

**TOWN OF HAMDEN, CONNECTICUT
LEGISLATIVE COUNCIL
FY 2022-2023 BUDGET DELIBERATIONS
April 7, 2022**

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Legislative Council budget deliberations were held on Thursday, April 7, 2022, electronically, via Zoom, due to the Covid-19 Pandemic. The meeting was called out of recess at 6:03 P.M. by Council President Dominique Baez.

MEMBERS PRESENT:

Dominique Baez	Cory O'Brien
Justin Farmer	Katie Kiely (after roll call)
Sarah Gallagher	Adrian Webber (after roll call)
Abdul Osmanu	Laurie Sweet
Ted Stevens	Lesley DeNardis
Kristen Zaehring	Marjorie Bonadies
Jeron Alston	Paula Irvin (after roll call)

MEMBERS ABSENT: Betty Wetmore

PRESIDING: Dominique Baez, President

ALSO IN ATTENDANCE: Sean Grace, Chief of Staff; Curtis Eatman, Finance Director; Rick Galarza, Deputy Finance Director; Henry Nearing, Segal Consulting; Barry Bernabe, Financial Planner; David Panico, Bond Counsel

Ms. Baez said she wanted to remind folks of tonight's goal which is to go through the departments that we listed on Tuesday that had very minimal non-contractual items that they didn't think there was going to be too much debate about where they can say yes to that tab and keep it moving.

Pension:

Mr. Nearing started by giving the following presentation:

<https://www.hamden.com/DocumentCenter/View/5683/Hamden-2021-Val-Council>

Ms. Bonadies asked how many retirees does COLA account for. Mr. Nearing saying a vast majority of about 75% are still getting the 3% and that the 1.75 just went into effect in 2018. He also said the plan would be fully funded in 2044 (tied in with the obligation bond.)

Mr. Stevens said he sees that the expected employee contributions went down by a little bit from 20 to 21 which makes sense considering there are fewer people in the plan each year but he wonders why the employer costs went up between the two years. Mr. Nearing said the cost of benefits generally keep getting more expensive if people remain in service so to the extent that they did not retire and continue to work that's going to make that number increase.

There was some discussion on it getting to that point of 41.3 million. Ms. Bonadies said she'd like to see a graph on that. Mr. Nearing said he could provide it to Curtis who can share it with the Council as a projection. He would point out though that those numbers, the 30 to the 41 million are the outflows out of the plan, the benefit payments out of the plan, so not necessarily the contributions for the town. Ms. Bonadies stated going from the 30-35 million to the 41 million are jumps in taxes that are really going to be felt.

Ms. Gallagher said she wanted to clarify if the COLA was contractual or done by ordinance. Mr. Nearing said his understanding is that eventually everything ends up at the ordinance level. The ordinance for the town is actually what describes the cola calculations and kind of the maximum cola languages in there and then it was bargained for by the different groups to cap their cola at the 1.75.

There was some discussion about the 7% expected rate of return.

Ms. Baez requested a motion to accept the Mayor's pension as presented. Moved by Mr. Farmer, seconded by Mr. O'Brien.

There was some discussion on the Town's contribution being larger than the BOE. Mr. Galarza explained this.

Mr. Stevens asked if there was any catchup with CMERS. Mr. Galarza said it's pay as you go.

Mr. Stevens said it's too bad we're paying all this money for pension but he sees no room to cut and thinks it should be approved as it is.

Mr. Farmer asked if they were comfortable paying all our contractual obligations in this budget. Mr. Galarza said they're comfortable.

A vote was taken on the pension as proposed and approved unanimously.

Debt Service:

Mr. Eatman started by saying that this plan allows us to rebuild our fund balance but, more importantly, allows us to gradually ramp off our debt, so this payments to where it's supposed to be without a huge devastating jump. He said he hopes they support this plan.

Mr. Bernabe said having worked with our Finance Department as the Town's Municipal Advisor he recommends that the Town make the budgeted debt service payment of the \$26 million. He then gave a little background. He said as many know in the past the Town has completed a number of different debt restructurings. In 2018 the town conducted a large debt restructuring that reduced debt service by roughly \$12 million that year and that \$12 million was taken out of the debt service line item and was used to mitigate other increases in the budget and what happened due to that large restructuring is the debt service line item was decreased dramatically and is now working its way back up to its normal rate of approximately \$30 million. He said the Town was downgraded when that restructuring happen in the primary reason was the rating agency said well how is the Town going to get the debt back up to where it's supposed to be and that was the genesis of the beginning of this debt plan was to put a plan in place to allow the Town to ramp up debt service by roughly \$2 million a year when debt service was lowered by that \$12 million to get back up to the 30 million, so this debt budget for \$26 million for next year is part of that process to get back up to the \$30 million.

Mr. Bernabe said he'll stop there but again, it's his recommendation to pay the debt service as it's budgeted in the mayor's budget.

Ms. Baez moved a motion to accept Debt Service as presented by the Mayor, seconded by Mr. O'Brien.

After more discussion Mr. O'Brien stated he thinks a projection should be done either monthly or quarterly of where we think we'll land in the budget for each line.

A vote was taken and it passed with 1 abstention (Gallagher)

(Mental Health being moved to another date)

Probate Court:

Ms. Baez requested a motion to accept the Mayor's budget as presented. Moved by Mr. Farmer, seconded by Ms. Kiely. DISCUSSION: Ms. Baez asked for rewording on the mission statement.

Ms. Gallagher asked for 5 year actuals for all the departments. She then **moved a motion** to reduce this budget to \$6,800, seconded by Mr. Farmer. DISCUSSION: Ms. Gallagher said she would like to keep budgets stable without backup to increase them.

Ms. Kiely said perhaps the increase was cost of living. She asked where the money would come from and they cut it and it's needed. Without knowing what the cost increase is she's not in favor of cutting this. A vote was taken and the amendment failed with only 4 in favor (O'Brien) (Baez) (Gallagher) (DeNardis) and 1 abstention (Webber)

A vote was then taken to accept the Mayor's budget and it was approved unanimously.

Ms. Kiely requested the percentage of increases for departments.

Board of Ethics:

Ms. Baez requested a motion to accept the Mayor's budget as presented. Moved by Mr. Stevens, seconded by Mr. Farmer. DISCUSSION: Ms. DeNardis said there was no spending this fiscal year and she would like to know what the previous few years look like. Ms. Baez said it's there if they need it and if not it gets put back. Ms. DeNardis asked about advisory opinions. Ms. Gruen said it's for investigations and possible outside counsel.

Mr. Farmer moved a motion to add \$500 to this line, seconded by Mr. Osmanu. DISCUSSION: Mr. Alston said we haven't spent money here in 2 years and if the \$5,000 here didn't cover what they need it would fall back on them anywhere to take from E&C or whatever so he doesn't see a reason to change this. Mr. O'Brien said he agrees with Mr. Alston.

A vote was taken and the amendment failed with only 4 in favor (Farmer) (Osmanu) (Sweet) (Bonadies) and 1 abstention (Kiely)

A vote was taken on the Mayor's budget and it passed unanimously.

Board of Assessments:

Ms. Baez requested a motion to accept the Mayor's budget as presented. Moved by Mr. Farmer, seconded by Mr. Osmanu and approved unanimously.

Ms. Baez announced the deliberations for departments are put on hold for the administration to give presentations.

There being no further business Ms. Baez recessed the meeting at 8:57 P.M.

Respectfully submitted,

Kim Renta
Clerk of the Council