

Board of Finance Public Budget Hearing #5
Thursday, March 24, 2022
7:30 pm
Via Webex

A recording of this meeting can be found here: <https://www.youtube.com/watch?v=QpIcUvmLCxk>.

FINAL MINUTES

MEMBERS PRESENT: Lori Charlton-Chair, John Mitola-Vice Chair (9:00 pm), Sheila Marmion-Secretary, Craig Curley, Christopher DeWitt, Mary LeClerc, Kevin Starke, Jack Testani, James Walsh

OTHERS PRESENT: First Selectwoman Brenda L. Kupchick, Consulting Actuary, Milliman, Jenn Castelhana, AON Advisor Joel Chamberlain, AON Advisor Carlton Lindgren, AON Advisor Tom D'Acona, Human Resource Director James Haselkamp, Senior VP Assured Partners Robert O'Connor, Town Attorney James Baldwin, CFO Jared Schmitt, Budget Director Frank Magneri, Comptroller Caitlin Bosse, FairTV, members of the public

1. Call to Order

Chair Lori Charlton called the meeting to order at 7:30 pm.

2. Pledge of Allegiance

Chris DeWitt led the Pledge of Allegiance.

3. Discussion on the Following Budgets:

Retiree:

1310 OPEB

Chair Lori Charlton went through the backup documents regarding OPEB. Backup items are located in the backup documents online. Last year's OPEB documents were done by Hooker & Holcomb, but this year the Town has changed the actuarial provider to Milliman. Last year's documents are included in this report. Page three lists the Town's OPEB at \$4,246,850. On page 232 of the Budget book, it splits that amount between the Town, ECC and WPCA. Page 27 in the backup lists Police and Fire at \$5,596,727 which is the same in the Budget book.

There were no questions from the Board members.

1310 Pension page 228

Jenn Castelhana, Consulting Actuary, Milliman presented this item. Backup for this item starts on page 47 of the documents for the meeting and also in the Budget Book on page 230. Kevin Starke asked why the Police ADEC is going down substantially over the next few years. Ms. Castelhana said the plan is expected to become 100% funded in 5-6 years and once it is funded, the payment will just be paying the value.

James Walsh commented that the Town-side graph is going down because no one can be added and the number of people in the plan will be decreasing. He said Police and Fire estimates are on assumptions that contracts stay as they are. Ms. Castelhana agreed. A discussion followed.

Chair Lori Charlton said there was a change in methodology which made the contribution increase. She said it is represented in the last two columns on page 14 of the presentation. A discussion followed.

Public comment, 2 minutes per comment

There was no public comment.

Administrative & General:

1320 Active Employee Benefits (Health & Life) page 65 \$10,906,805

AON Advisor Carlton Lindgren presented a six-page document for this item on page 62 of posted backup. He said active population outlines active medical and dental historical claims for 15 months to project costs in FY 22-23. He said the claim base is \$11,821,627. He said there were no COVID adjustments in the prior 12 months. He said the historical headcount for the claims is 457. Mr. Lindgren said for the larger claim data, the Town purchased Stop Loss coverage which covers claims between 7/1-6/30. He said the Town is responsible for the first \$150,000. He said using fee history to Anthem, proposed costs for FY 22-23 are: Medical Administration \$320,993, Stop Loss Protection \$1,469,534, and Dental Administration \$29,418.

Mr. Lindgren said large claim activity is down as there were suppressed claims due to COVID. He said he is seeing a “bounce back” effect where elective surgeries that were put off are now being done. AON Advisor Joel Chamberlain said chronic conditions that have not been well managed have great chance of turning into large claims. He said estimated cost for claims in FY 22-23 were \$13,904,693. He said an updated analysis changed numbers in the budget. Budget Director Frank Magneri shared the updated allocations which includes Gross Healthcare minus employee contributions (all union employees and new employees included), HSA contributions and out of plan stipends. The total projection for FY 22-23 is \$14,328,795.

Jack Testani asked if other providers have been considered. Mr. Magneri thought that due to contractual issues, it would be difficult to do that and referred to HR Director James Haselkamp. Mr. Haselkamp said he would discuss it in Executive Session.

1330 Human Resources page 69 \$5,795,451

Human Resources Administration page 70

HR Director Jim Haselkamp presented his budget. He said there were changes to the department with the reorganization to make the department more modern. He said the Risk Management position was eliminated and will now go to the proposed new position of Assistant HR Director. He said some of the Admin support will also take some Risk Management responsibilities. Mr. Haselkamp said an HR Generalist was added to perform general HR functions. He said there is also a part-time position to assist in recruiting and Affirmative Action. He said here was software purchased for use in the Police Department. He said it provides management and communications management which cost \$20,000. He said there is also a line for Time & Attendance software that was approved two years ago, but hasn't been set up. He said it is still in the budget, but it is being reviewed by Finance to be sure it will work with other software.

Mr. Walsh said that though that software will save time, he asked if it can also increase time if someone were to punch out 10 minutes late and they would have to be paid for that time. A discussion began about handling late arrivals, vacation time and sick time.

Worker's Comp page 71

HR Director Jim Haselkamp introduced the Service Manager for PMA Companies Dan Roach. Mr. Roach went over numbers for claims handling service, loss control, worker's comp liability for the upcoming year for the Town and BOE and Heart and Hypertension. He said the WC is a projection and Heart and Hypertension is a projection of all claims in the coming year. Mr. Walsh said he noticed that claims had gone down and wondered if premiums were down as well. Mr. Roach explained that the Town is self-insured so there are no premiums, but COVID slowed things down. He said regular claim reviews are done to get people back to work as soon as possible. A discussion began regarding Heart & Hypertension.

Liability page 71

HR Director James Haselkamp said there was an increase in Liability and a significant increase in Cyber Insurance. Assured Partners Senior VP Robert O'Connor said his company looks into everything to be sure the Town gets the best premiums. He said CIRMA handles liability and Casualty & Property. He said premiums are up, but there is a cap at 5%. He said Cyber Liability, Flood Insurance and Excess Liability all have projected increases. He said these are guesstimates and the numbers could change. Mr. DeWitt said he didn't see liability for interscholastic sports and Mr. Schmitt said it had been shifted to the BOE.

There was a discussion about the Interscholastic Sports and the Cyber Liability policies and Cyber security and risk.

ISF/Risk Management page 72

Controller Caitlin Bosse went through the Internal Service Fund. The report was shared on screen and is on page 69 of the backup documents. There was a discussion about the fund.

1270 Legal Services page 61

Town Attorney James Baldwin presented this budget. He said the increases were related to the tax appeals and that it is an accurate representation of legal exposures. He said the fill pile costs are not part of the budget. He said the Risk Management side is covered in the Liability budget.

Mr. Testani said there has been significant increases since FY 2020. Attorney Baldwin said the fill pile has consumed a great deal of time and cost. He said contract reviews also increased as this administration is reviewing them robustly. He said Professional Services had increased as that is outside counsel and they are billed on an hourly rate. Attorney Baldwin said he is the first line of legal defense for the Town and if there are things he can't do, he will obtain outside counsel on a case-by-case basis.

Chair Lori Charlton said even taking out the tax appeals, legal services are still higher. Attorney Baldwin said the caseload has increased and if outside counsel was hired, it would be much higher. Mr. Walsh mentioned that the previous HR Director was handling Employee Labor and receiving a stipend. He said since he is no longer employed, so that would bring the costs up.

Public comment, 2 minutes per comment

There was no public comment.

Finance:

3150 Unemployment Compensation page 138

CFO Jared Schmitt said there were a lot of moving parts and it was not predictable. He said federal credits have helped pay unemployment when COVID started. He said some have expired. He said the original proposal was \$350,000, but after reviewing it, the Board of Selectmen reduced the amount by \$100,000 so now the proposed amount is \$250,000.

2010 Contingency page 79

Mr. Schmitt said the account was adjusted upward by the Board of Selectmen by \$120,000. He said this will be discussed in Executive Session.

Public comment, 2 minutes per comment

There was no public comment.

4. Executive Session – Discuss Personnel Matters and Contracts with the Town Attorney and CFO Pertaining to 2023 Contingency

Mr. Testani made a motion to go into Executive Session at 10:17 pm. Mr. DeWitt seconded the motion which carried unanimously.

Chair Lori Charlton made a motion to come out of Executive Session at 11:11 pm. Mr. DeWitt seconded the motion which carried unanimously.

No votes were taken.

5. Adjourn

John Mitola made a motion to adjourn the meeting at 11:13 pm. Craig Curley seconded the motion which carried unanimously.

Respectfully submitted,

Pru O'Brien
Recording Secretary