

**OFFICIAL MINUTES**  
**MUNICIPAL FINANCE ADVISORY COMMISSION**  
**REGULAR MEETING**

**WEDNESDAY, NOVEMBER 10, 2010**

Meeting Location: Office of Policy and Management  
450 Capitol Avenue, Room 4A  
Hartford, CT 06106

Date/Time: November 10, 2010, 10:00 A.M.

Members Present: Chairman Thomas Hamilton  
Ms. Kathleen Clarke Buch  
Mr. Robert Dakers  
Mr. Douglas Gillette  
Mr. Jim Mullen  
Ms. Diane Waldron

Members Absent: Mr. Robert Burbank  
Mr. John Schuyler

Others Present: W. David LeVasseur, OPM Staff  
William Plummer, OPM Staff  
Jean Gula, OPM Staff  
Vernieke Roper, OPM Staff  
Janette Marcoux, FSC

**Agenda Item 1: Call to Order**

Chairman Hamilton convened a regularly scheduled meeting of the Municipal Finance Advisory Commission (the "Commission") at approximately 10:02 A.M.

**Agenda Item 2: Introduction of new Commission members**

Chairman Hamilton noted that the Commission now had two new members: Diane Waldron, Finance Director from the Town of Glastonbury, and Kate Clarke-Buch, Finance Director from the Town of Darien, who introduced themselves. Each of the other Commission Members in attendance introduced themselves, as well as others in attendance at the meeting.

**Agenda Item 3: March 26, 2010 Meeting Minutes**

The minutes to the meeting were approved as presented.

**Agenda Item 4: Review and discussion of the City of West Haven**

Chairman Hamilton asked if OPM had received any additional information from West Haven besides the limited data that had been submitted earlier. Mr. Plummer indicated that as indicated in an earlier memo, the City had indicated that it had no other data to share with the Commission until the audit is issued.

Commission members discussed the lack of what the Commission felt was an adequate response from the City regarding the request for updated financial information in order for the Commission to assess the fiscal condition of the City.

Chairman Hamilton provided Commissioners Buch and Waldron a brief history of the Commission's interaction with the City from the time the City came under the purview of the MFAC to present.

A discussion ensued in regard to the City submitting an updated actuarial valuation of its police pension plan and whether the City had made its required contribution under either the GAAP annual required contribution (ARC) or the ARC as defined under the State's pension obligation bond statute (C.G.S. § 7-374c).

The Commission requested that OPM staff draft a letter to the Mayor requesting the final 2010 pension valuation of the police pension plan, unaudited financial results for FYE 2010, year to date financial information (both revenues and expenditures and balance sheet information) for both General Fund and Internal Service Funds, a draft tax collector's report and a cash flow projections through June 30, 2011. A motion was made by Chairman Hamilton for the transmitting of the letter of request for information to the Mayor and the motion was unanimously approved by members present.

**Agenda Item 5: Review and discussion of the Town of East Haven**

OPM staff indicated that the Town had been cooperative with OPM's request on behalf of the Commission for updated financial information. The information provided indicates that the Town anticipated incurring an operating deficit in its General Fund of approximately \$2.2 million for FY 2009-10. This added to the June 30, 2009 deficit, would bring the cumulative General Fund deficit to approximately \$5.0 million as of June 30, 2010.

The Town has taken steps to reduce its deficit by adopting a 2010-11 budget that would completely eliminate the \$2.7 million deficit that was in existence in the General Fund as of June 30, 2009. Furthermore the Town appeared to have budgeted more realistically certain revenue items that were overestimated in past years, such as sale of town property and state revenues. With the significant property tax increase recently adopted and other positive steps taken, Commission members indicated satisfaction with the steps the Town had made to date and indicated their plan was to continue monitoring the Town's finances to ensure continuing progress in the Town's financial health.

Chairman Hamilton requested that OPM Staff transmit a letter to the Town acknowledging the receipt of the financial information requested and indicating to the Town the Commission's satisfaction with the steps taken by the Town to date and offering the MFAC's continued advice and assistance to the Town.

**Agenda Item 6: Borough of Jewett City update**

OPM Staff indicated there was nothing new to report.

**Agenda Item 7: Review and discussion of recent events regarding Pension and OPEB bonding.**

Mr. LeVasseur indicated that the City of Waterbury had issued POBs in 2009 and under the State's pension obligation bond statute it was required to provide OPM and the Treasurer's Office updated information. Excerpts of the information submitted were provided to MFAC members and a discussion ensued on items regarding the rate of return on investments and pension contributions made.

Commissioner Dakers provided the MFAC information regarding the City of Bridgeport and its contribution issues under the State's pension obligation bond statute for its Public Safety Plan A. A discussion ensued in regards to special legislation that was passed which allowed the City to make annual plan contributions in amounts less than it would be required to make under the State's pension obligation bond statute.

Commissioner Dakers informed the Commission on the City of Hartford's attempt to issue OPEB bonds. OPM and the City had met on this matter and OPM informed the City of its concerns in regard to the legislation drafted by the City.

Mr. LeVasseur provided a description of a funding strategy of healthcare costs that was being proposed by a company to certain municipalities which was supposed to help alleviate some of the healthcare costs imposed upon these municipalities. OPM expressed its concerns as it relates to some of the procedures under the funding strategy possibly not currently allowed under State statute.

**Agenda Item 8: Other Business**

Commission members inquired about the terms of their appointment to the Commission given the election of a new governor, as Commission members are appointed by the Governor. OPM staff indicated that it was their belief that letters of resignations were not required and members would continue to serve until reappointed or replaced.

**Agenda Item 9: Proposed 2011 Meeting Dates of the MFAC**

The following calendar year 2011 proposed meeting dates were unanimously approved by members present: March 9, 2011, May 11, 2011, September 8, 2011, and November 10, 2011. All meetings are scheduled at 10:00 A.M. in Room 4A at 450 Capitol Avenue, Hartford, CT.

**Adjournment:** Meeting was adjourned at approximately 12:05 P.M.

Respectfully submitted,

Douglas W. Gillette  
Commission Secretary