

**APPROVED
STATE OF CONNECTICUT**

**MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)
WEST HAVEN SUBCOMMITTEE**

REGULAR MEETING MINUTES

Meeting Date and Time: Tuesday, November 19, 2019 10:00 AM –12:00 PM

Meeting Location: Board of Regents Conference Room, 61 Woodland St, Hartford, CT

Subcommittee Members in Attendance: OPM Secretary Melissa McCaw, State Treasurer Designee Christine Shaw (Assistant State Treasurer), Stephen Falcigno, and Scott Jackson,

Other MARB Members in Attendance: Robert White

Municipal and State Staff and Others Present: West Haven Mayor Nancy Rossi and staff, Michael Milone (OPM liaison), OPM Staff - Kimberly Kennison (Executive Finance Officer), Michael Walsh, Julian Freund, Gareth Bye, and Bill Plummer

I. Call to Order & Opening Remarks

The Meeting was called to order by Secretary McCaw at 10:08 a.m. She introduced Christine Shaw, the State Treasurer's designee for the MARB. Secretary McCaw congratulated Mayor Rossi for her recent re-election as the City of West Haven's Mayor.

II. Approval of minutes: October 15, 2019

The minutes were unanimously approved with one change to indicate that Gareth Bye from OPM was in attendance at the October 15th meeting. There was one abstention.

III. Presentation and Discussion: HR Report

Mayor Rossi provided an abbreviation of her correspondence that she had transmitted to OPM in February of 2019, in regard to the human resource functions of the City including a sequence of events she believes should occur before any actions were to be taken to resolve issues in the human resources area.

Representatives from Human Resource Consulting Group introduced themselves to the Board and indicated they were presenting the findings of their recent study of the City's human resources functions, including benefits and administration. Handouts were provided to Board members and the representatives provided an in-depth review to the Board on the study including the methodology, the types of data reviewed, and a description of the interviews held with West Haven staff.

A summary of the major findings was then described along with recommendations as to correcting the findings. The findings and recommendations generated a number of questions on the part of Board members for which representatives of the Consulting Group were able to answer and provide more details on. The City will prepare an action plan that addresses the major issues raised in the report. Secretary McCaw noted that restructuring funds may have a role in process improvement

efforts and measures to develop capacity in the human resource function. The presentation on the findings related to the Board of Education human resources functions, which was also part of the study, was deferred until a future subcommittee meeting.

IV. Discussion: Fire Districts

Michael Walsh from OPM who was one of the authors of the Fire Study prior to joining OPM provided a recap of the Study.

Mr. Walsh referenced the handout being provided to Board members of the summary of the Fire District Study including the key findings and recommendations. His former firm was engaged to conduct a study of the 3 fire districts in late 2018/early 2019. He believes looking at the district issues in proportion, 90% were financially related and 10% was operationally related. He summarized some of the key financial data for the 3 districts including their fund balances, and pension and OPEB unfunded obligations. He outlined several goals that the districts should strive for including corrections to audit findings identified in the districts' latest audit reports. A discussion ensued among Board members as to the possible future structure of the districts and methods to ensure the future sustainability of their respective pension plans. Mr. Walsh noted that education will be an important component of bringing financial stability to the districts. The district commissioners will need to embrace the need for change and the public will need to be made aware of the severity of the situation.

V. Discussion: Partnership Transition

Prior to the discussion, Secretary McCaw indicated that she would be turning over the remainder of today's meeting to OPM's designee, Kimberly Kennison, and Ms. Shaw, as Secretary McCaw would need to attend to other State matters.

Mr. Milone updated Board members on the status of the transition of the City to the Partnership Plan since the Board last met. The active employees of City labor groups are on schedule for transition to the Partnership plan by January 1. With regard to the under-65 retirees, Mr. Milone indicated that it may be advantageous to transition those retirees as well in July. He is revisiting the financial projections with regard to that group.

Neil Cavallaro, Superintendent of the West Haven School System, introduced himself and his staff as well as representatives from Lockton, the City and Board of Education's health insurance broker. He indicated that based upon information received to date, he is more comfortable with the Board of Education staying with the high deductible plan being administered by Anthem vs. moving to the State Partnership plan at this time. A number of questions were posed by Board members to the Board of Education and Lockton representatives. Lockton representatives provided a summary of how the rates have been developed in the past and indicated that Lockton anticipated updated information from Anthem within the near future which would assist Lockton in providing updated rate estimates to West Haven Board of Education.

Board members agreed that if the Anthem information could be provided in the near term for Lockton to provide updated rate estimates, that the Board would wait until that information was provided.

VI. Adjourn

Meeting adjourned at 12:42 p.m.