

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, March 23, 2022, 10:00 AM – 12:00 PM

Meeting Location: This was a virtual meeting. Meeting materials may be accessed at the following website:
<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 829 448 619

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Andrea Comer (State Treasurer designee), Mark Waxenberg, Robert White, Stephen Falcigno

City Officials in Attendance: Leigh Ann Ralls, Phillip Penn, Julian Freund, Maureen Colman, John Philip, Leslie Torres-Rodriguez

OPM Staff in Attendance: Simon Jiang, Bill Plummer, Michael Reis, Lori Granato, Lori McLoughlin

I. Call to Order & Opening Remarks

The meeting was called to order at 10:04 AM.

II. Approval of Minutes:

a. January 26, 2023 Regular Meeting

Mr. Falcigno made a motion to approve the minutes with a second by Mr. White. The motion passed unanimously.

III. Review, Discussion and Possible Action: Hartford Contract Assistant and Bond Refunding

Sarah Sanders, Deputy State Treasurer and Ernest Lorimer, Soeder & Associates provided an updated summary of savings anticipated from the bond refunding along with a draft MARB resolution. The Hartford subcommittee of Operation Management, Budget and Government Accountability approved the resolution that will be presented to the Hartford City Council on Monday, March 23, 2023 and then to the Full MARB on April 13, 2023.

Mr. White commented on the draft resolution's provision stating the MARB shall only approve issuance of refunding bonds if it improves the financial condition of the City. Ernest Lorimer, State's Bond Counsel indicated that once the bonds are refunded the general obligation bonds will be retired and redeemed with proceeds from the new revenue bonds. The approximately \$138 million

of bonds that are potential refunding candidates are general obligations of the city. After refunding the debt service savings is to the State, this will reduce the obligation.

Mr. White made a motion, with a second by Ms. Comer, to recommend the full MARB to approve the City of Hartford's Resolution Authorizing the issuance and sale of not to exceed 138 million dollars, for the refunding of the bonds. The motion passed unanimously.

IV. Review, Discussion and Possible Action:

a. Tentative Agreement Between Hartford BOE and Child Development Associates, Local 1018F

Mr. Penn, Chief Financial Officer of BOE, presented a tentative agreement for a contract with a term of July 1, 2018–June 30, 2026. The agreement provides general wage increases (GWIs) of 2%, retroactive to August 25, 2022, and every year thereafter, plus step movements until June 30, 2026. There has been four years with no increase and no step. Mr. Penn reported that Child Development Associates are 10-month employees and are Pre-K co-head teachers in neighborhood schools, not magnet schools. They are 61 non-certified positions of which 57 are currently filled. This contract was ratified unanimously by the union members after the tentative agreement was in place. A legacy portion of the unit has a PPO which will now be moving to a high deductible plan effective July 1, 2023, with a front load or 75% for the first year of the group that will be transitioning to the new plan.

Mr. Penn provided an exhibit of the overall impact of costs and savings with the shift in tuition reimbursements and conversion to a high deductible insurance plan to show the breakdown of overall costs.

Mr. Waxenberg made a motion, with a second by Mr. White, to recommend that the full MARB approves the City of Hartford's Tentative Agreement between BOE and Child Development Associates, Local 1018F. The motion passed unanimously.

V. Update: Grand List

Mr. Freund requested that Agenda Item VI be moved to Item V, to precede the Review and Discussion of the Board of Education Budget Update and FY 2024 Budget (Item V on the Agenda), due to the City Assessor's time constraints.

Mr. White made a motion, with a second by Ms. Comer, to move the Grand List Agenda item VI to Agenda item V. The motion passed unanimously.

John Phillip, City Assessor, updated the subcommittee on the October 2022 Net Taxable Grand List. He stated there are no significant changes over last year. Ms. Kennison requested a complete report showing market value, ratios and specific categories of real property to be provided to MARB.

VI. Review and Discussion: Revised Board of Education Budget Update and FY 2024 Budget

Mr. Penn presented the Hartford Board of Education FY 2024 budget which needs to be updated after the public hearing. He discussed avenues to mitigate a \$24 million budget gap. Revenue increases included a newly available grant of approximately \$3 million, increases in special education billing of \$500,000 and the use of USSER Funds of \$9.2 million. On the expense side, elimination of twelve vacant positions in the central office, and savings from staff turnovers leaving a remaining gap of \$1.9 million. This has been designated as a budget task line item to continue to work through

2023-3024. Mr. Penn indicated that the final budget book is in process and will be distributed when complete.

VII. Update: Budget Mitigation Measures

Mr. Freund gave a brief update on the mitigation efforts highlighting the areas of tax collection efforts, MTS collections, and private duty jobs collections. Grant activity continues to be robust with a \$2 million increase. Two significant grants were \$9 million for Riverfront Park and \$2 million bond funding for the Bushnell Park Greenwalk. The Energy Efficiency Staff Coordinator has been vacant for some time. Workers' compensation is projected to come in 5% under budget. PMA Care 24 is now live within all City departments, except the Fire Department which will be last to join the program.

Ms. Kennison questioned Mr. Freund with regards to the collections company contract expiring and whether it would be valuable to renew the contract. Mr. Freund stated that he will be meeting with Revenue Manager to look at receivables and find strategies that were most beneficial.

VIII. Update: Milliman Contract

Mrs. Kennison noted that OPM will be hosting a kickoff meeting tomorrow, March 24, 2023 with Milliman and Mr. Penn from the Board of Education to review the contract and look at the differences in health insurance plans and costs.

IX. Other Related Business

There was no other related business to discuss.

X. Adjourn

Mr. Waxenberg made a motion to adjourn with a second by Ms. Comer. All in favor. The meeting adjourned at 11:12 AM.