

Board of Finance Public Budget Hearing #5
Thursday, March 21, 2024, 7:30 pm
Via Webex 1 and In Person at the
BOE Offices, Room 295 A/B
501 Kings Highway East, Fairfield, CT 06825

A recording of this meeting can be found here: <https://www.youtube.com/watch?v=GBufY6QAjkY>.

Backup documents can be found here: [BOF Budget Hearing #5 Backup Packet](#).

DRAFT MINUTES

MEMBERS PRESENT: Chairwoman Lori Charlton, Vice Chair John Mitola, Secretary Craig Curley, Shane Pendley, Amy Ruggiero, Kevin Starke, Jack Testani, James Walsh

MEMBERS ABSENT: Mary LeClerc

OTHERS PRESENT: First Selectman Bill Gerber, Interim CFO David Becker, Budget Director Frank Magneri, FSA, EA, MAAA, Principal and Consulting Actuary, Milliman Jennifer M. Castelhana, VP Health & Benefits, AON Carlton Lindgren, HR Director Cathleen Simpson, HR Assistant Director/Risk Manager Peter Ritchey, CPCU Senior VP, Assured Partners Robert O'Connor, Client Service Manager, PMA Companies I Old Republic Insurance Group Daniel Roche, PMA Associate Ralph Meliso, Town Attorney Phil Pires, Chief Fixed Income Strategist Janney Montgomery Scott, Guy LeBas & Vice President Janney Montgomery Scott, Carolyn Frzop, FairTV, members of the public

- 1) Call to Order
Chairwoman Lori Charlton called the meeting to order at 7:30 pm.
- 2) Pledge of Allegiance
John Mitola led the Pledge of Allegiance.

- 3) Discussion on the Following Budgets:

Retiree - page 80 - \$21,224,028 - Jennifer M. Castelhana, FSA, EA, MAAA, Principal and Consulting Actuary, Milliman

1310 OPEB

- OPEB evaluations done in even years. Did not do one in 2023.
- Some savings as far as Town contributions
- Based on the Milliman numbers, there are some recommendations for budget changes.

1310 Pension

- Numbers are a result of Town, Police and Fire valuations

Jennifer Castelhana's presentation is included in both the meeting recording and the backup documents packet. Both are linked above.

General Government – Administrative

- 1320 Active Employee Benefits (Health and Life)-pages 81-83 \$10,171,638 – VP, Health & Benefits, AON, Carlton Lindgren
Information has been updated and on page 45 of the posted backup.

- Went through claims as of 1/31/24, population of bargaining unit, and how much it costs per person. Claims have decreased.
- Lasers or high costing claimants were removed last year. There is an increase across multiple lines.

1330 Human Resources-pages 84-88 - \$5,539,535

- Operations- page 85 - \$811,416 - HR Director Cathleen Simpson, HR Assistant Director/Risk Manager Peter Ritchey

Highlights of budget:

- Time Management - Time and Attendance. Two vendors, Peter Ritchey put a panel together to help access needs. There is approximately \$75,000 in the budget for this system when we do get it.
- Risk Manager position was discussed. It had been eliminated by a prior HR Director.
- Looking for new payroll system, will be sampling software

- Insurance and Claims- page 85 - Robert O'Connor, CPCU, Senior VP, Assured Partners
Numbers in budget are slightly updated.

- Change in property insurance. 2022 CERMA ordered evaluations. It wasn't instituted until 2023 renewals.
- 34% increase on Town owned properties- historic increase.
- Peter Ritchey added -70% of all claims are on BOE side. 30% are on Town side. The Town has been much more proactive.
- 11 training sessions with DPW, January – March to keep ahead of it and keep a safe working environment.

Discussion regarding the increase followed. Full discussion for this and all budget discussions can be accessed by using the link to the meeting recording.

- Workers Comp- page 86 - \$1,840,673-Daniel Roche, Client Service Manager, PMA Companies I Old Republic Insurance Group & PMA Associate Ralph Meliso

- Allocated numbers are incorrect in budget book. Corrected allocations are on page 39 of the backup documents.
- Allocation is based on the percentage of payroll and is going up slightly in the general fund.
- Three parts to a WC claim – Expense, medical and indemnity.
- Contract increases affect the costs

Discussion about excess worker's compensation.

- Heart & hypertension

- There are two cases in the Town.

3150 Unemployment Compensation-pages 130-131- \$130,120 Interim CFO David Becker & Budget Manager Frank Magneri

- Reduced last year, on track this year.
- Trending lower. Currently at \$60,000, last year was lowered to \$125,000.

- 1270 Legal-pages 75-76 - \$875,000 - Town Attorney Phil Pires
- Two primary changes from FY24 – Charter Revision, \$100,000 and Litigation \$200,000
 - Overall legal budget stable
 - UI expense includes legal & expert fees as well as lobbyists.
 - Charter Revision budget is the same as last Charter Revision.

John Mitola made a motion to go onto Executive Session at 11:15 pm to discuss pending litigation to confirm budget amounts. Amy Ruggiero seconded the motion which carried unanimously

James Walsh made a motion to come out of Executive Session at 11:37 pm. Ms. Ruggiero seconded the motion which carried unanimously.

Discussion about pending litigation was for information only and no votes were taken.

- 2010 Contingency
Moved to Tuesday, 3/26/24 meeting.

Finance-pages 98-106

- 3010 Finance – Revenue- page 101-102 - \$17,941,967 – Budget Director Frank Magneri, Chief Fixed Income Strategist Janney Montgomery Scott, Guy LeBas & Vice President Janney Montgomery Scott, Carolyn Frzop

- Analysis of investment income is on page 28 of the backup documents
- Outline of budget FY24 with multiple scenarios: base, faster rate cuts, slower rate cuts. Frank Magneri reviewed investment account income.
- Interest on Short Term Investment Fund (STIF)

Guy LeBas gave some background

- \$129 million invested for Town of Fairfield, divided into two pools
- Portfolio should earn over \$5 million

Mr. LeBas continued his review and opened the discussion to the BOF members. Interim CFO David Becker discussed bonds and bonding projects. First Selectman Gerber updated plans for the finances of the Town as well as bonds and investments.

- Town has over \$120 million in cash at M&T bank- unsecured and the risk was not acceptable.
- \$50 million moved from M&T to Schwab invested into Short Term Treasury Fund
- \$35 million moved from STIF to M&T but will go to Fidelity or Schwab tomorrow.
- Will move more of M&T money out after cash flow projections.

Discussion about the accounts continued.

- Parking Authority does not have a lease with the Town and will need to be negotiated. Frank Magneri lowered the revenue due to parking is not up to pre-COVID numbers.

- 3010 Finance – Expense- Interim CFO David Becker, Budget Manager Frank Magneri
- Expenses- all head count. Increases due to contracts and PT job addition.
 - CFO salary increased due to salaries in surrounding Towns.

- 10030 Debt Service
Moved to Tuesday, 3/26/24 meeting.

2020 Fund Balance
Moved to Tuesday, 3/26/24 meeting

- 4) Adjourn
Ms. Ruggiero made a motion to adjourn. Kevin Starke seconded the motion which carried unanimously.

The meeting adjourned at 12:37 am.

Respectfully submitted,

Pru O'Brien
Recording Secretary