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*****FINAL*****

**BOARD OF FINANCE
SPECIAL MEETING MINUTES
May 5, 2020**

The Virtual Board of Finance Special Meeting was held at 7:00 p.m. on Tuesday, May 5, 2020.

MEMBERS PRESENT VIA TELECONFERENCE: Edward Bateson, Jim Brown-Chair, Lori Charlton, Christopher DeWitt-Vice Chair, Mary LeClerc-Secretary, Sheila Marmion, John Mitola, Jack Testani, James Walsh

ALSO PRESENT VIA TELECONFERENCE: Town Attorney James Baldwin, Budget Director Linda Gardiner, Interim CFO Caitlin Bosse, First Selectwoman Brenda Kupchick, Conservation Director/Interim DPW Director Brian Carey, Engineering Manager William Hurley, Joint Retirement Investment Board (JRIB) Chair Brian Vahey, Hooker & Holcombe Consulting Actuary Stephen Chykirda, BOE Chair Christine Vitale, BOE Vice Chair Nick Aysseh, BOE Executive Director of Operations Angelus Papageorge, BOE Director of Finance & Business Services Doreen Munsell, BOE Director of Special Education & Student Services Ron Mancusi, BOE Superintendent Michael Cummings, BOE Member and BOF Liaison Jeff Petersen, BOE Colleen Deasy, FairTV

1. Call to Order – Chairman Brown called the meeting to order at 7:01 p.m.
2. Pledge of Allegiance – Mr. Brown led the Pledge of Allegiance.

Mr. Brown took a few moments to comment on the Fairfield Police Union and the Fairfield Fire Fighters Association comments in response to the BOF meeting of April 29, 2020:

Mr. Brown responded to the Fire Union's letter regarding COVID-19 overtime comments made by a BOF member at a previous meeting. During the course of the conversation regarding overtime expenses due to COVID-19 incurred by the town, as Chairman of the BOF, Mr. Brown apologized for any comments that may have caused hurt feelings, misunderstandings, or were taken offense to. Mr. Brown stressed that the BOF will continue to ask difficult questions regarding the town budget and related town finances and every board member needs to feel comfortable and confident in doing so in a respectful manner. Mr. Brown thanked the Fire Fighters and Police for their dedicated services. He said he and Mr. DeWitt contacted Fire Chief McCarthy and Police Chief Lyddy and spoke this through and agreed to move forward in a positive manner. Mr. Brown said he understands the stress this pandemic causes and that no one has an easy job and our own personal business finances and the economic reality is a brutal balance. He said he was compelled to correct comments made by the Police and Fire Unions that alleged the BOF laughed at the Unions. He said it is inaccurate as the laughter came from a non-BOF member who has since apologized to the Unions. Mr. Brown requested these inaccurate statements be corrected in the same public manner they were made. He further stated for the record the BOF was never approached with an MOU, was not notified of any such document and only learned about it when reading the Union comments.

Mr. Brown said the Town Attorney forwarded him the document this morning. He requested the Administration forward any MOU's and existing bargaining agreements to the BOF as they need to be made public.

3. ENGINEERING MANAGER (*Requires RTM Approval*)

To hear, consider and act upon the following resolution as recommended by the Board of Selectmen:

WHEREAS, on February 25, 2019 the Town of Fairfield RTM approved the \$200,0 in non-recurring capital to fund design project costs associated with Grasmere Neighborhood Pedestrian Improvements project; and

WHEREAS, on March 20, 2020 the Town of Fairfield received the State of Connecticut Department of Transportation "Commitment to fund" letter approving the LOTCIP (Local Transportation Capital Improvement Program) application in the amount of \$2,147,800 for the Grasmere Neighborhood Pedestrian Improvements Project; and

WHEREAS, the acceptance of a \$2,147,800 Local Transportation Capital Improvement Program (LOTCIP) grant to fund project costs associated with the Grasmere Neighborhood Pedestrian Improvements Project of which one hundred percent of said project costs are paid by the State prior to construction, based on portion of contract bid by said grant and appropriated \$2,147,800 for said project costs; and

NOW, THEREFORE BE IT RESOLVED, that Brenda L. Kupchick, First Selectwoman, be and hereby is, authorized to accept and sign any agreements between the Town of Fairfield and the federal government or the State of Connecticut related to and any additional Local Transportation Capital Improvement Program (LOTCIP) grant funding associated with the Grasmere Neighborhood Pedestrian Improvements Project.

Mr. Dewitt motioned to waive the reading. Mr. Mitola seconded the motion which carried unanimously, 9-0.

Mr. Mitola motioned to amend the Non-Recurring Capital amount to \$200,000 due to a typographical error. Mr. DeWitt seconded the amendment which carried unanimously.

Mr. Hurley explained the funding covers 100% of construction costs. He said the project is based on a road safety audit and consists of new and wider sidewalks and other pedestrian improvements. Mr. Hurley said the Town hosted a neighborhood meeting to keep the public apprised of this project. He said that in February, the Town approved \$200,000 for design costs. Mr. Hurley said the CT DOT requires the First Selectwoman to sign a commitment to fund the project.

The motion, as amended, carried unanimously, 9-0.

4. ENGINEERING MANAGER (*requires RTM approval*)

To hear, consider and act upon the following resolution as recommend by the Board of Selectmen:

WHEREAS, on March 17, 2020 the Town of Westport approved the acceptance of a Federal Local Bridge Program grant to fund design project costs associated with the Kings Highway West (Greens Farms Road) and Wakeman Lane (Old Road) Bridges shared with the Town of Fairfield; and

WHEREAS, per State and Town Agreement, the cost of design for the bridge replacement/rehabilitation would receive 80% reimbursement from federal aid with the remaining 20% from state funds; and

WHEREAS, the cost of rights of way activities and the cost of the construction phase (after final design plans are completed) would receive 80% reimbursement from federal aid and the remaining 20% from local funds. (Resulting in 10% from the Town of Westport and 10% from the Town of Fairfield based on state statute and prior agreements); and

NOW, THEREFORE BE IT RESOLVED, that Brenda L. Kupchick, First Selectwoman, be and hereby is, authorized to accept and sign any agreements between the Town of Fairfield and the Town of Westport, the federal government or the State of Connecticut related to and any additional Federal Local Bridge Program grant funding associated with the Kings Highway West (Greens Farms Road) and Wakeman Lane (Old Road) Bridge Projects.

Mr. Mitola motioned to waive the reading. Ms. Charlton seconded the motion which carried unanimously, 9-0.

Mr. Hurley explained the pilot program that is under the bridge program the Town shares with Westport. He reviewed phases, timing and funding covered by the State and Federal government.

The motion carried unanimously, 9-0.

5. To Hear, Consider and Act Upon a Request from the Interim Director of Public Works to Transfer: \$400,000 from Debt Service Fund (12003010-58950) to Capital Non- Recurring (CNR) Remediation (22888-49201-REMED) to cover ongoing remediation costs

Ms. Charlton motioned to approve the item. Ms. Marmion seconded the motion.

Mr. Brown noted the BOF discussed the item last week and agreed to it. He confirmed the money can only be used for fill pile remediation costs and Ms. Bosse concurred.

The motion carried unanimously, 9-0.

6. Follow-up on BOE's Proposed Budget

Mr. Cummings reported there may possibly be long-term distance learning which will clearly have an impact on the budget.

Ms. Vitale said the BOE met and members asked if they wanted to reconsider the budget. She said members did not vocalize an intent to revisit the budget at this time so they are very hesitant to say anything can be reduced. Ms. Vitale said the BOE continues to work with the bargaining units.

Ms. Munsell gave an update on projections, variances and COVID-19 savings needed to cover deferred expenses. She reviewed budget changes in line items including pupil services and tuition. Ms. Munsell said ebbs and flows in personnel changes were offset by Capital and Central Office needs to release some of that for maintenance. She recommends the BOF put \$3.359 in the non-lapsing account. She said the number is going to change and will use whatever the number is as of 6/30/20 up to the \$3.6 cap.

Mr. Bateson inquired what if it is above 2%. Ms. Munsell said it would be returned/revert back to the Town under the current legislation. She said it can only be changed by the State which is not in session. She said she heard it could be lifted by an Executive Order by the Governor and that many towns are in the same situation.

Mr. Cummings said he anticipates offering a physical summer school for special education students and would like to expand the programs with an additional \$675,000 which is not budgeted. He said the BOE is also going to have to make up learning gaps that require staffing and transportation beyond the year and another \$250,000 is needed for additional computers for Grades 3-5. He said there is another contact tracing program. Mr. Cummings said he expects some students and staff to be further identified and to go into quarantine to which they will need to have additional services provided to them. Mr. Cummings said the BOE can accommodate distance learning, but will provide homebound services for those quarantined. He said there is funding, but it is going to have to go beyond that. Ms. Charlton remarked that the BOE hasn't quantified this because it is a fluid situation. Mr. Cummings confirmed this. Ms. Munsell said it's not on the projection because there are additional needs for new situations that have arisen since the pandemic. She said numbers represent needs, but depends if they are in this budget or next. Mr. DeWitt said those details will be handled in the MOU.

Ms. Munsell clarified to Mr. Testani that deferred expenses are included. Ms. Vitale said the BOE is not ready to take any action to reduce the budget because members continue to identify additional costs. Ms. Marmion asked if there are any discussions about sharing staff and resources. Mr. Cummings said there are Superintendents in other towns in a similar position as Fairfield. He said there are private providers looking to take on, but at a cost. He said the region has not had a discussion yet about sharing.

The MOU language was considered. Mr. Mitola referred to the statute that is very clear on what the money in the non-lapsing account can be used for. Mr. Walsh said he is not comfortable letting the BOE decide how the money shall be spent. Ms. Vitale said there are too many unknowns and the BOE won't know until school opens. Mr. Mancusi informed the Board of the additional expense to extend the school day two days a week. Mr. Walsh asked Mr. Mancusi to send these costs to the BOF. Mr. Mitola said under the law the money can be used for educational purposes to help mitigate the damages. He said he doesn't want to narrow the BOE on what they can use the money for. Mr. Walsh said he would like to see some type of budget. Mr. Brown asked about health care costs. Ms. Munsell identified and commented there is a lot of uncertainty.

7. Review and Discuss Information Presented to BOF from Hooker & Holcombe from April 21, 2020 Budget Hearing

Mr. Vahey and Mr. Chykirda furnished an update and clarification on OPEB and the Pension.

Mr. Vahey expressed an apology for the incorrect mortality rate number that was furnished in the 2019 actuarial evaluation and presentation to the BOF. He said the mortality table was reviewed in the February 26, 2020 Joint Retirement Investment Board (JRIB) meeting with Hooker & Holcombe and the number arrived at was not included in the documentation the BOF has been using. Mr. Vahey said there is a \$1.8 million differential. He and Mr. Chykirda explained the actuary process.

Mr. Vahey reviewed the timeline and noted this year was unique because a new actuary table came out. He said it is the first one published for public service employees and that most are for the private sector. He said a 2014 table with modifications is being used. Mr. Vahey said Hooker & Holcombe informed the JRIB of the new actuary table. He said it reflects public employees are living longer so therefore the Town has more of a liability than it has been recording. Mr. Vahey clarified that the JRIB meeting was properly noticed, but he is soon holding a special meeting to accept these tables with the number the JRIB agreed upon in February. Mr. Vahey reported the new ADEC number is \$11.9 million for combined town employee and police and fire, but he believes the BOF received the number \$10.1 million using the existing tables. He said all members left that meeting believing that number was going to be used.

Mr. Vahey said it is his mandate in his role as Trustee to have the pension valuation report done and presented, oversee assets and to make recommendations. The BOF continued to deliberate over timing of adopting the table, funding and impact. Mr. Bateson asked what board is the authoritative board in this matter. Mr. Brown observed this has always been funded, but now it will add \$1.8 million to budget.

Mr. Baldwin said in the past something like this would come to the Town's attention to be vetted and discussed in November, but in this situation that was not done. He said it was presented in February although the timing is late in his opinion based on what's been done in the past. Mr. Baldwin said he doesn't feel it is appropriate to insert this number now into the budget process. Mr. Vahey said he will not be on the JRIB next year because his term expires, but the JRIB is moving up the process so this doesn't happen again. Mr. Vahey said at the February JRIB meeting, Ms. Bosse voted to support the new mortality table.

Ms. Marmion asked the First Selectwoman to clarify the communication timeline. First Selectwoman Kupchick said the JRIB should have better communication. Ms. Bosse said the JRIB all agreed to adopt these tables because they more accurately reflect employees living longer. She said there is a plan to move forward to phase in the new mortality tables. Ms. Bosse said the JRIB should have communicated that with Mr. Vahey since he wasn't at the JRIB meeting. Mr. Vahey said he believes it was a gross overstep.

Mr. Chykirda said the JRIB specifically talked about the different scenarios with him at the February meeting. Ms. Charlton said there are alternative points of view to consider. Mr. Vahey said he did not attend the meeting and was notified the next day from Mr. Brachfeld, a JRIB member. Mr. Vahey assured the BOF the JRIB has good representation. Mr. Chykirda gave assumptions of phasing in.

Mr. Walsh asked if the BOF could participate in the upcoming special JRIB meeting to give its opinions. Ms. Charlton said the Town is going to have to continue to deal with an extra \$2 million in the budget even after it catches up with the phasing in over three years.

Mr. Testani asked how other towns handle this. Mr. Chykirda said it was 50/50; some towns are putting it all in their budgets and others are phasing the amount in their budgets.

8. Adjourn

There being no further business to come before the Board, Mr. DeWitt motioned to adjourn the meeting at 10:42 p.m. Ms. Charlton seconded the motion which carried unanimously, 9-0.

Respectfully submitted,

Sheila Tesei
Recording Secretary