pursue; litigation against the city involving promotions of firefighters; and litigations against the City regarding attempts to stop the City from enforcing the zoning code and for which the City cannot drop the defense.
- It would not be prudent to drop the pursuit of the litigation involving the mold and related issues in the schools.

Currently, the Law Department does not have authority to continue to spend money on those very important items, and he has not authorized payment of over \$200,000 in invoices that the Department has received for work that was agreed to, and much of it done, as a result of litigation that was filed months or years ago or work that was ongoing toward the end of the calendar year.

This item was originally submitted in late October. He is in the position of having the responsibility to engage outside counsel but does not have the authority to spend money.

Mr. Dalena covered the following points with the committee:

- The Law Department is working on a request from Rep. Stella re: examples of a Board being held liable for the creation of a hostile work environment
- A hostile work environment claim is one example of many unforeseen things that may come up during a fiscal year for which the Law Department would have to engage outside counsel
- The City has a responsibility to investigate and to prepare to defend allegations of a hostile work environment and it has a responsibility to defend because there may be a likelihood of a lawsuit.
- If there is a lawsuit, there are three potential outcomes: 1) the City defends the lawsuit and wins, which would cost in the tens of thousands of dollars in many cases, and possibly hundreds of thousands of dollars; 2) the City defends the lawsuit and negotiates a settlement, which would cost in the tens of thousands of dollars or possibly hundreds of thousands of dollars depending on how long it takes to reach the settlement, plus the cost of the settlement, which could be hundreds of thousands of dollars; or 3) the City defends the lawsuit and loses, which would cost hundreds of thousands of dollars in legal fees plus hundreds of thousands of dollars or millions of dollars in damages
- When senior employees make these kinds of complaints, the potential damages are much, much higher, and when multiple senior employees could be potential plaintiffs in a lawsuit, that drives it up even higher
- When the City gets these allegations they have to get ready to participate in the defense of a lawsuit and the first thing that we have to do is investigate; when it comes to a hostile work environment, the question is did the hostile work environment exist, and then the second question is, what did the City do about it?
- What's relevant again is that there are allegations and the City has to find out whether they're accurate, whether they're not and then the City has to take action, and has to assume that there could be a lawsuit coming
- This item was flagged for the Boards prior to his becoming Corporation Counsel
- There is much unrelated work to be done on behalf of the taxpayers during this fiscal year
- He shares the Board's concern for dealing responsibly and proactively with unforeseen expenses; to the extent possible, within the bounds of the law and within the bounds of confidentiality needs with certain kinds of matters, he will try to give the Board as much notice and as much information as possible while protecting the confidentiality of an investigation; these conversations might be held in executive session
- It is common for an engagement letter to include hourly rates
- It is important for the City to get good value on the money it spends. The Law Department always asks for reduced rates and the engagement letters always provide that there is no interest charged for late payments.
- There are currently many bills, including bills for labor negotiations, negotiations with the firefighters union, litigation with the firefighters union regarding pensions for fire chiefs, litigation with the firefighters union involving challenges to promotions, that are not being paid; there is good work being done by outside counsel on these matters
- The Law Department almost only hires firms based in Connecticut and most hourly rates are reasonable
- The hiring of attorneys with specialized skills are investments to save the taxpayers money in the future. There is specialized knowledge that it is not cost-effective to have in house, such as attorneys who handle complex pension matters

A motion to approve Item No. 1 was made, seconded, and approved by a vote of 5-2-1 (Reps. Di Costanzo, Miller, Morson, Nabel, and Pierre-Louis in favor; Reps. Boeger and Tomas opposed; Rep. Figueroa abstaining)

2. [F31.033](#) REVIEW; Enterprise Resource Planning System Report Made  
(ERP) progress of implementation.  
03/09/22 – Submitted by Mayor Simmons

Mr. Williams reviewed the [attached PowerPoint presentation](#) with the Committee.

3. F31.032 REVIEW; Additional Appropriations- Administration Held 8-0-0  
Procedures in Place to Anticipate Potential Budget  
Overruns In Order To Request Additional Funding  
Before Spending Beyond Authorized Budgeted  
Amounts.  
03/08/22 - Submitted by Reps de la Cruz,  
Sherwood, Boeger, Grunberger, Figueroa and  
Tomas

Ms. Dennies stated that at the end of the second quarter the administration had an idea of how spending would be in comparison to the budget and the administration is in the process of preparing additional appropriations so the City can stay within budget.

A motion to hold Item No. 3 was made, seconded, and approved by a vote of 8-0-0 (Reps. Di Costanzo, Miller, Boeger, Figueroa, Morson, Nabel, Pierre-Louis, and Tomas in favor)

4. [F31.026](#) REVIEW; FY2021-22 Second Quarter Projections. Report Made  
02/09/22 – Submitted by Lee Berta  
**02/28/22 – Report Made & Held**

Ms. Berta updated her presentation from the prior month and stated that OPM is about to start the Q3 projection.

Co-Chair Di-Costanzo adjourned the meeting at 7:57 p.m.

Respectfully submitted,  
Monica Di Costanzo, Co-Chair

This meeting is on [video](#).