

**DRAFT
STATE OF CONNECTICUT**

MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, February 13, 2020, 10:00 AM –12:00 PM

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

Members in Attendance: OPM Secretary Designee Kimberly Kennison (Executive Finance Officer), State Treasurer Designee Christine Shaw (Assistant State Treasurer), Matthew Brokman, Tom Hamilton (telephone), Sal Luciano, Mark Waxenberg (telephone), Robert White, and David Wright-Biller

Municipal and State Staff and Others Present:

City of Hartford: Luke Bronin - Mayor, Jolita Lazauskas - Budget Director, Dr. Leslie Torres-Rodriguez - School Superintendent, and other City staff

Town of Sprague: Cheryl A. Blanchard - First Selectwoman, William Hull – Superintendent, Michele Demicco – Business Manager

City of West Haven: Mayor Nancy Rossi, Frank Cieplinski – Finance Director, City Attorney Lee Tiernan, Bill Lindsay – Financial Advisor for West Haven

Others: Michael Milone (OPM liaison), OPM Staff - Julian Freund, Michael Walsh, and Bill Plummer

I. Call to Order & Opening Remarks

The meeting was called to order at 10:06 a.m. by Ms. Kennison. Ms. Kennison and Ms. Shaw introduced themselves to those in attendance and indicated that as the co-chair designees, they would each be acting in a co-chair capacity at today's meeting in the absence of OPM Secretary McCaw and State Treasurer Wooden.

II. Public Comment Period

Ms. Kennison noted that there was no one present that was seeking to make a public comment at today's meeting.

III. Approval of Minutes:

The January 9, 2020 regular meeting minutes were unanimously approved with Mr. Wright-Biller abstaining.

IV. Town of Sprague Issues and Items

a. Subcommittee update

Mr. Freund provided an update of the January 30th subcommittee meeting. That meeting included discussions on various audit issues including the reasons for the need for two extension requests for submission of the June 30, 2019 audit, the status of prior year audit findings and a cash flow update from the Town.

b. Review and discussion: Monthly Financial Report December 2019

First Selectwoman Blanchard provided an update of the December 2019 financial results of the Town.

c. Update: FY 2019 Audit and Corrective Action Plan

First Selectwoman Blanchard described the open items needed in order for the Town's independent auditor to complete the June 30, 2019 audit. She indicated that an audit extension for the month of March will be required as the audit is not expected to be completed by the end of February.

Ms. Shaw commented that at the December 2019 subcommittee meeting, there was an indication that the Board of Education was developing its FY 2020-21 proposed budget. She inquired whether that budget had been approved by the Board of Education. First Selectwoman Blanchard confirmed that the Board of Education had approved the proposed education budget.

V. City of West Haven Issues and Items

a. Subcommittee update

Mr. Freund provided an update of the January 28th subcommittee meeting. Additional work has been requested from the human resources consultant, HRCG for a deeper review of the Board of Education HR function. The City has issued an RFP to outsource payroll and employee benefit services. Ms. Kennison indicated that she is seeking for the City and Board of Education to provide the Board the anticipated dates that the additional work requested of HRCG would be completed by.

b. Review and discussion: Clean Water Fund Loan

Mr. Lindsey, the City's investment adviser, provided information on the projects expected to be financed by the Clean Water Loan Proceeds, including a description of the loan terms and the different repayment schedules. In response to a question from Mr. Hamilton, the Finance Director indicated that the impact on sewer rates as a result of the loan is projected to be an increase from \$426 per housing unit to \$439 by FY 2024.

c. Review, discussion and possible action: 5-Year Plan FY20-FY24

Ms. Kennison provided an update on the City's 5-year plan and indicated that the West Haven City Council had voted to approve the plan. A discussion ensued among Board members in regard to the various assumptions made in the plan and other matters. The 5-year plan was approved by Board members with Mr. White opposed.

d. Review and discussion: Conditions for FY 2020 Municipal Restructuring Funds

Mr. Freund presented a list of suggested conditions for the City to comply with in order to receive Municipal Restructuring Funds for FY 2020. Board members recommended considering the addition of several conditions. Mr. White suggested the agreement address the extent to which restructuring funds may be used to pay down IBNR costs. He also suggested a requirement to have an actuary provide long-term projections of OPEB benefit payments. Mr. Brokman suggested the City be required to detail and track the savings associated with the placeholder savings included in the 5-Year Plan. Members also suggested included regular updates on the Fire Districts.

e. Update: Fire Districts

Mr. Walsh provided an update on his and Ms. Kennison's work with the districts, including meetings held with the districts in December 2019 and January 2020. He indicated that based upon discussions with the districts, the fire chiefs expressed concerns that were similar to the Board in regard to the funding of the pension plans and the OPEB liability. The districts are currently working with their respective actuaries to obtain current pension and OPEB valuations. The Chiefs of the districts are both aware of OPM's desire for their 2020-21 budget to reflect an increase towards the funding of their pension plans and the start of contributions to set aside assets toward the funding of their OPEB liabilities.

f. Review and discussion: Monthly Financial Report December 2019

Mr. Cieplinski, the City's finance director provided an update regarding the December 2019 financial results of the City.

g. Review, Discussion and Possible Action: Labor contracts

i. ERS Unit (Dispatchers), IAFF Local 5127

Mr. Freund provided a description of the proposed contract. Additional actuarial analysis information that had previously been requested by Board members were provided. The proposed contract was unanimously approved by the Board.

ii. BOE Administrators Association

Mr. Freund provided a description of the proposed contract. An analysis by the City's actuary of certain changes to the contract and the anticipated savings were provided. After discussion by Board members, the contract was approved.

VI. City of Hartford Issues and Items

a. Subcommittee update

Mr. Freund provided an update of the Hartford subcommittee meeting held on January 23, 2020. He indicated that the agenda for that meeting included the review of the City's June 30, 2019 audit report and a discussion regarding a planned evaluation of Hartford Public Schools' special education services.

b. Discussion and Possible Action: Resolution supporting Hartford School District efforts to obtain residency verification and supporting documentation justifying service costs invoiced by other districts

Background information was provided regarding the district's efforts to seek residency verification and justification of billing from other districts providing services to Hartford students. To date, these efforts have been unsuccessful. Superintendent Torres-Rodriguez explained that part of the challenge is that the information was requested mid-year and other districts are encountering difficulties in producing the requested information. Based on further discussion, the motion was amended to express support for the District and City to seek residency verification and supporting documentation for services invoiced by other districts as an initiative for the next school year. All members voted in support of the amended motion.

c. Review and discussion: Monthly Financial Report December 2019

Budget Director, Jolita Lazauskas, provided an update on the City's December 2019 financial results.

d. Review and discussion: Non-labor contracts:

It was noted by Ms. Kennison that the non-labor contracts on the agenda required no formal action by the Board. Mr. Freund provided a description of all 3 contracts below.

- i. Amendments to contracts for Speech Language Pathologists (BOE): Soliant Health, Sunbelt Staffing, Delta T Group

Board members had no questions regarding this contract.

- ii. Golf Course Superintendent: Guilmette Golf LLC

The City's public works director and deputy director provided an overview of the contract. Several questions were posed by Board members.

- iii. Overnight Warming Center: Salvation Army

Mayor Bronin described the provisions of the contract and the need for such services. A discussion ensued among Board members.

VII. Other Business

None.

VIII. Adjourn

The meeting adjourned at 12:03 p.m.