

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, May 13, 2021 10:00 AM –12:00 PM

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

Call-in Instructions: Telephone 1 860-840-2075
Meeting ID: 700 374 478

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Matt Brokman, Stephen Falcigno (joined at 10:21), Thomas Hamilton, Sal Luciano, David Biller (joined at 10:44), Mark Waxenberg, Robert White

Municipal Officials in Attendance: Mayor Luke Bronin, Jennifer Hockenull, Leigh Ann Ralls, John Philip, Mayor Nancy Rossi, Frank Cieplinski, Beth Sabo, First Selectman Cheryl Blanchard, Melissa Sevigny, Michele Demicco

OPM Staff in Attendance: Michael Milone (OPM Liaison), 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. Ms. Kennison requested a motion to amend the order of the agenda to move the City of West Haven to item #VI to item #V and to move the Town of Sprague from item #V to item #VI. Ms. Shaw made the motion with a second by Mr. Luciano. All voted in favor.

II. Public Comment Period

Darryl Cummings, of West Haven, spoke about the West Haven FY 2022 budget. He opposes the use of ARPA funding as a revenue source because it runs counter to the guidance issued by the U.S. Treasury. He requested that the board reject the budget as proposed and require that the City establish a special revenue fund for managing the federal funds.

III. Approval of Minutes:

a. April 8, 2021 Regular Meeting

Ms. Shaw made a motion to approve the minutes, with a second by Mr. Hamilton. All voted in favor.

IV. City of Hartford

a. Subcommittee update

A written Subcommittee update was provided with the meeting materials.

b. Review, discussion and possible action: FY 2022 Recommended Budget

The Mayor's Recommended FY 2022 Budget was reviewed by the Hartford Subcommittee on April 22. The MARB's role is approval of the assumptions used regarding the mill rates, tax collection rate and level of State Aid. The board's practice has also been to make approval of the budget assumptions contingent upon approval of an updated 5-Year Plan. The meeting materials show that the mill rates are proposed to remain at their current levels, of 74.29 mills for real estate and personal property and 45 mills for motor vehicles. The budgeted tax collection rate of 95.96% is based on the formula set in City Charter which is the average of last 3 years actual collection rates. State Aid is consistent with Governor's proposed budget. The Subcommittee had noted that the budget as recommended included approximately \$11 million of one-time funding. The Subcommittee voted to recommend approval of the City's FY 2022 budget assumptions contingent upon receipt of a mitigation plan related to the one-time revenues, and approval of an updated 5-Year Plan. The City has since responded with a mitigation plan which is included in the meeting materials. A preliminary 5-Year Plan was also reviewed, and the Subcommittee requested a number of follow-up items. The follow-up items have been received and the Subcommittee will continue its review of the 5-Year Plan at the May 27 meeting. Mayor Bronin added that the City did not include any Federal funding in the FY 2022 budget. Ms. Hockenull reviewed the mitigation measures available to the City in the event of a revenue shortfall. Mr. Hamilton asked about the Distressed Municipality funding included in the budget. Mayor Bronin explained that the amount included in the budget is approximately half of what is expected from the additional revenue from the tiered PILOT if that funding is included in the final State budget.

A motion was made by Mr. Luciano, with a second by Mr. Brokman, to approve the City's FY 2022 Budget assumptions, contingent upon approval of an updated 5-Year Plan. The motion passed unanimously.

c. Review and discussion: Monthly Financial Report: March 2021

Mayor Bronin reported that the City is projecting a final surplus of \$6.5 million for FY 2021. The improved favorability since the prior month report is a result of greater certainty in projections related to employee benefits and payouts. The City has also asked Council to approve a transfer of \$3 million toward the rehabilitation of City owned blighted property.

V. City of West Haven

a. Subcommittee update

A written Subcommittee update was provided with the meeting materials.

b. Review, discussion and possible action: Labor contract

i. CWA Local 1103

The Communications Workers of America union represents about 36 managers in various departments. The previous contract expired June of 2017. The City and union recently negotiated a successor contract that would go through June 2024. MARB has authority to approve or reject the contract, or not take any action at all. The Subcommittee reviewed that contract at its special meeting on May 5 and voted to recommend approval by the full MARB. Ms. Sabo and Mr. Ryan provided an overview of the contract. The contract provides general wage increases of 1% in FY 2022, and 2% in FY 2023 and FY 2024. In

addition, a \$0.25/hour across the board increase is effective June 30, 2023. The employee share of health insurance premium payments increase from the current 13% to 16% by the final year of the contract.

Mr. Luciano made a motion to approve the contract, with a second by Mr. Waxenberg. All voted in favor.

c. Review, discussion and possible action: FY 2022 Recommended Budget

The City's FY 2022 Budget has been reviewed by the Subcommittee at several meetings and by the full MARB on April 8. Feedback from MARB consisted of two primary recommendations: to prepare a mitigation plan related to the \$1.575 million one-time revenue, and to adjust the Allingtown Fire Fund budget to increase the contribution to the pension fund and for OPEB. The City has provided a mitigation plan for the \$1.575 million in an April 29 memo which also included a number of other requested supplemental materials. The Allingtown Fire budget has been adjusted to include an additional \$350,000 contribution to the pension fund above and beyond the ADC and \$50,000 to begin pre-funding OPEB. The Allingtown mill rate was also adjusted to accommodate those additional contributions, from 10.91 mills in original recommended budget to an 11.62 adjusted mill rate.

At the special meeting on May 5, the Subcommittee voted 3-0-1 to recommend approval of the FY 2022 budget by the full MARB. Since then, the West Haven City Council has taken action to approve the FY 2022 budget. The Council's action includes the adjustments to the Allingtown Fire Fund and several minor changes that had no impact on the mill rate or on Fund Balance projections.

Mr. Waxenberg asked about Firefighters eligibility for health benefits in retirement. Mr. Cieplinski responded that retirees are enrolled in the self-insured plan.

A motion was made by Ms. Shaw, with a second by Mr. Brokman, to approve the City's FY 2022 Budget, contingent upon approval of an updated 5-Year Plan. All voted in favor.

d. Review and discussion: Monthly Financial Report: March 2021

Mr. Cieplinski reviewed the City's budget status as of the end of March. A lien sale is in the preparation phase. Some recovery is materializing in permit revenues. The Board of Education is projecting a year-end balance of about \$145,000. A total General Fund surplus of just under \$1 million is projected for the year. The Sewer Fund is projected to end the year with a \$345,000 surplus. The Allingtown Fire Fund is projected to end the year with a minor deficit, which will be mitigated when adjustments are made for Covid related expenses.

VI. Town of Sprague

a. Subcommittee update

A written Subcommittee update was provided with the meeting materials.

b. Review, discussion and possible action: Labor Contract

i. MEUI Local 506

The MEUI contract expired June 30, 2020. The successor contract goes through June 2023 and covers four Public Works employees. The statutory timeline gives MARB until June 9 to take action if it chooses. The Subcommittee reviewed the contract at a special meeting on May 6 and voted to recommend to the full MARB approval of the contract.

First Selectman Cheryl Blanchard provided an overview of the contract. It provides 2% per year general wage increases and some adjustments to reimbursable expenses for safety shoes, uniform allowance and prescription eyewear. Mr. Hamilton asked whether adjustments to the employee contribution to health insurance premium was considered. Ms. Blanchard answered that increases to the employee contribution were considered but did not make it into the final contract.

Mr. Luciano made a motion, with a second by Ms. Shaw, to approve the contract. Mr. Hamilton asked if the contract provides retiree health insurance. Ms. Blanchard answered that it does not. Mr. Hamilton indicated that he would have preferred some movement in the employee premium cost share, but can support the contract since there is no retiree health benefit. The motion passed unanimously.

c. Review, discussion and possible action: FY 2022 Recommended Budget

The Town Board of Finance approved a Recommended FY 2022 budget April 29 which was reviewed by the Subcommittee at its May 6 special meeting. The Town's MOA with OPM requires that the budget be approved by the MARB. The Recommended Budget is generally consistent with the most recently approved 5-Year Plan. It proposes a smaller increase to the mill rate than previously planned, which is more than offset by higher than anticipated grand list growth. The planned surplus for FY 2022 is in line with the 5-Year Plan. The projected Fund Balance would exceed the most recent plan due to the projected surplus in the current fiscal year. Overall expenditures align with the Plan, including the Education budget which is proposed at a 1.5% increase. After MARB action on the budget, the budget will be deliberated at the Annual Town Meeting. Town Meeting may approve budget as is, approve budget with changes, or send the budget to referendum. The Subcommittee voted to recommend that the MARB approve the FY 2022 budget as proposed.

Ms. Blanchard specified that the proposed mill rate is a 0.25 increase over the current mill rate and that the Town experienced greater grand list growth than previously expected. Mr. Hamilton asked about the increase in health insurance projections and whether they are consistent with the State Partnership rates. Ms. Blanchard said that the health insurance projections are based on the actual rates.

A motion was made by Mr. Luciano, with a second by Mr. Waxenberg, to approve the Town's FY 2022 Budget contingent upon approval of the budget at the annual Town Meeting or by referendum, and upon approval by the MARB of an updated 5-Year Plan. The motion passed unanimously.

d. Review and discussion: Monthly Financial Report: March 2021

Ms. Blanchard reported that the year to date revenues and expenditures are in line with actuals for the same period in the prior year. Superintendent Hull reported that the Board of Education anticipates a year end balance of about \$180,000. Ms. Kennison commended the Town and Board of Education on their cooperative working relationship.

VII. Other Business

VIII. Adjourn

Mr. Luciano made a motion to adjourn, with a second by Mr. Hamilton. All voted in favor. The meeting adjourned at 11:25 AM.