

<https://www.youtube.com/watch?v=IWHLjApYYNY>

Members of the Public: Due to COVID-19 & pursuant to Executive Orders 7B & 9H, the Town is holding this meeting via Webex & taking live public comment via Webex during the meeting.

✓ FairTV's webpage, <https://fairfieldct.org/fairtv/government>

Board of Finance Special Public Budget Hearing #5 Final Minutes
Thursday, March 25, 2021
7:00 pm

The Board of Finance Special Public Budget Hearing was held virtually at 7:00 p.m. on Thursday, March 25, 2021 in Fairfield, CT.

MEMBERS PRESENT: Edward Bateson, Jim Brown-Chair, Lori Charlton, Christopher DeWitt-Vice Chair, Mary LeClerc-Secretary, Sheila Marmion, John Mitola, Jack Testani, James Walsh
ALSO PRESENT: Stephan Chykirda, Hooker & Holcombe, Carlton Lindgren, VP of Health Benefits AON, Risk Manager Pat Egan, HR Director Jim Haselkamp, CFO Jared Schmitt, Controller Caitlin Bosse, First Selectwoman Brenda Kupchick

I. Call to Order

Mr. Brown called the meeting to order at 7:04 pm.

II. Pledge of Allegiance

Mr. Brown led the Pledge of Allegiance.

III. Discussion on the Following Budgets:

1310 OPEB

Mr. Brown said OPEB was not fully funded last year due to COVID, but he said First Selectwoman Kupchick did fully fund it this year as an obligation. He then turned the meeting over to Stephan Chykirda from Hooker & Holcombe and CFO Jared Schmitt. Mr. Chykirda reviewed his presentation which is also located in the backup and on the recording. Mr. Chykirda said 2018 was the last evaluation. He said the cost of OPEB depends on the benefits and medical health care given to employees. He said the liability breakdown is Fire and Police at 54% and the Town at 46%. He said the net impact of assumption changes. Mr. Chykirda said the increased actuarial accrued liability by 2.7% for Police and Fire and liability was decreased by 2.9% for the Town. He went over the valuation summary of ADEC. He said the Town covers retirees post age 65 free and spouses are not fully covered. He said assets went from 3.6% in 2019 to 4.1% in 2020. After finishing his ADEC presentation, Mr. Chykirda and board members has discussions about benefits and coverage pre and post 65 for retirees. They also discussed assets, investments and liabilities.

1310 Pension

Mr. Schmitt sent an updated budget table from 3/22/21 and shared his screen with the updated OPEB projection. He said overall, the town side is favorable by \$155,000 and the WPCA is up by \$10,000.

1320 Active Employee Benefits (Health & Life)

Carlton Lindgren reviewed expenses for medical and dental by month for the last year (this

presentation is also on the recording).

He went over the amount of active employees and claims paid. Mr. Schmitt shared his updates as of 3/22 on health insurance projections. He said he added seven new employees for the ECC and subtracted four from the reorganization.

1330

Human Resources

- Worker's Comp

Pat Egan said the department budgeted \$1,682,185 in claims and loss prevention for this year and there is no increase.

- Liability

Mr. Egan said property has a 7.7% increase; flood insurance is more volatile; errors and omissions is 4.28% increase; interscholastic sports has a 5.42% increase; and liability is 3.32%.

- ISF/Risk Management

There is an increase for 2022 that will be discussed during Executive Session later.

- Unemployment Compensation (under Finance)

It was reported that there is no increase as compared to last year.

- Human Resources Administration

Jim Haselkamp said IT software installed an applicant tracking system. He said there was a PO last week for TestGenius to screen and test applicants for computer skills. He said there is a place card in the budget for an employee time product. Mr. Haselkamp said he is committed to educational membership for staff development. He said a Staff Development Committee will develop a curriculum and schedule activities.

2020

Fund Balance

First Selectwoman Kupchick said \$2.2 million was put into contribution to surplus that will keep the town at a "do not harm" status. Controller Caitlin Bosse said she reached out to department heads who have a major effect on revenue. She shared her report and it is also included in the recording. She said overall, there is a favorable impact. She said expenses to look out for include transportation that is unsure, fill pile litigation expenses coming forward and there will be a need for additional funding for litigation because it is not bondable. First Selectwoman Kupchick said she proposes using surplus for this. Town Attorney Jim Baldwin said the cost incurred to date is \$257,000 which falls outside of the scope of a bond. He said approximately \$600,000 was estimated for the next two years. Mr. Baldwin said legal fees in his budget do not include mitigation. Mr. Brown asked for a breakdown of expenses for what is projected for the rest of the year. There was a discussion regarding whether the fund balance should be funded with the full \$2.2 million in the First Selectwoman's budget. Mr. Walsh expressed his concern on the rating of the Town and how not funding the fund balance will effect that. Mr. Mitola suggested funding a lower amount and Ms. LeClerc said when the Governor enacted his emergency proclamations last year, the Town didn't have to borrow money and could still run with the fund balance until the funds arrived.

10030

Debt Service

Mr. Brown said last year there was \$2.3 million in Debt Service reserves. He said it was withdrawn to help taxpayers get through last year and it was the right decision. Ms. Bosse reviewed the information on the waterfall chart.

IV. Executive Session – Discuss Personnel Matters and Contracts with the Town Attorney and CFO Pertaining to 2010 Contingency

Mr. Brown made a motion to go into Executive Session at 9:38 pm. Mr. DeWitt seconded the motion which carried unanimously.

Mr. Brown made a motion to come back into public session at 10:47 pm. Mr. DeWitt seconded the motion which carried unanimously.

No action was taken.

V. Discussion on the Following Budgets:

1270 Legal

Mr. Baldwin said next year's budget is increased by \$100,000 which are estimated costs for revaluation and tax appeals. He said this number does not include fill pile expenses which are covered by other accounts. Ms. Marmion asked why the budget jumped from 2019-2020. Mr. Baldwin said town attorneys will sub-contract with attorneys who specialize in certain areas. Mr. Brown asked Mr. Baldwin for a list of subcontracted attorneys. Mr. Walsh said the legal work regarding assessment issues is in the Assessor's budget. Mr. Baldwin said to date, the Town has already spent \$60,000 on tax appeals prior to this reassessment.

3010 Finance

Mr. Schmitt said there is not a lot of change, but he said there is a reduction in regular payroll as positions are being filled with lower salaries. He said there is a position added for a part-time Grant Coordinator, but otherwise the budget is flat.

Ms. Marmion asked if the Town is going after federal funds and state funds to be sure it receives this money. She asked where the money will be appropriated. First Selectwoman Kupchick said it is very preliminary. She said the money was released, but there is little information. She said she knows it cannot be used for operational costs. First Selectwoman Kupchick said it can be used on projects that will be completed in a certain time frame. She said she is speaking with Bill Hurley and John Marsilio and putting together a list. She said she is also working with Congressman Himes and his staff. She said she is hoping to reduce the debt and bonds. She said as soon as she has more information, she will share it with the Board.

Mr. Schmitt and Ms. Bosse shared a report on the Internal Service Fund and other revenue.

Mr. Brown told members that if they would like to speak further with any department head to let him know.

VI. Adjourn

Ms. Charlton made a motion to adjourn the meeting at 11:45 pm. Mr. Testani seconded the motion which carried unanimously.

Respectfully submitted,

Pru O'Brien
Recording Secretary