

COMMUNITY CULTURAL CENTER ROOM 111

ORDINANCE COMMITTEE

March 27, 2023

PRESENT Rich Kehoe, Chair; Councillors Sebrina Wilson and John Morrison

ALSO Melissa McCaw, Finance Director
PRESENT Connor Martin, Chief of Staff
Jessica Carrero, Project Manager

CALL TO ORDER

Chair Kehoe called the meeting to order at 6:02 pm

APPROVAL OF MINUTES

November 30, 2022

MOTION By Sebrina Wilson
seconded by John Morrison
to **approve** the November 30, 2022 meeting minutes.

Motion carried 3/0

OPPORTUNITY FOR RESIDENTS TO SPEAK

No resident came forward to speak.

NEW BUSINESS

Reserve Fund Requirements

The Chair explained that the Town Council previously enacted ordinances establishing the mandatory amounts for reserve funds covering general liability, workers' compensation, health benefits and retiree health benefits (OPEB). In addition, there are future unfunded liabilities in the workers' compensation fund for long term expenses related to heart and hypertension benefits and retiree health benefits. The ordinances establish a process for slowly increasing reserves to cover those long term expenses.

The OPEB account has the largest unfunded liability and the ordinance provides that any amount in the town's fund balance in excess of 10% of the budget for that year shall be transferred to the OPEB trust fund. Over the years, millions of dollars have been transferred. Recently, the bond rating agencies have recommended towns have a 15% of budget fund balance. The Finance Director provided an overview of the reserves in other towns which demonstrate that large urban areas have fund balances less than 10% but similar sized towns to East Hartford have a higher balance. Bond rating agencies look more favorably on those towns which in turn can reduce the costs of borrowing.

The committee reviewed the March 26 draft of the Fund Balance and Reserve Fund Ordinance which provides an increase of .25% each year for the next 5 years, gradually increasing the maximum fund balance to 11.25%. The Finance Director recommended that the progression

start with the current fiscal year which will be trued up in November, 2023. The committee agreed to that change

MOTION By Sebrina Wilson
 seconded by John Morrison

to send the March 27, 2023 draft of the Fund Balance and Reserve Fund Ordinance, which incorporates the start date of the fiscal year 2023-2024 to the Town Council for the purposes of establishing a public hearing date.

Motion carried 3/0

Fair Rent Commission

The Chair provided an overview of the state mandate in Public Act 22=30 that all towns with a population in excess of 25,000 establish a Fair Rent Commission for purposes of providing tenants with a process for contesting landlord rent increases or poor living conditions. The chair pointed out that in a competitive market, tenants would have the option to find other more affordable or better quality rental units. However, the current market limits those options. That said, the town does not have personnel with the time nor the expertise to implement this mandate -- which comes with no state funding for the costs of implementation. In addition to training staff, the town would have the expense of training volunteer commission members.

Connor Martin, Chief of Staff, and Jessica Carrero, Project Manager had attended a workshop and provided an overview of the town's options for implementing the mandate. The committee agreed to draft a proposed ordinance that provides the following:

1. The Department of Health and Human Services would provide intake of tenant complaints.
2. If the complaint is about living conditions, the designated staff member would work with Inspections and permits to inspect the premises and order appropriate corrections. If those corrections are made, the complaint is deemed resolved. If the corrections are not made, the Department will initiate a review of the complaint relative to rent being charged.
3. If the complaint is about rent increase, the ordinance would deem any increase of 3% or less to be fair, which is consistent with many rent control systems. Any rent above that amount would trigger an investigation.
4. If the complaint proceeds to the investigation stage, the Department shall gather evidence, have the power to compel disclosure of information and present such information to the Commission for its review. The department shall take affirmative steps during this process to mediate the complaint and come to a resolution.
5. The commission shall meet to review the presentation made by the Department. It shall have the power to compel testimony and conduct hearings. The Commission will render a decision and the landlord or tenant may appeal an adverse decision to the superior court as set out in state statute.

MOTION By Sebrina Wilson
 seconded by John Morrison
 to **adjourn** (7:19 p.m.)

Motion carried 3/0

cc: Mayor Walsh