

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, February 10, 2022 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: 536 987 845

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Matthew Brokman (left meeting prior to labor contracts), Patrick Egan, Stephen Falcigno, Thomas Hamilton, Sal Luciano, Mark Waxenberg, Robert White

Municipal Officials in Attendance: First Selectman Cheryl Blanchard, Superintendent Hull, Michele Demicco, Jennifer Hockenull, Phillip Penn, Mayor Rossi, Frank Cieplinski, Lee Tiernan

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 10:06 AM.

II. Public Comment Period

There was no public comment.

III. Approval of Minutes:

a. January 13, 2022 Regular Meeting

Mr. Luciano made a motion, with a second by Mr. Waxenberg, to approve the minutes with a correction for a sentence fragment on page 3. The motion passed 8-0-1 with Mr. Egan abstaining.

b. January 27, 2022 Special Meeting

Mr. Luciano made a motion, with a second by Mr. Waxenberg, to approve the minutes. The motion passed 8-0-1 with Mr. Hamilton abstaining.

IV. Town of Sprague

a. Subcommittee update

There was no Sprague Subcommittee meeting in January. Mr. Freund updated the board on upcoming items for the Subcommittee. A budget adoption calendar has been drafted that would allow the Subcommittee to begin budget review in March. The Town anticipated completing and submitting its FY 2021 audit by the end of February. The Town's October 2021 grand list has been finalized. Ms. Blanchard reported that the grand list increased by about 5% overall compared to the 2020 grand list. The Subcommittee will be meeting on February 24th.

b. Review and discussion: Monthly Financial Report: December 2021

Most revenues and expenditures are consistent with prior years for end of December. Some expenditures are trending higher, including Town Counsel due to an ongoing legal case and town hall repairs due to a sewer repair. The projected surplus for the year is approximately \$150,000, compared to a budgeted surplus of about \$178,000. Mr. Hamilton asked about the Board of Education projection, which is not reflected in the Town's projections. Mr. Hull explained that the education surplus is expected to be about \$100,000. He also reported that the BOE has approved the FY 2023 budget at an increase of 1.6% over the current year budget.

V. City of West Haven

a. Subcommittee Update

A written update was provided with the meeting materials. The Subcommittee reviewed the City's action plans and corrective action plans and was updated on the City's ARPA planning efforts. The next West Haven Subcommittee meeting is February 22nd. Mr. Milone provided an update on several human resources initiatives. A full update on human resources initiatives will be part of the next Subcommittee meeting agenda. The City will also be preparing a plan for acquiring pension investment advisory services and for long term pension investment planning. Mayor Rossi reported that an offer has been made to a candidate for the Procurement Director. She provided additional updates on several other recruitment processes.

b. CohnReznick Audit Update

Ms. Kennison reported that CohnReznick continued field work into this week. Some of the documentation that the City has provided does not tie back to the City's reporting on CRF expenditures. The City has been asked to reconcile the information. Mr. Egan questioned whether controls are in place now to prevent payments on inaccurate or invalid invoices. Mr. Luciano and Ms. Shaw also voiced concerns. Mr. Cieplinski explained the current review procedure and indicated that the Finance Department is limited in its ability to scrutinize every payment submitted. He added that departments need to be accountable for the payment requests they submit.

c. Review and discussion: Non-Labor Contracts:

- i. Affordable Waste: Collection of MSW
- ii. Affordable Waste: Collection of Recyclables

The contracts are for curbside collection of waste and recyclable materials. Mr. Tiernan provided an overview of both contracts. There was only one bid submitted for each of the contracts.

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

Mr. Cieplinski provided an overview of the monthly report that was included in the meeting materials. The City is projecting that property taxes will meet or exceed the budget. Areas showing higher than expected expenditures in the General Fund include Police overtime and general liability and damage claims. The City is still anticipating a surplus of about \$1.2 million for the year. No significant variances in Sewer revenues are projected. The Sewer Fund is also experiencing general liability and damage claims which are contributing to a projected deficit for the year. The Fire Fund is projecting a surplus for the year as a result of higher than budgeted PILOT revenues. Mr. Cieplinski also referred to a report in the materials showing none of the City's ARPA funds have been expended to date.

VI. City of Hartford

a. Subcommittee Update

A written update was included in the meeting materials. The January Subcommittee meeting was dedicated largely to the review of three contracts. The Subcommittee voted to recommend approval of each of the labor contracts, one of which has already been approved at a special meeting of the MARB. The Superintendent also presented information that had been requested by the Subcommittee regarding special education programming and costs.

b. Review, discussion and possible action: Labor Contracts:

i. Hartford Federation of Teachers

This Board of Education contract with the Hartford Federation of Teachers covers approximately 1,600 BOE employees. The current contract expires June 30, 2022. A tentative agreement has been reached on a successor contract with a term of July 1, 2022 through June 30, 2025. The tentative agreement has been approved by both the union and the Board of Education. The MARB has authority to either approve, reject or take no action on the agreement. At its January meeting, the Subcommittee voted to recommend to the full MARB approval of the contract.

Mr. Penn described the major provisions of the agreement. It provides for a general wage increase of 0.35% in the first year, followed by 0% increases in years two and three. For members at top step, the contract provides an increase of 1.75% in each year. Step advancement is included in each year. The total cost, including steps, is approximately 3.26% per year. The group will stay with a high deductible health plan. Employee premium cost shares will increase from the current 19% to 19.5% in FY 2024 and 20.0% in FY 2025. The agreement specifies that the premium cost share will be based on the Anthem allocation rate plus a maximum 4%.

Mr. Luciano made a motion, with a second by Mr. Egan, to approve the contract. The contract was approved 7-0-1 with Mr. Falcigno abstaining.

ii. Hartford Principals and Supervisors Association

This Board of Education contract with the Principals and Supervisors Association covers approximately 125 BOE employees. The current contract expires June 30, 2022. A tentative agreement has been reached on a successor contract with a term of July 1, 2022 through June 30, 2025. The tentative agreement has been approved by both the union and the Board of Education. The MARB has authority to either approve, reject or take no action on the agreement. At its January meeting, the Subcommittee voted to recommend to the full MARB approval of the contract.

Mr. Penn described the major provisions of the agreement. It provides for a general wage increase of 1.5% in each year of the contract and range adjustments. The total cost, including the range adjustments, is approximately 2.5% per year. The group will stay with a high deductible health plan. Employee premium cost shares will increase from the current 19% to 19.5% in FY 2023, 20.0% in FY 2024, and 20.5% in FY 2025. This agreement also specifies that the premium cost share will be based on the Anthem allocation rate plus a maximum 4%.

Mr. Waxenberg made a motion, with a second by Mr. Luciano, to approve the contract. The contract was approved 7-0-1 with Mr. Falcigno abstaining.

c. Review and discussion: Non-labor contracts:

i. Hartford Business Improvement District

The contract covers services provided by the district within the Business Improvement District. Ms. Hockenull noted the services include downtown beautification projects and business recruitment. The contract is for \$100,000 and was a budgeted expense in the City's budget.

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

Ms. Hockenull reported that the City is currently projecting a modest surplus of about \$348,000. This is a net improvement of about \$1 million over the last monthly report. Prior year property tax collections have been increased to take into consideration all collections through January plus conservative projections through the remainder of the year. A downward adjustment for a municipal revenue sharing grant is also reflected in the report. Projected expenditures on tipping fees have also been adjusted downward. Mr. Penn reported that Board of Education expenditures are trending as anticipated, and he is projecting a surplus of approximately \$8 million.

VII. Other Business

None.

VIII. Adjourn

Mr. Luciano made a motion to adjourn with a second by Mr. Egan. The meeting adjourned at 11:55 AM.