

**APPROVED**  
STATE OF CONNECTICUT  
MUNICIPAL ACCOUNTABILITY REVIEW BOARD  
**REGULAR MEETING MINUTES**

**Meeting Date and Time:** Thursday, October 8, 2020 10:00 AM –12:00 PM

**Meeting Location:** This was a telephonic meeting. Meeting materials can be found at <https://portal.ct.gov/OPM/Marb/Full-Board-Meetings-and-Materials>

**Telephonic Meeting:** Telephone 1 860-840-2075  
Meeting ID: 534 433 062

**Members in Attendance:** Secretary McCaw, Christine Shaw (State Treasurer designee), Mark Waxenberg, Robert White, David Biller, Sal Luciano, Thomas Hamilton, Matthew Brokman, Stephen Falcigno (joined at 10:15)

**Municipal Officials in Attendance:** Mayor Rossi, Frank Cieplinski, William Ryan (labor attorney), Jolita Lazauskas, Michael Lupkus, Leigh Ann Ralls, First Selectman Cheryl Blanchard, Melissa Sevigny, Superintendent Hull, Michele Demicco.

**OPM Staff in Attendance:** Kimberly Kennison, William Plummer, Julian Freund

I. Call to Order & Opening Remarks by Secretary Melissa McCaw and Treasurer Shawn Wooden

The meeting was called to order at 10:04 AM.

II. Public Comment Period

There was no public comment.

III. Approval of Minutes:

a. September 10, 2020 Regular Meeting

Mr. Luciano made a motion to approve the minutes with a second by Mr. Biller. The motion was approved unanimously.

IV. City of West Haven Issues and Items

a. Subcommittee Update

Mr. Freund provided an overview of the update document that was included in the meeting materials. The subcommittee agenda included review of the AFSCME Local 681 tentative agreement. The subcommittee voted to recommend approval by the MARB of that contract. The subcommittee also reviewed the results of a benchmarking effort, discussed the status of the vacant Allingtown Fire Chief

position which the City is planning to fill, the development of a Tri-District MOU and the status of updated pension and OPEB valuations. Routine updates on the status of the corrective action plan and the ADP project were also covered during the subcommittee meeting.

b. Labor Contracts:

i. AFSCME Local 681

Secretary McCaw introduced the agenda item for the board. The contract covers 98 employees, including Public Works and non-managerial Town Hall workers. The last contract expired June 30, 2017. The tentative agreement was ratified by the union on and the City Council in September. The MARB has until October 15 to take action if it chooses. Secretary McCaw highlighted the major tenets of the agreement including the general wage adjustments and health insurance provisions.

A motion was made by Mr. Luciano to approve, with a second by Mr. Hamilton. The Secretary opened the floor for further questions and discussion.

Mr. Hamilton asked whether the City's option to make future changes to health insurance plan design in, the event that State Partnership health insurance rates increase, are preserved in the contract. The City's labor attorney, William Ryan, explained that the contract allows the City to change insurance carriers provided coverage is equal to or better than the current plan. Some further discussion regarding overtime provisions and the inclusion of vacation hours in the calculation of overtime. Mr. Ryan noted that the City's original proposal was to have all leave time removed from the overtime calculation, but during negotiations reached agreement with the union to remove sick time from the calculation.

A vote on the motion was called, and all voted in favor of the contract.

c. Review and Discussion: Monthly Financial Report: August 2020

The monthly financial report was provided in the meeting materials. Mr. Cieplinski provided a brief overview of the report. He noted that tax collections have rebounded in the second month and are in line with the prior year's collection for the same period. Members asked about the Board of Education budget and whether the expenses associated with school re-opening could be accommodated within appropriations. Mr. Cavallaro responded that these expenses would be covered within existing resources and expected pandemic relief funding. Secretary McCaw noted that legislation was passed that excludes Covid related expenses from counting toward school districts' Minimum Budget Requirement calculation.

d. Update: Municipal Restructuring Funds

Secretary McCaw updated the board on the status of FY 2020 restructuring funds. The agreement with the City for FY 2020 allowed for up to \$4.115 million in restructuring funds and included a number of conditions for payment. Among the conditions was the corrective action plan for FY 2019 audit findings and steps by the City to address findings in an IT security assessment. Several items from the FY 2020

agreement will carry forward for additional work in FY 2021. Secretary McCaw advised the board that, of the \$4.115 million authorized, she has authorized the distribution of \$3.115 million. She further explained that based on the City's projected favorable FY 2020 budget results, the amount of restructuring funds distributed will enable the City to meet its fund balance targets as shown in its 5-Year Plan. Secretary McCaw also noted that the City was able to absorb medical runoff costs that were incurred following the transition of active employees to the State Partnership health plan.

The Memorandum of Agreement for FY 2021 is in the process of being developed and will include conditions for restructuring funds as outlined in the distributed materials. The list of proposed conditions were reviewed and discussed by the subcommittee at a prior meeting. Mr. White asked that the City be required to receive a 3-year plan from the fire districts to reduce demands on taxpayers. Mayor Rossi noted the tentative provision for MARB approval of use of proceeds from property sales and asked that the MARB provide the City some guidance on uses that may be considered.

Mr. Cieplinski updated the board on the sale of general obligation bonds that was executed on October 2. The City received a premium of \$1.5 million that will be applied to the cost of the high school project. The true interest cost was approximately 2%.

V. City of Hartford Issues and Items

a. Subcommittee update

The subcommittee has not met since the last MARB meeting. Mr. Lupkus and Ms. Ralls updated the board on the status of the City's recovery from the ransomware attack. At this time, the City anticipates completing the FY 2020 audit on schedule, but raised the possibility that an extension may need to be requested.

b. Review and discussion: Monthly Financial Report: August 2020

Mr. Lupkus updated the board on the City's monthly financial report. Year to date, the City's tax collections are slightly higher than the prior year for the same period. Expenditures do not show any significant variances. Secretary McCaw asked for an update on the Board of Education projected expenditures for FY 2020. Mr. Lupkus indicated that it appears there will be a surplus for the Board of Education and that the \$2.9 million committed fund balance will not be needed for FY 2020.

VI. Town of Sprague Issues and Items

a. Subcommittee update

Ms. Kennison noted the a subcommittee meeting to review the Town's updated 5-Year Plan is still pending and has not been scheduled yet. An updated 5-Year Plan is the most critical item needed at this time.

b. Update: 5-Year Plan status

Ms. Blanchard updated the board on the status of the updated 5-Year Plan. She noted that the Board of Education enrollment projections are the most significant item that still needs to be incorporated into the Plan. She is expecting to be able to submit an updated Plan in October. Secretary McCaw expressed interest in getting the subcommittee review of the Plan in by the end of October.

c. Review and discussion: Monthly Financial Report: August 2020

Ms. Blanchard pointed out that the Town has made up ground in tax collections and, based on updated figures from the Tax Collector, has matched collections for the same period in the prior year. Superintendent Hull summarized the Board of Education's expenditures and indicated that the cost of re-opening schools will be covered within existing resources and sources of relief funding. Mr. Waxenberg asked how the closure of any of the regional high schools would impact the district's expenses. Mr. Hull explained that transportation costs would likely be affected, but that tuition would be less impacted.

VII. Other Business

VIII. Adjourn

A motion was made by Mr. Luciano, seconded by Mr. Biller to adjourn. All voted in favor and the meeting adjourned at 11:30 AM.