

**DRAFT**  
**State of Connecticut**  
**Municipal Accountability Review Board (MARB)**  
Subcommittee Meeting with City of West Haven  
**West Haven City Hall, 355 Main Street, West Haven, CT**

**Meeting Minutes**  
**Monday, June 18, 2018**  
**1:00-2:30pm**

**Members in attendance:**

Chair: OPM Secretary Benjamin Barnes

Members: Patrick Egan and Thomas Hamilton

Absent: Scott Jackson

**Staff:** Robert Dakers (OPM), Alison Fisher (OPM), Michael Sullivan (OPM), and Riju Das (OTT)

**Representatives from West Haven:** Mayor Nancy Rossi and Linda Savitsky

**I. Call to Order and Opening Remarks by Secretary Ben Barnes**

Meeting was called to order by Secretary Ben Barnes 1:16 pm.

**II. Review and Approval of Minutes from June 5, 2018 Meeting**

Mr. Egan made a motion to approve both sets of minutes, and Mr. Hamilton seconded the motion. The motion carried with Mr. Egan, Mr. Hamilton, and Secretary Barnes all voting in favor.

**III. FY17 Audit**

No significant changes were made since the draft version. A subcommittee presentation by the auditor will be arranged by Ms. Savitsky and Mr. Dakers.

**IV. Projections in FY18**

Presented by Ms. Savitsky as of April 2018. Fiscal year estimates as of May will be provided to the subcommittee as soon as possible. Ms. Savitsky noted that the ECS Alliance grant has historically been considered a revenue to the general fund. Mr. Hamilton asked if a corresponding increase was made to the Board of Education. Ms. Savitsky indicated that this will be addressed by the auditor's presentation.

**V. Health Insurance**

Mr. Hamilton requested an update on the reconciliation for FY18 and a crosswalk to the estimate for

FY19. Ms. Savitsky indicated that an analysis of the data from May 2018 will occur in the next week, and information will be emailed to the subcommittee as soon as that is complete. Secretary Barnes indicated his interest in having Segal work with the City to understand the issues and provide possible alternatives for health insurance. He noted that the company has a contract with the Office of the State Comptroller and could complete an initial analysis within 30 days.

## **VI. Possible Executive Session - Collective Bargaining**

No action on this item.

## **VII. Five year plan**

Secretary Barnes listed several areas of concern, including level spending in operational areas of City government (public safety, public works, finance, etc.), no inflation for utilities or pensions, no equipment, infrastructure, or vehicle replacement needs in the future, and a reduction in the mill rate for year five of the plan. He further explained that the plan, the way it is, cannot lead to fiscal stability.

Mayor Rossi noted that the City is working very hard to grow its grand list, evaluating processes that cost too much time and money, and did include 8.4% health insurance inflation. She also mentioned that costs were not included for a consultant to assist with reorganization, and no savings were reflected for anticipated organizational changes, however, these things will happen. Mr. Dakers noted that these changes could be explained in a narrative that accompanies the plan.

Mr. Egan asked what had been done already to mitigate the known operating deficit. Ms. Savitsky responded that nothing had been done as the City is understaffed, needs to close FY17 and FY18, and hire a permanent finance director. Mr. Egan noted that reorganization and process changes should be delegated to Department Heads.

Mr. Dakers discussed the City's pension obligation bonds (POB) and the need to maintain the funding ratio at issuance. He cautioned the City to make sure that the actuarially recommended contribution (ARC) is sufficiently funded as well, particularly for Police. Mr. Dakers also noted that debt service and capital spending are areas that the City can accurately plan for, particularly since there is some capacity in 2023 to invest in other areas like paving, equipment, and infrastructure.

Secretary Barnes mentioned that the City currently has a bond rating of BAA3, which is barely credit worthy. If a plan is not approved by the MARB, the City will have an \$8m deficit in FY18, which will affect your ability to borrow and the high school renovation project. Secretary Barnes said that OPM staff will summarize the recommendations in a memo for the City's convenience, and send it to them within a week. He then asked that the City commit to sending a revised plan by an agreed upon date, in advance of the July MARB meeting. Further, he noted that he would not accept the plan as drafted and encouraged the City to make changes to it.

Mr. Egan asked if there was a positive fund balance at the end of year five in the plan. Secretary Barnes responded that no, there was not. Mr. Egan said that wouldn't recommend providing funding to the City when the plan is not reasonable as drafted.

## **VIII. Adjourn**

A motion to adjourn was made by Mr. Egan and seconded by Mr. Hamilton. The motion carried unanimously and the meeting adjourned at 2:40 pm.