

DRAFT
State of Connecticut
Municipal Accountability Review Board (MARB)
Regular Meeting
470 Capitol Avenue, Room C
Hartford, CT 06106

Meeting Minutes – Thursday, April 5, 2018

*This meeting was taped by CT-N and can be viewed in full from their website
The following link is to the MARB website. All meeting handouts can be located on this website:*

<http://www.ct.gov/opm/cwp/view.asp?a=2998&q=599332>

Members in attendance:

Co-chairs: OPM Secretary Benjamin Barnes and State Treasurer Denise Nappier – Members: Commissioner Scott Jackson, Patrick Egan, Thomas Hamilton, Mark Waxenberg, Peter Gioia, Thomas Barnes, Mary Glassman

Members not in attendance: Sal Luciano

Staff: Robert Dakers, Laura Mirante, Alison Fisher, Chris McClure, Michael Sullivan

I. Call to Order and Opening Remarks by Secretary Ben Barnes and State Treasurer Denise Nappier

Meeting was called to order by Secretary Ben Barnes 10:05 am. Members Peter Gioia and Thomas Barnes sworn in by Treasurer Nappier.

II. Public Comment*:

Larry Deutsch, member of the Hartford City Council, delivered remarks to the MARB.

III. ACTION ITEM: Approval of Minutes: February 8th, 2018 and March 1, 2018

Motion made by Peter Gioia and seconded by Thomas Barnes to approve the minutes. Commissioner Jackson requested the minutes be taken as separate items with individual votes since he was not in attendance at one of the meetings. February 8, 2018 minutes vote to approve by Members present, motion carried, and minutes approved. March 1, 2018 minutes vote to approve by Members present, with 3 abstentions (Scott Jackson, Mary Glassman, and Tom Hamilton), motion carried, and minutes approved.

IV. Introduction of Newly Appointed Member(s) by Secretary Barnes and Opening Remarks by New Member(s), Update on Board membership by Secretary Barnes, and Swearing-in of Newly Appointed Member(s) by Treasurer Nappier:

Action on this item prior to Public Comment period.

V. City of Hartford issues and items

- a. **Review and Discussion Monthly Financial Report (deferred until after discussion on “V.c. Review and Discussion re Contract Assistance Agreement”)**

Consistent with MARB requirements, the City of Hartford’s monthly financial report were submitted for review by the MARB. Discussion and run-through by the City.

Melissa McCaw, Director of Management, Budget & Grants for the City of Hartford responded to questions from the Board. The Hartford Ad-Hoc Committee will review the Monthly Financial Report in more detail at its next meeting.

b. Review and Potential Action re Non-Labor Contracts (deferred until after discussion on “V.c. Review and Discussion re Contract Assistance Agreement”)

Handout submitted to the MARB by the lease terms for Constitution Plaza, which were presented by Ms. McCaw, who also responded to member questions. Space savings included moving Internal Audit to City Hall and a Data Center to Jennings Road and other changes.

c. Review and Discussion re Contract Assistance Agreement

Secretary Barnes discussed the Contract Assistance Agreement that was entered into last week by the City of Hartford, OPM and Office of the State Treasurer. It provides that the State take responsibility for repayment of outstanding general obligation debt for the City of Hartford, totaling approximately \$540 million in general obligation debt, with the State retaining the authority to refinance the debt if it chooses. MARB has authority over the City budget for the immediate future, but, should the MARB oversight end, under the agreement the State, through OPM and the Treasurer, would continue to have oversight of the City budget while the bonds are outstanding. Additionally, the City is greatly limited in its ability to issue new general obligation debt without the consent of the State while the contract is in place.

Peter Gioia discussed the timeframe of the Contract Assistance and the confusion by some legislators believing this would be short-term assistance.

Treasurer Nappier noted that an email was sent to all members of the MARB, explaining that the Contract Assistance Agreement was consistent with State law, as approved by the legislature. She also noted that the bond market has reacted quickly and positively to the restructuring plan.

d. Review and Discussion and Possible Action re Proposed 5-year Recovery Plan; Report from Ad-Hoc MARB Committee

Secretary Barnes stated that the first meeting of the Hartford Ad-Hoc MARB Committee was held on March 29th, 2018. A full 5 year recovery plan was submitted to the full MARB Committee for consideration. The Ad-Hoc Committee will reconvene to discuss its recommendation relative to the 5 year plan, and provide comments to the full MARB for consideration. Secretary Barnes did not request any action on the plan at this time. Mayor Bronin addressed the City’s 5-year Recovery Plan.

Secretary Barnes noted that all Ad-Hoc committee meetings, for both Hartford and West Haven, are publicly noticed on the MARB website.

The Mayor’s City of Hartford Budget is due April 16th. The City Council will act on the budget on May 21st. As required by the Contract Assistance Agreement, the MARB has to approve the City’s budget. The next Ad-Hoc meeting must be held needs to be held prior to May 21st. Thomas Barnes recommended the City put together a taskforce to look for process waste, and engage City employees in this activity.

e. Review, Discussion and Possible Action re Tentative labor Agreement Between the City of Hartford Board of Education and the Hartford Federation of School Special Police Officers, Local 1018D, AFT, AFL-CIO

Agreement and summary information provided. Tentative agreement before the MARB is based on the Board agreeing, then the Union will pursue full ratification.

Presentation on the tentative agreement between BOE and AFT Local 1018D by Dr. Leslie Torres-Rodriguez, Superintendent of Schools, and Natasha Banks, Executive Director of Human Resources for the Hartford Public Schools, and the MARB. Secretary Barnes asked if the union wished to make any comments.

Peter Gioia recommended that the benefits listed in this agreement be compared to those in other, similar agreements.

Thomas Hamilton requested that OPM follow-up on whether or not the City, or the Board of Education, must approve a change to an education union contract relative to pensions.

Motion by Peter Gioia to reject the tentative agreement and seconded by Thomas Hamilton. Discussion and comments by MARB members. Secretary Barnes noted that the board's options include taking no action, approving the agreement or rejecting the agreement, the result of which being further negotiations by the parties. Discussion on rejecting, accepting or taking no action on this item. Patrick Egan requested Motion be withdrawn and table this discussion. Vote on Motion to reject, 5 in favor (Secretary Barnes, Thomas Hamilton, Scott Jackson, Peter Gioia, and Thomas Barnes), 4 in opposition (Patrick Egan, Mary Glassman, Treasurer Nappier, and Mark Waxenberg), Motion carried, and the agreement is rejected

VI City of West Haven Issues and Items:

a. Review and Discussion Monthly Financial Report:

Mayor Nancy Rossi provided a brief overview of the FY17 – FY18 budget, including revenues and expenditures.

On March 15, 2018, the Mayor's FY19 budget was submitted to the City Council. The City Council has until May 3rd to act. Mayor Rossi indicated that the City is not yet submitting a 5 year restructuring plan, as it is still considering the suggestions delivered by the Ad Hoc committee on April 2, 2018.

Secretary Barnes noted that the Ad Hoc meeting illustrated that there no clear solutions to fix the structural issues that the City faces. The Ad Hoc committee suggested the following: an FY19 budget needs be in agreement with a 5 year plan; there are structural issues with the way services are provided in the City; need to retain consulting services to address employee and retiree health benefits; and consider an adjustment to the mill rate.

b. Review and Potential Action re Non-Labor Contracts:

No Non-Labor Contracts. Mayor Rossi informed the MARB that the City is actively looking at insurance and will be doing a side-by-side comparison for any potential future insurance contract.

c. Status of Fiscal Year 2016-17 Audit

Not completed yet. A draft will be forwarded to the MARB if the Auditor is comfortable with it being shared to a public forum.

d. Review, Discussion and Potential Action re Mayor's Draft FY2018-19 Budget; Report from Ad-Hoc MARB Committee

The ad-hoc West Haven MARB committee met recently to review the Mayor's proposed budget and other matters and will soon be scheduling another meeting.

e. Review and Discussion re Proposed Five-Year Recovery Plan

Not yet submitted. Mayor Rossi noted that they expect to submit a plan within the week.

f. Review, Discussion and Possible Action re Tentative Labor Agreement Between the City of West Haven, West Haven Fire Department, West Shore Fire Department and West Haven 911 Dispatchers, International Association of Fire Fighters & UPPFA of CT, Local 5127

Presentation made by Kevin McNabola, former Director of Finance for the City. Mary Glassman began a discussion regarding the City's mill rate history and taxes. Mayor Rossi explained that the City Council has not yet acted on the Tentative Agreement (TA), but it is an agenda item for their April 9th meeting.

Motion to reject Tentative Agreement made by Mary Glassman and seconded by Peter Gioia. Discussion by MARB members, including in indication from Secretary Barnes that he prefers that these item be considered by the MARB after the City Council acts; however, in this case, that is not possible due to the timing. After further discussion, motion to reject was withdrawn by Mary Glassman.

Secretary Barnes again noted the actions available to the board in this regard.

Motion to table the item was made by Mark Waxenberg and seconded by Patrick Egan. Vote – 5 against (Secretary Barnes, Peter Gioia, Scott Jackson, Thomas Barnes, and Thomas Hamilton), 4 in favor (Treasurer Nappier, Patrick Egan, Mary Glassman, and Mark Waxenberg). Motion did not pass.

Motion to reject Tentative Agreement made by Peter Gioia and seconded by Thomas Barnes. Vote – 5 in favor (Secretary Barnes, Peter Gioia, Scott Jackson, Thomas Barnes, and Thomas Hamilton) , 4 against (Treasurer Nappier, Patrick Egan, Mary Glassman, and Mark Waxenberg), and motion passed.

VII. Additional Prevention and Accountability Provisions in PA 17-2 re Cases of Municipal Fiscal Distress

No action

VIII. Information Posted to MARB Website; Additional Information requests from members

IX. Future Meetings; next Meeting Thursday, May 3, 2018

X. Adjourn

Motion to adjourn made and seconded. Meeting was adjourned at 1:16 PM