



**STAFF REPORT**  
*Public Hearing 1/18/22*

AGENDA ITEM #: 22-04  
COUNCIL MTG OF: January 18, 2022  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Mark A. Fleischer, Chief Financial Officer  
SUBJECT: Transfer Funds to the CBA Implementation Trust

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**INTRODUCTION:** To accept unanticipated revenues from Health Trust and approve a transfer to the CBA Implementation Trust

#### TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to accept unanticipated revenues from Health Trust and transfer the Town's portion to the CBA Implementation Trust to help fund future CBA costs.

#### BACKGROUND

Health Trust provides health, dental, short-term and long-term disability and life insurance coverages to the Town for its employees.

#### DISCUSSION

In October 2021, based on their FY2021 audited financial statements, the Board of Directors of Health Trust declared due to the impact of COVID-19, there was an accumulated premium surplus based on health, dental and short-term disability insurance premiums paid by the Town. Due to this declaration, a total of \$404,286.22 was returned to the Town and posted to revenue account **14405000-035063**.

The Council may recall that funds will be deposited into the CBA Trust from a number of sources during the five-year term of the current collective bargaining agreements, particularly during the early years as the Town rebuilds its fiscal capacity impacted by the Pandemic. For example, the fiscal plan anticipates the use of approximately \$1.27M from ARPA (out of the \$3.6M available) to help fund the labor contracts.

#### FISCAL IMPACT

Of the \$404,286.22 surplus received from Health Trust, \$240,896.34 represents the Town share of the surplus. The balance will be refunded to current and former employees and retirees.

It is recommended that the Town share of \$240,896.34 be transferred to the CBA Implementation Trust for future use via expense account **14433015-960001-CBA**.

#### RECOMMENDED ACTION & MOTION BY COUNCIL

Please see Resolution #2022-002