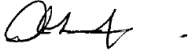


**MUNICIPAL ACCOUNTABILITY REVIEW BOARD**

MEMORANDUM

TO: Members of the Municipal Accountability Recovery Board (MARB)  
FROM: Alison Fisher, OPM   
SUBJECT: West Haven Update  
DATE: July 12, 2018

---

In advance of the July 17<sup>th</sup> meeting, OPM staff wanted to update the full Board on the progress made by the City of West Haven, as it relates to a variety of requests for information made by Board members. In order to help facilitate discussion regarding these requests, we have collected a few documents for your consideration.

- 1) Memo regarding the City's compliance with the Board Resolution of May 3, 2018, updated as of July 10, 2018
- 2) Summary of information requests made by Secretary Barnes, including responses received by the deadline of July 10, 2018
- 3) City of West Haven's Five-Year Plan, as submitted on June 7, 2018 (available on [MARB website](#))
- 4) City of West Haven's FY2017-18 projections through April 2018, as presented on June 7, 2018 (available on [MARB website](#))

It should be noted that due to their lack of compliance with the terms of the Board Resolution of May 3, 2018, the City of West Haven has not yet received any funds from the Municipal Accountability Review Board or from the Office of Policy and Management.

Please contact myself or Robert Dakers if you have any questions in this regard.

Attachments:


- Memo regarding the City's compliance with the Board Resolution of May 3, 2018, updated as of July 10, 2018
- Summary of information requests made by Secretary Barnes, including responses received by the deadline of July 10, 2018

Cc: Mayor Nancy Rossi  
Linda Savitsky  
Robert Zyskowski  
Kristen Teshoney  
Larry Wilson  
Riju Das

**MUNICIPAL ACCOUNTABILITY REVIEW BOARD**

MEMORANDUM

TO: Members of the Municipal Accountability Recovery Board (MARB) West Haven Subcommittee

FROM: Alison Fisher, OPM 

SUBJECT: West Haven Subcommittee Update; Updated Evaluation of Compliance with MARB Resolution of May 3, 2018

DATE: July 12, 2018

In advance of the meeting scheduled for July 17, 2018, OPM staff wanted to update the full Board on the activities of the West Haven MARB Subcommittee regarding an update on the City of West Haven's compliance with the MARB resolution of May 3, 2018. In order to evaluate said compliance, we have added information to the status report below, which was initially provided to you on June 5, 2018, and then again on June 28, 2018.

Resolution Requirement	Status as of 6/5/18	Status as of 6/28/18	Status as of 7/10/18	Status Detail
Tax revenue collection assumptions for FY 2018-19				Received and appears sufficient
Restructuring funds for FY 2018-19 are changed to \$8.0m for operating purposes, \$1.75m for prior year deficit reduction, and \$250k for MARB-related expenses				Completed and appears adequately reflected in amended FY 2018-19 budget; need to ensure restrictions as to their use (MARB approval required)
Transfers to and from the Sewer Fund in the proposed FY2018-19 budget				FY17 Draft Audit indicates fund balance deficit reduced from \$1.5 million to \$75,000
Sufficient budgets for pension, debt service				Completed and appears adequately reflected in amended FY 2018-19 budget
Allingtown Fire Department budget is balanced				Completed and appears adequately reflected in amended FY 2018-19 budget
Deficit in FY 2016-17 audit				Update: Final Audit has been received
Handling/budgeting for Education Cost Sharing funds (as an Alliance District)				Information received but not sufficient to determine if ECS is appropriately budgeted or handled
Health Insurance Projections				Information received for FY19, but we are waiting for FY18.

<p>FY 2018-19 amended budget meets MARB budget review criteria as listed below.</p> <ol style="list-style-type: none"> <li>1. The reasonableness of the assumptions utilized with respect to expenditures and revenues.</li> <li>2. the overall balance and imbalance of expenditures and revenues;</li> <li>3. the achievability of efficiency measures included in the recommended budget;</li> <li>4. its impact on the municipality's long-term liabilities and the municipality's most current three-year financial plan; and</li> <li>5. any other issues or matters that would impact, in the MARB's opinion, the municipality's financial sustainability and vitality.</li> </ol>				<p>Update: We have received detail regarding the following projections:</p> <ul style="list-style-type: none"> <li>• Street Lighting (information from UI provided)</li> <li>• 401k, FICA</li> <li>• Changes to Contingency</li> </ul> <p>We have not received sufficient information for the following items:</p> <ul style="list-style-type: none"> <li>• Building Permits</li> <li>• Recycling savings</li> <li>• Worker's Compensation</li> </ul>
Five-Year Plan				Update: Plan has been received but changes have been requested by the Subcommittee
Application for Municipal Restructuring Funds for FY2017-18 and/or FY 2018-19				Update: A letter requesting funds in FY18 was received but could not be considered as all conditions of the Resolution have not yet been met.
Deficit mitigation plan for FY 2017-18				Need updated projections

Please contact myself or Robert Dakers if you have any questions in this regard.

Cc:

Mayor Nancy Rossi  
 Kristen Teshoney  
 Riju Das  
 Susan Weisselberg  
 Robert Dakers

**Issues and Responses: Secretary Barnes June 28, 2018 E-Mail for Status Update on West Haven FY18 Projection, FY19 Budget and Proposed 5-Year Plan  
July 12, 2018**

**City's FY18 Projection through April 30, 2018 (Submitted to MARB on June 7, 2018)**

Issue/Item	Response
1) Reconcile the ECS City revenue projection of \$45.0 m with the \$43.6m received through April. Why is there a discrepancy?	
2) Health Insurance projection remains at \$10.3m. <b>Please provide the complete health insurance analysis for City, Allingtown and Sewer Fund for FY18, FY19 and Five-year plan (including the inflation assumption).</b> The MARB has been seeking this information for several weeks now and it is <b>critical</b> that it be provided now.	<ul style="list-style-type: none"> <li>• Received projection for FY19 of \$9.6m (attached); Awaiting rev FY18 projection</li> <li>• BOE projections for FY18 &amp; FY19 are attached</li> </ul>
3) Did the tax lien sale occur? What are the implications for FY18 and FY19?	Yes. Results for FY18 to be reflected in June 30 <sup>th</sup> Monthly Report
4) An identification of any significant changes in projections for FY18 based on May/June YTD amounts?	To be reflected in 6/30/18 monthly report

**FY19 Budget**

Issue/Item	Response
1) The Subcommittee members, and the full Board, will want to review the updated status of the items outlined in Alison's June 6 <sup>th</sup> memo to the MARB regarding compliance with the May 3, 2018 resolution, <b><u>with the most critical of these matters being the health insurance projections.</u></b> An updated version of this memo (7-10-18) is provided in agenda material.	Received health insurance projection for FY19 (attached); MARB documentation requirements related to City's adopted FY 19 budget is attached

**Five-Year Plan (6-7-18) Must Be Modified to Reflect:**

Issue/Item	Response
1) Appropriate inflation for any City operations (i.e. utility and energy costs, tipping fees, contractually required increases, insurance costs, worker's compensation, purchase of supplies, etc.)	Health consultant has confirmed health inflation rate
2) Potential wage increases (could show this as contingency, or in salary line) for any City staff, both union and non-union, for any of the out years of the plan, including the related impacts on OT, holiday pay, FICA, 401K, worker's comp, life insurance, etc.	
3) <b>Please provide details regarding property tax collection assumptions</b> for each of 5 years, including: grand list growth and justification for that growth, mill rate changes, impact of the Tax lien sale, etc.	Tax Collection Rate 98.4%: 3 year avg.; Net Grand List \$2.653b in FY19; \$2.665b in FY23 (Grand List Chart attached)
4) Police & Fire (Allingtown) Pension Contributions. <b>Please provide actuarial projections for out years.</b>	
5) Debt Service and related costs for needed capital expenses, such as equipment, vehicles, and other capital projects (aside from the High School).	
6) Continued changes to recycling/trash.	
7) Any known/planned efficiency initiatives, or changes for which savings can be estimated for FY20 and beyond. For those savings that may be too difficult to estimate at this time, an overall target amount for each of the out years is sufficient, but please be specific about the changes that will get you there (i.e. consolidations, including Fire Districts, and other efficiencies).	

**2018 Final Renewal with current plan design**  
**Rates include Administrative Costs and Stop Loss premium**  
**Based Upon Census Data from Anthem**

		<b>2018-2019 Final</b>	<b>2018-2019 Final</b>	<b>2018-2019 Final</b>
<b>FD 208</b>	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>1</b>	\$1,270.01	\$36.25	\$1,233.76
EE+1	0	\$2,793.58	\$93.14	\$2,700.44
Family	0	\$3,408.36	\$110.53	\$3,297.83
Total	<b>1</b>	<b>\$15,240.06</b>	<b>\$435.00</b>	<b>\$14,805.06</b>
<b>FD 300</b>	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>2</b>	<b>\$1,408.37</b>	\$36.25	\$1,372.12
EE+1	0	\$2,899.17	\$93.14	\$2,806.03
Family	0	\$3,608.09	\$110.53	\$3,497.56
Total	<b>2</b>	<b>\$33,800.80</b>	<b>\$870.00</b>	<b>\$32,930.80</b>
<b>FD 304</b>	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>3</b>	\$1,736.75	\$36.25	\$1,700.50
EE+1	<b>3</b>	\$3,827.36	\$93.14	\$3,734.22
Family	<b>1</b>	\$4,736.65	\$110.53	\$4,626.12
Total	<b>7</b>	<b>\$257,147.56</b>	<b>\$5,984.40</b>	<b>\$251,163.16</b>
<b>Retired Police</b>				
<b>FD 324</b>	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>1</b>	\$1,402.36	\$36.25	\$1,366.11
EE+1	0	\$2,893.16	\$93.14	\$2,800.02
Family	<b>1</b>	\$3,602.07	\$110.53	\$3,491.54
Total	<b>2</b>	<b>\$60,053.16</b>	<b>\$1,761.36</b>	<b>\$58,291.80</b>

**Local 1103****FD 335**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>10</b>	\$1,038.39	\$36.25	\$1,002.14
EE+1	<b>19</b>	\$2,191.94	\$93.14	\$2,098.80
Family	<b>15</b>	\$2,678.91	\$110.53	\$2,568.38
Total	<b>44</b>	<b>\$1,106,573.83</b>	<b>\$45,481.32</b>	<b>\$1,061,092.51</b>

**Premium Share****13% \$143,854.60****Local 681****FD 337**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>34</b>	\$1,032.84	\$36.25	\$996.59
EE+1	<b>32</b>	\$2,180.89	\$93.14	\$2,087.75
Family	<b>26</b>	\$2,665.54	\$110.53	\$2,555.01
Total	<b>92</b>	<b>\$2,090,510.44</b>	<b>\$85,041.12</b>	<b>\$2,005,469.32</b>

**Premium Share****12% \$250,861.25****Police****FD 338**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>36</b>	\$999.96	\$36.25	\$963.71
EE+1	<b>20</b>	\$2,094.83	\$93.14	\$2,001.69
Family	<b>64</b>	\$2,560.57	\$110.53	\$2,450.04
Total	<b>120</b>	<b>\$2,901,256.38</b>	<b>\$122,900.64</b>	<b>\$2,778,355.74</b>

**Premium Share****18% \$522,226.15****Retired Police****FD 339**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	<b>1</b>	\$1,023.88	\$36.25	\$987.63
EE+1	<b>2</b>	\$2,144.73	\$93.14	\$2,051.59
Family	<b>3</b>	\$2,628.09	\$110.53	\$2,517.56
Total	<b>6</b>	<b>\$158,371.20</b>	<b>\$6,649.44</b>	<b>\$151,721.76</b>

**U65 Retirees****FD 341**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	17	\$1,119.05	\$36.25	\$1,082.80
EE+1	5	\$2,352.90	\$93.14	\$2,259.76
Family	9	\$2,883.15	\$110.53	\$2,772.62
<b>Total</b>	<b>31</b>	<b>\$680,838.94</b>	<b>\$24,920.64</b>	<b>\$655,918.30</b>

**Police U65 Retirees**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
FD 342				
EE	17	\$1,119.14	\$36.25	\$1,082.89
EE+1	18	\$2,353.09	\$93.14	\$2,259.95
Family	14	\$2,883.37	\$110.53	\$2,772.84
<b>Total</b>	<b>49</b>	<b>\$1,220,977.76</b>	<b>\$46,082.28</b>	<b>\$1,174,895.48</b>

**ERS****BUY UP**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
FD 439				
EE	4	\$1,032.75	\$36.25	\$996.50
EE+1	4	\$2,180.70	\$93.14	\$2,087.56
Family	6	\$2,665.30	\$110.53	\$2,554.77
<b>Total</b>	<b>14</b>	<b>\$346,147.55</b>	<b>\$14,168.88</b>	<b>\$331,978.67</b>

**Premium Share****18.80%****\$65,075.74****Retired Police****FD 538**

	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	3	\$1,007.45	\$36.25	\$971.20
EE+1	0	\$2,109.83	\$93.14	\$2,016.69
Family	7	\$2,579.25	\$110.53	\$2,468.72
<b>Total</b>	<b>10</b>	<b>\$252,925.39</b>	<b>\$10,589.52</b>	<b>\$242,335.87</b>

FD 603	Lives	Total Renewal Allocation Rates	Dental Allocation Rates	Medical/RX Allocation Rates
EE	1	\$1,045.16	\$36.25	\$1,008.91
EE+1	0	\$2,195.96	\$93.14	\$2,102.82
Family	0	\$2,690.60	\$110.53	\$2,580.07
Total	1	\$12,541.95	\$435.00	\$12,106.95

<b>Combined total</b>	<b>379</b>	<b>\$9,136,385</b>	<b>\$365,320</b>	<b>\$8,771,065</b>
-----------------------	------------	--------------------	------------------	--------------------

**\$9,136,385**

EE	130
EE+1	103
Family	146
<b>Total</b>	<b>379</b>

Total E share **\$982,017.74**

<b>Budget</b>	<b>9,900,000.00</b>
Projected Claims	<b>9,136,385.02</b>
Employee Cost Share	<b>982,017.74</b>
Net City	<b>8,154,367.28</b>
<b>IPI over 65 Based upon FY 18 data Expei</b>	<b>1,250,000.00</b>
<b>Anthem Direct Expense</b>	<b>225,000.00</b>
<b>IPI Admin Based Upon FY 18 data expen</b>	<b>55,000.00</b>
<b>Stirling Receipts</b>	<b>68,000.00</b>
<b>Stirling admin</b>	<b>5,000.00</b>
<b>Estimated Expenses</b>	<b>9,621,367.28</b>
<b>Excess Budget</b>	<b>278,632.72</b>



## West Haven Board of Education's Health Insurance Budget Report

	Admin	PPACA	Commissions	ISL	ASL									
Fixed Costs	\$12.34	\$0.00	\$9.89	\$71.99	\$5.27									
Lives	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	Total	
BOE	750	750	756	755	755	752	746	744	746	746	746	746	8992	
BOE HEALTH INSURANCE APPROVE BY BOARD FOR FY 18	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	Total	
BOE	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$1,146,755	\$13,761,065	
Actual Total Admin Fees + NAF	BOE	\$199,784.50	\$108,795.50	\$75,214.44	\$75,114.95	\$75,114.95	\$74,816.48	\$74,219.54	\$74,020.56	\$74,219.54	\$74,219.54	\$74,219.54	\$74,219.54	\$1,053,959.08
Actual Claims (Med/RX)	BOE	\$1,255,661.47	\$1,140,727.47	\$908,115.75	\$1,159,870.22	\$970,741.36	\$1,338,955.65	\$942,491.05	\$1,482,804.39	\$1,463,322.29	\$1,139,848.38	\$1,160,315.40	\$1,465,000.00	\$14,427,853.43
HSA Seeding	BOE	\$643,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$643,000.00	
<b>Total Actual Admin + Claims+HSA Seeding</b>	BOE	\$2,098,446	\$1,249,523	\$983,330	\$1,234,985	\$1,045,856	\$1,413,772	\$1,016,711	\$1,556,825	\$1,537,542	\$1,214,068	\$1,234,535	\$1,539,220	\$16,124,813
Stop Loss Reimbursements		\$0	\$0	\$0	\$0	\$0	(\$227,296)	(\$170,109)	(\$353,554)	(\$135,905)	(\$184,952)	(\$184,952)	\$0	(\$1,256,767)
Employee Contributions		(\$253,332)	(\$103,527)	(\$180,380)	(\$180,726)	(\$181,053)	(\$181,134)	(\$180,777)	(\$179,957)	(\$179,633)	(\$179,633)	(\$179,633)	(\$179,633)	(\$2,159,418)
Net Total After Reimbursements		\$1,845,114	\$1,145,996	\$802,950	\$1,054,259	\$864,803	\$1,005,342	\$665,825	\$1,023,314	\$1,222,004	\$849,483	\$869,950	\$1,359,587	\$12,708,628
<b>Variance</b>	BOE	\$698,359	(\$759)	(\$343,805)	(\$92,496)	(\$281,952)	(\$141,413)	(\$480,931)	(\$123,441)	\$75,248	(\$297,273)	(\$276,805)	\$212,831	(\$1,052,437)



## Matthew Cavallaro

---

**From:** LaVigne, Seth <SLaVigne@lockton.com>  
**Sent:** Thursday, July 05, 2018 3:04 PM  
**To:** 'Robert Zyskowski'; Matthew Cavallaro  
**Cc:** Linda R. Savitsky; Testa, Debra  
**Subject:** RE: Follow-up

CAUTION: The e-mail below is from an external source. Please do not open attachments or click links from an unknown or suspicious origin.

Hello Everyone, so I got the large claims info through May broken out by city and BOE. I want to caveat the numbers by saying that they are claims paid under the plan with Anthem but stop loss reimbursements are from HCC and they determine eligibility. That being said, the expected reimbursement through May for the BOE is \$1,256,767 and the expected reimbursement for the City is \$124,556. Let me know if you have any questions.

Seth

**Seth LaVigne**  
**Account Executive**  
**Lockton Companies**  
76 Batterson Park Road, 3<sup>rd</sup> Floor  
Farmington, CT 06032  
Tel: (860) 678-4047  
Mobile: (860) 729-0156  
E-mail: [SLaVigne@lockton.com](mailto:SLaVigne@lockton.com)

**From:** Robert Zyskowski [mailto:zyskowski@westhaven-ct.gov]  
**Sent:** Thursday, July 5, 2018 12:05 PM  
**To:** LaVigne, Seth <SLaVigne@lockton.com>  
**Cc:** Linda R. Savitsky <LSavitsky@westhaven-ct.gov>  
**Subject:** FW: Follow-up

Hi Seth, please send me the City's FY18 stop loss amount as you did for Matt re: the BOE. I'm sure Linda has the info, however, she is out of the office.

Thanks,

Bob

Robert Zyskowski  
**Assistant Finance Director**  
City of West Haven  
203 937-3545 phone  
203 937-3621 fax

**From:** Matthew Cavallaro [mailto:Matthew.Cavallaro@whschools.org]  
**Sent:** Monday, July 02, 2018 8:56 AM

# NET TAXABLE GRAND LIST - BILLIONS (year over year growth %)

