EAST HARTFORD TOWN COUNCIL

COMMUNITY CULTURAL CENTER AUDITORIUM

February 20, 2024

PRESENT Chair Richard F. Kehoe, Vice Chair Don Bell, Majority Leader Sebrina

Wilson, Minority Leader John Morrison, Councilors Angie Parkinson (via Teams), Travis Simpson, Thomas Rup, Awet Tsegai and Harry Amadasun,

Jr.

ABSENT

ALSO Mayor Connor S. Martin

PRESENT Melissa McCaw, Chief Administrative Officer and Finance Director

Eileen Buckheit, Director of Development (via Teams)

Laurence Burnsed, Director of Health and Human Services (via Teams)

Paul O'Sullivan, Grants Administrator (via Teams) Ekaterine Tchelidze, Chief of Staff (via Teams)

John Murphy, Town Treasurer and Chair of Pension and Retiree Benefits

Board

Henry Nearing, Vice President & Consulting Actuary for Segal Company John O'Connor, President, Freedom Investment Management, Inc. Ben Lavine, Chief Investment Strategist, Freedom Investment

Management, Inc. (via Teams)

Christopher Kachmar, Chief Investment Officer, Fiducient Investment

Advisors

CALL TO ORDER

Chair Kehoe called the meeting to order at 7:35 pm. The Chair stated that this meeting was also available to the public through the "Teams" platform.

The Chair announced the exit locations in accordance with Connecticut General Statutes §29-381, after which the Council joined him in the Pledge of Allegiance.

AMENDMENTS TO THE AGENDA

MOTION By Sebrina Wilson

seconded by Don Bell

to **remove** item **6B1**: ARPA Small Business Assistance Program Update;

from the agenda.

Motion carried 9/0

RECOGNITIONS AND AWARDS

OPPORTUNITY FOR RESIDENTS TO ADDRESS THE COUNCIL ON AGENDA ITEMS

Mayor Martin

- wished all a good evening
- East Hartford's annual budget workshops for the fiscal year 2024-2025 will begin on February 26th. Access details are listed on the public meeting calendar on the Town Council webpage.
- The third annual East Hartford's Memorial Day Parade will take place Monday, May 27, 2024 at 10 AM, proceeding from 9 Riverside Drive to the Fallen Star Memorial located at Goodwin University. Information for sponsorship, volunteers, vendors and participation in the parade is available on the Town website.

APPROVAL OF MINUTES

February 6, 2024 Executive Session

MOTION By Sebrina Wilson

seconded by Don Bell

to **approve** the minutes of the February 6, 2024 Executive Session

Motion carried 9/0

February 6, 2024 Regular Meeting

MOTION By Sebrina Wilson

seconded by Don Bell

to **approve** the minutes of the February 6, 2024 Regular Meeting

Motion carried 9/0

COMMUNICATIONS AND PETITIONS

Overview of Town's Long Term Obligations

Annual Pension and OPEB Fund Review

The Chair indicated there will be a number of presentations to the Council regarding the Town's Long Term Obligations which combine to make up for a significant portion of the Town's annual budget. These obligations include the town's commitment to its employees for pensions, health benefits for both active employees and retirees, the town's bonded debt, the town's short term debt for lease purchases such as police cruisers, furniture, IT equipment and workers' compensation benefits.

<u>John Murphy</u>, Town Treasurer and Chair of the Town's Pension and Retiree Benefit Board, thanked those involved for their efforts to support of the Town's retirees.

Segal Company- Pension Contributions for FY 2023-24

<u>Henry Nearing</u>, Vice President & Consulting Actuary for Segal Company first clarified for the Council that the data provided in this presentation is for the purpose of a recommendation for the Town's pension contribution for fiscal year 2024-25 (which begins

July 1, 2024). Data gathered for the valuation is based on financial results through July 1, 2023.

Mr. Nearing reported that the Actuarially Determined Contribution (ADC) for FY2024-2025, after employee contributions, a 7.20% assumed investment rate of return and a 3.25% increase in paying for the current difference between what we have saved and what we need to pay long term pension benefits, is \$24,335,000. If the town wishes to continue to reduce the expected rate of return (which advisors strongly recommend), the ADC would be higher.

Overall Plan Population will continue to gradually decrease as recent Town and Board of Education hires are not eligible for pension benefits. As of June 30, 2023 there are \$11.7M in unrecognized difference between what we expected to earn on our investments and what we actually earned. Future investment gains will likely offset these shortfalls.

Freedom Investment Management: Discussion of the Town's Portfolio- Equity Side

<u>John O'Connor</u>, President of Freedom Investment Management, Inc., and <u>Ben Lavine</u>, Chief Investment Strategist of Freedom Investment Management, Inc., presented the investment returns on the equity portion of the Town's pension and OPEB portfolio for the period from July 1, 2022 through June 30, 2023. 3D/L manages three accounts for the town: Pension Equity, Other Post-Employment Benefits (OPEB) and a cash management account. Asset allocations are balanced between sensitive, cyclical and defensive sectors. The current market's returns currently enjoy benefits of lower market valuations from 10 years ago, notwithstanding 2022 downturn. In 2023, the S&P 500 was up +26.3% vs. a -18.1% return in 2022.

Fiducient Advisors: Discussion of the Town's Portfolio-Fixed Income Side

<u>Christopher Kachmar</u>, Chief Investment Officer of Fiducient Advisors addressed the Council on the annual investment returns of the fixed income portion of the Town's pension and OPEB trust funds. Inflation in 2023 and market yields rose across much of fixed income which improves forward long-term return assumptions.

Finance Director

<u>Melissa McCaw</u>, Finance Director provided expense and projection analysis on the Town's Long Term Obligations.

Expense and Projection Analysis - OPEB trust fund

Per town ordinance section 10-52(d), the Town's budget contribution is required to be sufficient to maintain at least a 5 yr. avg. of actual claims paid plus an increase of 0.1% of the unfunded accrued liability. Effective as of February 2024, any portion of the unassigned fund balance in excess of 11% is a mandatory contribution to OPEB fund. The Town's net OPEB liability as of 7/1/21 was \$139 million. The director recommends an increase of approximately \$44,000 to the town's contribution as part of the FY2025 budget to meet the ordinance requirements and maintain a healthy balance in the fund.

Expense and Projection Analysis - Medical Claims / Health Insurance Trust Fund

The director recommends a flat budget contribution of \$5,500,000 for the town to the health fund for FY2025. Medical claims have remained fairly flat for the past several years and the fund balance is several million dollars more than the minimum requirement as set out in town ordinances. A flat funding amount along with a good fund balance should ensure the town is protected from any unexpected increase in medical claims.

Expense and Projection Analysis - Long Term Debt

The director stated that as of 7/1/23, the Town of East Hartford had \$44.4 million in debt outstanding, all of which will be fully retired in 2032. The increase in debt service from FY2023 to FY2024 is estimated at \$1.6 million. The FY2024 appropriation for debt service is \$9.72 million. With the 2023 Bond Issuance of \$25M in December of 2023, as of 7/1/24 the Town will have \$66.5 million in debt outstanding that will be fully retired in 2034. This \$25 million bond will go to replenish the town's fund balance which previous mayors had used to pay for capital improvements authorized by bond approvals but had not issued any bonds. Essentially this bond issue is simply to catch up on previously paid expenses.

Looking forward in 2024, existing and projected Capital Improvement expenditures including the town hall renovation, road repaving and Silver Lane development, the director is recommending that an additional bond issuance of \$20 million to accommodate these cash-flow requirements. Leveraging Grand List growth and transferring fees from the National Development project to the debt service capital reserve will reduce impact on mill rate. The council will further discuss how to address increasing debt service.

Expense and Projection Analysis - Lease Purchase

The Director reviewed a schedule of leases payable for the fiscal year ending in June 2025. Because there is a significant amount of lease payments completed this current fiscal year, the director projects that there will be enough money available to pay for capital needs next year while maintaining a slight increase in the annual contribution for such expenses.

Expense and Projection Analysis – Workers Compensation Fund

The Director recommends a budget contribution of \$2,182,000 for FY2025, an increase of \$41,000 from the previous year. Ordinance requires contributing 50% of the 5-year average of claim expenses and 20% of unfunded liability which equals \$1.67M. The proposed budget will be sufficient to maintain a fund of \$2.15M which exceeds the town ordinance minimum.

Presentations by Development Department

ARPA Small Business Assistance Program Update

This item was removed from the Agenda

Report on State Training of Land Use Commission Members

The Chair stated that State Law requires that all Land Use Commissioners take mandatory training. The Development Department has provided the Council with a report

that shows that the Planning and Zoning Commission and Zoning Board of Appeals are both compliant with Commissioner training requirements.

<u>Section 10-3(c) of Town Ordinances: Disposition of Obsolete Town-Owned Equipment-Surplus 2006 Ford Taurus by Fire Department</u>

Per Ordinance, the Administration is required to provide the Council with notice when the Administration is disposing of property. The Fire Department intends to dispose of an obsolete 2006 Ford Taurus that will be auctioned off by the Public Works Department.

OLD BUSINESS

NEW BUSINESS

Addition of Naubuc Avenue Area Sidewalk Project to Town's 5-Year Capital Improvement Plan (CIP)

MOTION By Angie Parkinson

seconded by Awet Tsegai

to adopt the following resolution:

WHEREAS; the Town wishes to use Local Capital Improvement Program (LoCIP) funds to undertake installation/improvements of sidewalks on Naubuc Avenue and;

WHEREAS; terms of LoCIP funding require that all grant-funded projects be listed on the Town's Five-Year Capital Improvement Plan;

NOW THEREFORE LET IT BE RESOLVED; that the East Hartford Town Council does hereby approve the following project be added to the Five-Year Capital Improvement Plan:

Naubuc Avenue Area Sidewalks

\$257,000

On call of the vote, the motion carried 9/0

<u>State of Connecticut Office of Policy and Management / Local Capital Improvement</u> Program (LoCIP) Grant Allocations

MOTION By Angie Parkinson

seconded by Don Bell

to adopt the following resolution:

LET IT BE RESOLVED: That Connor S. Martin, Mayor of the Town of East Hartford, is authorized to make application to, and execute and approve on behalf of this corporation, any and all documents as may be required by the State of Connecticut Office of Policy and Management to secure Local Capital Improvement Program funds (LoCIP) in the amount of \$752,000 for the following projects:

Naubuc Sidewalks	\$257,000
Martin Park Paving	\$300,000
 Fencing Replacement at Town Parks & Fields 	\$ 25,000
 Parks Aluminum Bleachers 	\$ 30,000
McAuliffe Park Irrigation	\$140,000

TOTAL: \$752,000

On call of the vote, the motion carried 9/0

Agreement between the Town of East Hartford and the East Hartford Supervisors' Union, Local 818, AFSCME, Council 4

Approval of Contingency Transfer

MOTION By Don Bell

seconded by Tom Rup

to approve a contingency fund transfer to cover the costs related to the settlement of the East Hartford Supervisors' Union, Local 818, AFSCME, Council 4 contract as presented and attached to a memo from Melissa McCaw, Chief Administrative Officer to Council Chair Ricard F. Kehoe dated February 20, 2024.

Transfers are as follows:

FROM

Account Number	Name	Amo	unt
G9600-60201	Reserve - Contract Negotiations	\$	132,589

ТО			
Account Number	Name	Amou	unt
G2400-60110	Permanent Services	\$	4,360
G2600-60110	Permanent Services	\$	2,287
G2950-60110	Permanent Services	\$	5,685
G3200-60110	Permanent Services	\$	6,824
G3300-60110	Permanent Services	\$	5,464
G3700-60110	Permanent Services	\$	5,529
G5203-60110	Permanent Services	\$	3,410
G5400-60110	Permanent Services	\$	9,485
G7200-60110	Permanent Services	\$	5,777
G7300-60110	Permanent Services	\$	26,831
G7400-60110	Permanent Services	\$	5,263
G7700-60110	Permanent Services	\$	5,270
G7800-60110	Permanent Services	\$	9,004
G8100-60110	Permanent Services	\$	4,698
G8200-60110	Permanent Services	\$	16,385
G9100-60110	Permanent Services	\$	4,482
G9200-60110	Permanent Services	\$	396

G9300-60110	Permanent Services	\$	4,697
G9400-60110	Permanent Services	\$	2,547
G9430-60110	Permanent Services	<u>\$</u>	4,1 <u>95</u>
		\$	132,589

The funds being transferred are certified as available and unobligated.

Motion carried 9/0

Reallocation of ARPA Funds

MOTION By Don Bell

seconded by John Morrison

to **adopt** the following resolution:

WHEREAS; the Town has been awarded \$24,561,068 in American Rescue Plan Act (ARPA) funds from the U.S. Treasury; and

WHEREAS; in order to most effectively use these funds, the authorization of new projects is periodically necessary;

NOW THEREFORE LET IT BE RESOLVED; that Connor S. Martin, Mayor of the Town of East Hartford, is authorized to make the following transfers among ARPA Accounts:

- 1. Transfer \$11,200 from "Small Business Support and Resources Qualified Census Tracts" to "ARPA Unallocated Balance"
- 2. Transfer \$11,200 from "ARPA Unallocated Balance" to "818 Premium Pay"

On call of the vote, the motion carried

Request for Bid Waiver re: Town Hall Enhancements

MOTION By Awet Tsegai

seconded by Don Bell

WHEREAS, during October of 2022, this Council authorized the Town Hall Mechanical Engineering, Plumbing, and Renovations project (the "Project") to modernize the East Hartford Town Hall;

WHEREAS, the Project is nearing substantial completion;

WHEREAS, on February 6, 2024, this Council authorized the transfers of ARPA funds for certain additional listed Town Hall Improvements ("Improvements"); and

WHEREAS, in order to complete the Improvements in a manner that saves on costs as well as in order to avoid any disruption to Town Hall employees and Town citizens the Town desires to seek the following bid waivers for the Town Hall Improvements.

THEREFORE, BE IT RESOLVED, that the East Hartford Town Council does hereby find the following bid waivers to be in the best interest of the Town and does approve the following items:

- 1. pursuant to Section 10-7(c) of the Town of East Hartford Code of Ordinances, the Town Council waive the bidding procedures required by Section 10-7(a) and further authorize the Town to enter into the following agreements:
 - a. A contract with L. E. WHITFORD CO., INC. for Town Hall rekeying lock systems in an amount not to exceed \$12,225;
 - b. A contract with PROFESSIONAL PAINTING, INC. for the painting of Town Hall hallway doors, frames, & trim in an amount not to exceed \$12,278;
 - A contract with ADAMS AHERN SIGN SOLUTIONS, INC. for Town Hall directional signage improvements in an amount not to exceed \$49,200; and
 - d. A contract with DUPONT STORAGE SYSTEMS, INC. for Town Hall Shelving in an amount not to exceed \$16,000.
- That Mayor, Connor S. Martin, is hereby authorized to make, execute and deliver all agreements, amendments, additional and supplemental documents, and to do and perform such acts and to take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution.

On call of the vote, the motion carried 9/0

Connecticut Department of Economic and Community Development (DECD) Brownfields
Assessment Grant re: 164 School Street (United Steel, Inc.) and 1016 Main Street

MOTION

By Angie Parkinson seconded by Travis Simpson

to adopt the following resolution:

WHEREAS, pursuant to C.G.S Section 32-763, the Connecticut Department of Economic and Community Development is authorized to extend financial assistance for economic development projects; and

WHEREAS, it is desirable and in the public interest that the Town of East Hartford make an application to the State for \$150,000 in order to undertake the Brownfields assessment of several Town properties and to execute an Assistance Agreement.

NOW THEREFORE LET IT BE RESOLVED BY THE EAST HARTFORD TOWN COUNCIL:

- That it is cognizant of the conditions and prerequisites (including the match obligations) for the state financial assistance imposed by C.G.S Section 32-763;
- 2. That the filing of an application for State financial assistance by the Town of East Hartford in an amount not to exceed \$150,000 is hereby approved and

that Mayor Connor S. Martin is directed to execute and file such application with the Connecticut Department of Economic and Community Development, to provide such additional information, to execute such other documents as may be required, to execute an Assistance Agreement with the State of Connecticut for State financial assistance if such an agreement is offered, to execute any amendments, decisions, and revisions thereto, and to act as the authorized representative of the Town of East Hartford.

On call of the vote, the motion carried 9/0

Transfer of ARPA Funds re: Affordable Connectivity Program (ACP) Support

MOTION By Harry Amadasun

seconded by Don Bell

to adopt the following resolution:

WHEREAS; the Town has been awarded \$24,561,068 in American Rescue Plan Act (ARPA) funds from the U.S. Treasury; and

WHEREAS; in order to most effectively use these funds, the transfer of funds between existing accounts is periodically necessary;

NOW THEREFORE LET IT BE RESOLVED; that Connor S. Martin, Mayor of the Town of East Hartford, is authorized to make the following transfers among ARPA Accounts:

- Transfer \$23,000.00 from "COVID Other Public Health Services" to "ARPA Unallocated Balance"
- 2. Transfer \$23,000.00 from "ARPA Unallocated Balance" to "Digital Inclusion Project Manager"

On call of the vote, the motion carried 9/0

Amusement Permit Application re: Lung Force Walk 2024

MOTION

By Harry Amadasun seconded by Tom Rup

that pursuant to Section 5-3(e) of the East Hartford Code of Ordinances, **approve** the outdoor amusement permit entitled "Lung Force Walk 2024" on Saturday, Jun 1, 2024 from 9:00AM to 11:00AM at Great River Park, including an Opening Ceremony at the Amphitheater with music and vendors, with set-up at 6:00AM and registration beginning at 9:00 AM as submitted by Chief of Police Mack Hawkins on February 8th 2024, subject to compliance with adopted codes and regulations of the State of Connecticut, the Town of East Hartford, and any other stipulations required by the Town of East Hartford or its agencies.

Motion carried 9/0

<u>OPPORTUNITY FOR COUNCILLORS TO DIRECT QUESTIONS TO THE</u> ADMINISTRATION

COUNCIL ACTION ON EXECUTIVE SESSION MATTERS

The pending Superior Court action known as JULIO R. CENTENO v. TOWN OF EAST HARTFORD, Docket No. HHD-CV-21-6140728-S.

MOTION By Don Bell

seconded by Tom Rup

to accept the recommendation of Corporation Counsel to fully and finally settle the pending Superior Court action known as <u>JULIO R. CENTENO v. TOWN OF EAST HARTFORD</u>, Docket No. HHD-CV-21-6140728-S, for a total sum of \$25,000,00.

Motion carried 9/0

The pending tax assessment appeal known as RIVERVIEW PLAZA, LLC v. TOWN OF EAST HARTFORD, Docket Number HHB-CV22-6072893-S -S, involving real property located at 20 Hartland Street, East Hartford for the Grand List year 2021 through Grand List Year 2025.

MOTION By Don Bell seconded by

to accept the recommendation of Corporation Counsel to settle the pending tax assessment appeal known as <u>RIVERVIEW PLAZA</u>, <u>LLC v. TOWN OF EAST HARTFORD</u>, Docket Number HHB-CV22-6072893-S, involving real property located at 20 Hartland Street, East Hartford to adjust the Appraised Parcel Value of \$5,700,100.00 to \$4,000,000.00 for the Grand List year 2021 through Grand List Year 2025 and authorize a refund or reduction of \$48,792.87 for Grand List year 2021, and a refund or reduction of \$50,625.58 for Grand List year 2022.

Motion carried

The pending notice to quit against and claim for relocation costs by JE Mart, LLC regarding the real property located at 818 Silver Lane, East Hartford, CT.

MOTION By Don Bell

seconded by Travis Simpson

to adopt the following resolution:

WHEREAS, On March 1, 2023, the Town of East Hartford became record owner of the real property located at 794 – 810 Silver Lane, East Hartford and 818 – 850 Silver Lane, East Hartford (hereinafter collectively "Silver Lane Plaza");

WHEREAS, portions of the Silver Lane Plaza, at the time of acquisition, were occupied by various business entities;

WHEREAS, this Council desires to accept the recommendation of Corporation Counsel to fully and finally settle the pending notice to quit against and claim for relocation costs by JE Mart, LLC involving the real property located at 818, Silver Lane, East Hartford, CT.

THEREFORE, BE IT RESOLVED, that the East Hartford Town Council does hereby approve the following items:

- Notwithstanding the requirements of Town Ordinance 10-19, this Council
 acting as a committee of the whole for the Fees Committee authorizes the
 Town to enter into an agreement with JE Mart, LLC for relocation benefits,
 settlement and release of claims, and occupancy regarding a portion of the
 Silver Lane Plaza; provided such agreement shall be in a form reviewed and
 approved by the Office of Corporation Counsel;
- 2. That Je Mart, LLC has vacated the real property located at 818 Silver Lane, East Hartford, CT and this Council waives any claim for rents due;
- 3. The Town, in consideration of the release by JE Mart, LLC of all past, present and future claims regarding the real property located at 818 Silver Lane, East Hartford, CT and in full and final settlement for such claim, will pay JE Mart, LLC the sum of forty-one thousand three-hundred thirty-eight dollars and seventy-five cents (\$41,338.75); and
- 4. That Mayor, Connor S. Martin, is hereby authorized to make, execute and deliver all settlement agreements, additional and supplemental documents, and to do and perform such acts and to take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution.

On call of the vote, the motion carried 9/0

OPPORTUNITY FOR RESIDENTS TO SPEAK

No one came forward.

ADJOURNMENT

MOTION By John Morrison

seconded by Don Bell

to adjourn (10:40 pm)

Motion carried

The Chair wished all a good evening and announced that the next meeting of the Town Council will be held on Tuesday March 5th. The Town Council review of the mayor's recommended budget for fiscal year 2024-2025 will begin on Monday, February 26, 2024.

Attest	
	Jason Marshall
	TOWN COUNCIL CLERK