

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



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

John O'Connor, President of Freedom Investment Management, Inc., and Ben Lavine, 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

Christopher Kachmar, 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

Melissa McCaw, 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.

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

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*

State of Connecticut Office of Policy and Management / Local Capital Improvement 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:

• McAuliffe Park Irrigation	\$140,000
• Parks Aluminum Bleachers	\$ 30,000
• Fencing Replacement at Town Parks & Fields	\$ 25,000
• Martin Park Paving	\$300,000
• Naubuc Sidewalks	\$257,000
<b>TOTAL:</b>	<b>\$752,000</b>

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	Amount
G9600-60201	Reserve - Contract Negotiations	\$ 132,589

TO

Account Number	Name	Amount
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



**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;
  - c. 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.
2. 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:**

1. 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

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

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

Motion carried 9/0

COUNCIL ACTION ON EXECUTIVE SESSION MATTERS

Motion carried 9/0

Motion carried

**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:

1. 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