

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING AGENDA AND DRAFT MINUTES
West Haven Subcommittee of the MARB

Meeting Date and Time: Tuesday, January 15, 2019 10:00 AM – 12:00 PM

Meeting Location: West Haven City Hall, Harriet North Courtroom, 355 Main Street, West Haven, CT

MARB West Haven Committee Members Present: Scott Jackson, Larry Wilson, Thomas Hamilton

Other MARB Members Present: Stephen Falcigno

MARB Staff Present: Julian Freund, Alison Fisher, Michael Milone

City Staff Present: Mayor Nancy Rossi, Frank Cieplinski

Guests: Deb Testa (Lockton), Seth LeVigne (Lockton), Joe Centofanti (PKF O'Connor Davies)

Agenda

- I. Call to Order & Opening Remarks:
The meeting was called to order at 10:05 AM. The committee was updated on the transition in the Finance Office. The new Finance Director, Frank Cieplinski, is in attendance and will be meeting with OPM staff after the committee meeting.
- II. Approval of minutes: December 6, 2018 - Mr. Jackson made a motion, with a second by Mr. Hamilton, to approve the minutes with a correction on page two to correct the attribution of a comment.
- III. Review and Discussion: Monthly Financial Report – Mr. Milone provided an overview of the monthly financial report. Overall, the City is trending favorably in both revenues and expenditures for the year. Mr. Milone noted several revenue sources projected to exceed budgeted amounts including tax collections, investment income and parking revenues. Health insurance expenditures, which had been problematic in prior years, are projected to be within budget. Most of the reporting issues with Anthem described in previous meetings have been resolved. A cost overrun is being projected in solid waste expenditures because certain savings in collection costs, for both solid waste and recycling, that were built into the budget have not materialized.. The cost overrun in solid waste expenditures will be offset by savings in other parts of the budget, including vacancy savings and an overestimated amount needed in contingency that is no longer necessary. Mr. Hamilton thanked Mr. Milone for presenting the most comprehensive report to the Board to date.
- IV. Update: Preparation of FY 2018 Audit – Mr. Centofanti reported that he has the information he needs from the City in order to complete the audit by Feb. 22, with the exception of some pension and OPEB data. Whether those elements of the audit can be completed by the Feb. 22 deadline will depend on how soon the City can get the necessary information to the actuary, and how quickly the actuary can turn that data around. Ms. Testa explained that Lockton has been working with the City to gather the necessary OPEB information. Mr. Freund reminded that committee that the first of the

FY 2019 restructuring funds payments is contingent, in part, on the City submitting its 2018 audit by Feb. 22. If the audit is delayed past that date, scheduled restructuring funds may be adjusted or delayed.

- V. Update: Fire Service Study – Mr. Milone updated the committee on the progress of the Fire Service Study. The City issued an RFP and conducted a thorough review and interview process to select a consultant for the study. A contract is in the process of being finalized with the consultant. A working group met last week to go over the project timeline, goals and deliverables.
- VI. Update: Plan for Operational and Administrative Efficiencies – Mr. Freund explained that the City's 5-Year Plan is premised on achieving significant cost savings through a combination of operational and administrative efficiencies, operational consolidations, and shared services. The City is required to submit a complete plan on how to achieve these savings by June 30. However, prior to that, the City is required to submit a preliminary plan by Feb. 15 that identifies the cost saving opportunities the City will pursue and provides detail regarding any cost-saving measures that will be part of the FY 2020 budget. Mr. Milone distributed and explained an outline on the City's progress toward developing that plan. Ms. Fisher offered to assist the City in assessing productivity savings, as well as financial savings. Mr. Cieplinski will be in touch with Ms. Fisher to discuss this further.
- VII. Update: Report from Segal Consulting re: Health Insurance Options – Mr. Freund provided an overview of the report from Segal Consulting regarding certain health insurance options. The report analyzed potential savings under three health insurance scenarios: transitioning active City employees to a high deductible health plan with a health savings account (HDHP/HSA) similar to the plan that is in place for the West Haven teachers union, transitioning all City and BOE employees to a HDHP/HSA that covers 90% of the cost of benefits after the deductible is met (as opposed to 100%), and transitioning all active employees and retirees to the State Partnership Plan. Mr. Milone added that the City is taking a comprehensive look at medical benefits and benefits administration, including evaluating the possibility of bidding out medical coverage. Mr. LeVigne noted that if and when the City ends their current agreement with Anthem, 20% of each paid claim will be charged for IBNR.
- VIII. Other Related Business – Mr. Freund noted the memorandum from OPM's Director of Legal Affairs confirms that the Board, like the City Council, does not have a role in the approval of the school nurses' contract. A legislative change regarding this authority may need to be recommended. Mr. Jackson mentioned that he will bring up this issue at the February meeting of the full Board.
- IX. Adjourn – A motion to adjourn was made by Mr. Wilson, seconded by Mr. Jackson and approved at 11:12 AM.