

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING AGENDA AND DRAFT MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, January 17, 2019 10:00 AM – 12:00 PM

Meeting Location: Hartford City Hall, 550 Main Street, Green Room, Rm. 100, Hartford, CT

MARB Members Present: Mark Waxenberg, Larry Wilson, Robert White

MARB Staff Present: Julian Freund

City Staff Present: Mayor Luke Bronin, Jolita Lazauskas, Charisse Snipes, Cherese Chery, Leigh Ann Ralls

Guests: Vanessa Rossitto (Blum Shapiro), Leslie Zoll (Blum Shapiro), David Flint (Blum Shapiro)

- I. Call to Order & Opening Remarks: The meeting was called to order at 10:00 AM
- II. Approval of Minutes: November 14, 2018
Mr. White made a motion, with a second by Mr. Waxenberg, to approve the minutes of the Nov. 14 subcommittee meeting. The motion passed 2-0-1 with Mr. Wilson abstaining.
- III. FY2018 Audit Briefing
Ms. Rossitto and Ms. Zoll presented an overview of the process and results of the City's 2018 audit. After a review of the scope and process for preparing the audit, the City's financial results for FY 2018 were discussed. The City's General Fund balance increased by \$374,000 to \$31.3 million as of 6/30/18 and the net position of each of the enterprise funds increased. The net position of most of the City's internal service funds decreased in FY 2018. An exception is the Worker's Compensation internal service fund which increased its net position but is still carrying a negative balance. Mr. White asked about the OPEB liability and how the City might address it. Mayor Bronin indicated that the City's initial efforts to reduce the OPEB liability have come through collective bargaining. The City may not be in a position to reduce the liability through increased contributions in the near term. Mr. Waxenberg asked if the City has a mechanism for reserving year-end balances in health insurance accounts to help absorb the impact of years when claims are unusually high. Mayor Bronin explained that setting reserves aside for future health insurance claims would be among the needs considered, but that other needs, such as funding the City's capital plan, may take priority when making end-of-year decisions. The auditors noted one deficiency identified with the Hartford Parking Authority's ticketing system. Ms. Ralls said the issue results from inconsistencies between operating procedures and Parking Authority policies which were in need of being updated. The City has been told by the Parking Authority that the issue will be resolved by the end of the first quarter. The auditors then reviewed several recommendations in their management letter and some of the new BASB reporting requirements which will be reflected in future year audits.
- IV. Updates on the Motions from October 4, 2018 subcommittee meeting
 - a. Special Education – Members discussed a memo presenting information regarding Special Education costs, including Special Education tuition costs, at Hartford Public Schools. Much of the information was compared to the other large school districts in the state. The data suggests that while HPS is similar to the other large districts in many respects related to Special Education, the frequency with which students with disabilities are placed out of district is much higher.

Members suggested that special education practitioners need to take a deeper look at, among other things, how special education students are identified, why there is a higher rate of outplacement and what resources and practices are in place elsewhere.

- b. Achievement First – Members discussed a memo that outlines the current Achievement First-Hartford MOU with the Hartford Public Schools and summarizes the financial impact on HPS. The Superintendent will provide an update on her discussions regarding the legal aspects of the MOU at the February meeting.
 - c. Health insurance analysis – Segal Consulting is preparing an analysis of health insurance options for HPS and will submit a report for the February meeting.
- V. Distribution: Monthly Financial Report
Ms. Lazauskas provided an overview of the City’s budget status as of Nov. 30, 2018. Both revenues and expenditures are trending favorably with an end-of-year surplus projected.
- VI. Other Related Business
There was no other business.
- VII. Adjourn: A motion was made, seconded, and adopted to adjourn at 11:40 AM.