

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING NOTICE AND AGENDA
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, December 19, 2019 10:00 AM – 11:30 AM

Meeting Location: 55 Farmington Avenue, 1st Floor, Room 1011, Hartford, CT

Agenda

- I. Call to Order & Opening Remarks
- II. Approval of Minutes:
 - a. October 17, 2019 regular meeting
 - b. October 30, 2019 special meeting
- III. Update: City Revenue and Expenditure Initiatives
- IV. Discussion re: Board of Education forecast report
- V. Other Related Business
- VI. Adjourn

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STATE OF CONNECTICUT

MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)
HARTFORD SUBCOMMITTEE

REGULAR MEETING MINUTES

Meeting Date and Time: Thursday, October 17, 2019 10:00 AM – 11:30 AM

Meeting Location: Board of Regents Conference Room, 61 Woodland Street, Hartford, CT

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Mark Waxenberg, Robert White

OPM Staff Present: Julian Freund, William Plummer

City of Hartford Officials and Staff Present: Superintendent Leslie Torres-Rodriguez, Lori Mizerak, Jolita Lazauskas, Leigh Ann Ralls

I. Call to Order & Opening Remarks

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

II. Approval of minutes

- April 29, 2019 special meeting: A motion was made and seconded to approve the minutes of the April 29 meeting. The motion was approved.
- August 15, 2019 regular meeting: A motion was made and seconded to approve the minutes of the August 15 meeting. The motion was approved.

III. Review and Discussion re: Follow up items from prior meetings, including Achievement First and charter school expenses

Superintendent Torres-Rodriguez reviewed several informational items provided to the committee in response to questions from prior meetings. Members discussed the considerable cost differences in tuition expenses at various schools, and particularly tuition costs for special needs students. Ms. Torres-Rodriguez noted that approximately 20% of Hartford students receive special education services and the district is assessing the long-term sustainability of service provision. Members also discussed the contract with Achievement First and some of the legal aspects of that agreement. Legal counsel is evaluating the district's options in light of the fact that the school's test scores are not included in the district's performance metrics.

IV. Discussion: Special Education Services

Members continued their discussion regarding special education services, cost drivers and how individualized education programs are developed. The district is planning to undertake a study to evaluate different service delivery options, both in district and out of district, for special education services.

V. Other Related Business

The Superintendent noted that a tentative agreement with Local 566 was recently approved by the Board of Education

VI. Adjourn

The meeting adjourned at 11:30 A.M.

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MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)
HARTFORD SUBCOMMITTEE

SPECIAL MEETING MINUTES

Meeting Date and Time: Thursday, October 30, 2019 11:00 AM – 12:00 PM

Meeting Location: Office of Policy & Management Conference Room 4A, 450 Capitol Ave., Hartford, CT

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), Mark Waxenberg (phone)

OPM Staff Present: Julian Freund, William Plummer

Hartford Public Schools Staff Present: Natasha Banks, Melinda Kaufmann (Pullman Comley)

I. Call to Order & Opening Remarks

The meeting was called to order by Ms. Kennison at 10:05 AM.

II. Review, Discussion and Possible Action re: Labor Contract
a. Local 566 (Board of Education)

Melinda Kaufmann, labor attorney for the school district, provided an overview of the proposed contract with the union which represents approximately 378 custodians, maintenance staff and cafeteria workers. Members discussed the contract provisions and the history of the bargaining unit. Mr. Waxenberg noted that the proposed contract includes salary increases that are higher than the MARB has approved in the past. However, the current salary range for the bargaining unit members is relatively low compared to units in neighboring and comparable districts. Members also discussed the need to ensure that employees are provided sufficient education regarding the shift to a high deductible health plan. A motion was made by Mr. Waxenberg to recommend to the MARB that the proposed contract be approved. Ms. Shaw seconded the motion. All voted in favor.

III. Adjourn

The meeting adjourned at 11:40 A.M.

CITY OF HARTFORD REVENUE AND EXPENDITURE INITIATIVES

REVENUE ENHANCEMENT

Development Initiatives; Mayor Bronin Verbal Update:

- Pearl Street buildings
- Downtown North
- Bushnell Square
- Park and Main
- MIRA Facility Redevelopment
- MIRA/South Meadows RFP
- Westbrook Village
- Bowles Park
- Homestead Avenue Site
- Opportunity Zone Investment

Other General Property Tax Initiatives; Mayor Bronin Verbal Update.

- Tenant Recruitment – market vibrant city / raise property values;

Other Tax Collection Efforts

- Tax Deed Sales for Residential and Commercial
 - The City held its first tax deed sale in several years in April 2019. The sale resulted in the redemption of 5 properties in the amount of \$159,000, the sale of 8 properties in the amount of \$304,000, and the City took ownership of 23 properties. The City is planning another sale for FY2020 with a focus on delinquent vacant properties and top delinquent properties within the City followed by a sale on delinquent rental property within the City.
- Motor Vehicles – License Plate Scanning & Compliance Initiative
 - The City contracted with a consultant to address non-registered or improperly registered vehicles within the City. This compliance initiative has resulted in additional assessments in FY2019 of \$103,912 and \$1,020,956 in FY2020. The consultant spent a majority of time in FY2019 investigating, and those investigations resulted in bills being sent in October and December of 2019. The City, to date, has increased assessments by \$19m and has billed \$1.1m to non-compliant tax payers.
- Personal Property Audits – Use of accountants during low-season to assist with prep of the personal property audits. Audits can only be done by a certified auditor/assessor. The City aims to the volume of audits conducted annually.
 - The Assessor's office sent 48 audit notices last year auditing 2015, 2016 and 2017 Grand List personal property assessments. Nineteen taxpayers complied and sent us their financial records. Twenty-four non-compliant businesses were physically inspected. To date, the Assessor's office completed the audits and sent preliminary notification to all of the businesses. Six audits have been finalized and corrected in the tax software. In total,

\$1.5m was added to the 2015, 2016 and 2017 Grand Lists resulting in \$111,000 in tax revenues. The City identified 26 businesses for audit so far for FY2020. We anticipate this number to increase as we will not kick off FY2020 until the last quarter of FY2020.

- Personal Property Collection efforts – Use Alias Tax Warrants
 - The City identified the use of Alias Tax Warrants as a collection tool for Personal Property taxes. However, the first focus was to review all delinquent accounts to ensure that the taxes due were collectible. The Tax Collector’s collection agency researched the top delinquent taxpayers, which was shared with the Assessor’s office. Simultaneously, the Assessor reviewed accounts that had not declared their holdings to the assessor’s office for multiple years. This is a time consuming and on-going process but needed to be done before the City enacted stronger collection procedures. The Assessor’s office reviewed 2,730 businesses totaling 8,018 accounts spanning multiple years. Of the 2,730 businesses, the City believes only 950 are still active. The Assessor removed 617 businesses that no longer exist from the list and we continue to research the balance.
 - The Tax Collector, through the above-mentioned project, identified \$5.8m as uncollectible and proceeded to suspend these accounts in FY2018 and FY2019. The ongoing review of outstanding personal property taxes will continue to be a collaborative effort among the Tax Collection and Tax Assessment divisions.
- Residential – Apartment to Condo Conversion Legislation – assisting with mitigating the revenue loss
 - The 2018 legislative change regarding apartment to condominium conversions where condominiums are taxed as the residential ratio explains the high number of conversions the City experienced. Seventy conversions were filed the before July 1, 2018 deadline, per the legislation. In 2019, the City had only four properties file condominium declarations.
- Personal Property – Assessors inventory City for construction vehicles not on grand list (For example, a visible crane)
 - Due to additions in headcount in the Assessor’s office over the recent years, the City began canvassing major arteries this past year, a project that the Assessor’s office has not been able to accomplish for at least 15 years. As part of canvassing, the Assessor’s office inspected the major construction sites and catalogued all observed equipment. The Finance department also coordinated with the field inspector from its Contract Compliance division to report in any new construction sites to the Assessor’s office. It is too early to quantify the results of that effort because the construction companies’ declarations are still in review for the 2019 Grand List, which is to be finalized at the end of January.
- Personal Property – Feet on the Street Initiative – identify business in existence not on our grand list
 - See Personal Property above

Licenses and Permits

- Development Services new proposed fees
 - Please see attached: The Public Notice dated 8/6/18 outlining all of the changes in fees. The excel worksheet shows the old permit fees compared to the new and what the % increase is.
- Fee Task Force in FY2019 for remainder of fees
 - The task force completed changes in permit/planning and zoning fees as part of the

aforementioned 8/6/2018 change.

- Review of Permitting Process – Require copy of contract, signed by owner. Affidavit signed by owner and contractor.
 - Completed. Please see attached.
- Construction work completed without permits – Increase fines as a means to recoup funds and costs after the fact. Increase penalty fee where construction occurs without a permit.
 - Completed. Please see attached referencing State Building Code sections and corresponding forms. The State’s position is that municipalities are NOT to impose an additional fee for work without permits, since we have a Penalty for violating the code set forth in State Statute. See section 29-254a.
- City’s Contract compliance to confirm that permits have been pulled.
 - Completed. Please see attached.

Revenue from Money and Property

- Review of City Leases and Revenue Schedule in context with dates of expiration.
 - The City has twenty-four (24) leases - three (3) billed once a year and twenty-one(21) monthly. Three (3) lease agreements on the month to month basis and two (2) in a renewal process. All others up to date.

Charges for Services

- Review of Fees not set by statute
 - Public Works has nothing to report. The department hopes to have a discussion with the new Council on Solid Waste fees. Engineering does not have any actions pending regarding permit fees at this time.
 - HHS: Fees and Charges for Services set by City Statute
- Higher Recreation fees for non-residents / general recreation fee Increases
 - All Recreation fees are set by Ordinance. Please see attached.
 - Families, Children, Youth & Recreation has discussed the potential for membership fees for non-residents and “pay what you want” pricing for advanced recreation programming, however, no pricing model has yet been conceptualized.

Other Revenues

- Private Duty Jobs – review of fees and review to allocate the full cost of the PJs (fringes, cost of car, etc.)
 - The fees have been reviewed and there are no changes as of now. The collections have been improved in FY2019 from FY2018. The addition of an online payment option is projected to increase the collection rate for FY2020. While there was an increase in fringe rate (by 1.24 in FY2019), these costs were offset by the improved collection rate (by 3.83% in FY2019).
- Increase fee and regulations of utility cuts in paved surfaces- No updates

- Additional User Fees - Review of services provided by departments at a micro-level to determine if there are services we are not charging for- In the review process.

EXPENDITURE SAVINGS INITIATIVES

School/City/Library Service Partnership and Sharing

- Print Shop
- Human Resources / Payroll
- Purchasing / Procurement
 - There were internal discussions on joint services between the City and Hartford Public Schools and it was determined that the City would need assistance to see if this avenue is worth pursuing. There was a presentation from Blum Shapiro Consulting on joint services. After the presentation, the City posted an RFI to determine what other companies consult on assisting with this type of consolidation. The City only received one response from the RFI so Procurement is currently drafting a stronger more detailed scope of service and will go to RFP shortly.
- Risk Management
- Facility Management
- Site and Snow Maintenance

Regional Cooperation and Service Sharing

- Health Services (Regional Health District)
 - HHS: The City has not formally explored creating a regional health district, and it would only be an option if it allowed the City to continue providing services in a concentrated way. Hartford's distinct profile of health needs compared to neighboring municipalities requires a unique scale of services and level of expertise.
- Other Public Services
 - Emergency Services & Telecommunication: EST is in the process of upgrading the City's radio infrastructure to hopefully allow for inter-operability between the City, neighboring municipalities, and the State. This is in its early stages, and no cost estimate is currently available.

Future Union Negotiations: Mayor Bronin Verbal Update.

Benefits

- **Dependent Eligibility Audit: Mayor Bronin verbal update.**
- Workers Compensation Reduction Strategies:
 - The City's new Risk Manager has seen over the last 2.5 weeks that there is an opportunity for WC reduction with safety training and signage. To reduce slip and fall claims, the City needs to hold our contractors accountable during weather events as well as provide support to DPW in the prioritization of sidewalk repairs. Both of these would help reduce both WC and Liability claims.
 - Having a PMA workers comp representative on site at 253 High St on Tuesdays and Thursdays has been a success. The Fire Department feedback has been positive and claims are being processed more efficiently. It could be beneficial for the City to expand this offering - allowing the PMA representative to visit other FD locations and perhaps loop in PD, DPW, and/or any other department with a high claim count or severity.
 - The City is in contact with one of our carriers, Safety National, in regards to their online resources including:
 - Safety Essentials Online
 - Workers' Comp Kit
 - Safety Training Source
 - Safety Emergency Responder Vehicle Education
 - Expand light duty program: Please response below
 - Expand light-duty opportunities to assist with return to work
 - The City is working with HD Segur to identify and utilize the risk management resources and services that they offer at no additional cost to the city. Specifically, Risk Management has asked for additional information on these offerings:
 - Return-To-Work Programs
 - Fleet and Driver Safety Programs
 - Worksite Hazard Assessment Services
 - Continued Training
 - In regards to training, Risk Management has begun to enlist the assistance of our existing resources at our broker, HD Segur and our carrier, Safety National. Safety National is offering the City a \$12,500 budget to use towards in person training. All of this should be used for WC reduction strategies.
 - Risk Management has asked for additional information on these Trainings:
 - Preventing Sprains and Strains/Back Injury with Safe Lifting Techniques
 - Preventing Slips, Trips and Falls
 - OSHA/Regulatory Compliance (Ex. Asbestos Awareness, Personal Protective Equipment, etc.)
 - Worker Safety (Ex. Ladder safety, forklift, etc.)

Other Non-Personnel

- Rightsizing the City Fleet
 - The City's Interim COO has reviewed the vehicle assignments to all City Departments. Public Works, PD and Interim COO are working on a vehicle replacement plan for PD vehicles. Public

- Works has proposed a plan for their fleet as well.
- Strengthening Golf Course Enterprise Operations
 - Golf operations have continued to stabilize, with our more accurate budget projections implemented last spring resulting in both Goodwin and Keney either hitting or exceeding projections for rounds played and revenue. While FY19 ended in the red, it initially appears that the City is running an approximately \$100k profit for FY20 to date, which the City believes is a function of “right-sizing” projected revenues with expenses. The City plans to hold a meeting on Monday, December 16th with DPW, CT PGA, and Finance department staff to review financial status and begin the process of developing the outline for the FY21 budget so it is approved and in place before June 30, 2020.
 - Expanded Use of Technology
 - Rolled out Mobile technology with 4G connectivity through the use of updated technology and mobile devices, and housing and building inspectors are better prepared to work in the field and at the office.
 - Currently transitioning the city’s Internet from a 300MB internet connection to a 1GB fiber connection to provide employees with quicker access to city systems, which will allow them to provide to better service to citizens.
 - Leveraged the Tyler MUNIS Planned Annual Continuing Education (PACE) program to utilize ongoing education to train city staff on new features and functions as they become available, ensuring out Tyler financial system continues to meet the evolving needs of the city/schools.
 - Consolidated the City’s camera system to a single platform, which cut back on the complexities of a multivendor environment, offering the city less expensive, easier to manage and more robust camera infrastructure.
 - Lean Process Evaluation / Additional Service Efficiencies- No updates
 - Reduction in Leased Spaces (Constitution Plaza Year 5)
 - The City leases space in 250 and 260 Constitution Plaza that houses the Treasurer’s Office, Development Services, Probate Court, and most MHIS office space. In the amended lease that became effective at the beginning of FY2018 and expires at the end of FY2028, the City reduced the space it occupies from 80,346 rentable square feet (RSF) to 47,954 RSF, which is a 40.3% reduction.
 - The amended lease also includes an option for the City to cancel the lease after 2/28/23 if it meets several conditions, including the stipulations that it provide at least 12 months advance notice of its plans to cancel the lease and the City relocate its personnel and effects from the Constitution Plaza space to space owned by the City. Before executing the amended lease, the City had assessed the space it owned and the potential for relocating Constitution Plaza-based personnel and their effects to it. The City concluded that sufficient suitable space was not available.
 - As of the end of November 2019, tenant improvements (i.e., renovations) in the Constitution Plaza space occupied by the City that were stipulated in the amended lease are still underway, with their completion expected by the end of March 2020. After this work has been completed and the City has consolidated its personnel in the significantly smaller space, it will have a better idea of the amount of space it will need if it relocates to City-owned space. No additional City-owned space that could potentially house these personnel has yet been identified and no new studies of refitting previously considered City-owned space for this purpose have been undertaken since the lease was executed.
 - Energy Efficiency Opportunities – Continue transition to LED lights, performance incentive contracts with Eversource

- **Energy Efficiency Projects.** DPW staff have completed streetlights upgrade to LEDs. In addition, there are more projects related to park and interior lighting in five facilities: City Hall, the Department of Public Works, Public Safety Complex, SAND Elementary. City staff anticipate energy savings from the interior lighting projects to be approximately 660,000 kWh with total annual estimated savings of about \$127,400. The Office of Sustainability aims for an 18% reduction in our energy use related to lighting at these buildings as the result of these projects. DPW has also completed an engineering study at the Public Safety Complex which, if implemented, would result in an additional estimated 297,000 kWh savings and 24,000 CCF natural gas savings – total annual estimated savings of \$63,000, reducing on site energy consumption by approximately 10%. This project could have a payback as low as 2 years (after considering the Eversource and CNG incentives).
- **Financial Mechanisms for Savings.** The City has new virtual net metering and demand response agreements that will also save money. Demand response enables the City to register new generating assets with renewable energy capacity with the grid operator for demand response program credits. The credits associated with the fuel cell at Parkville amount to approximately \$15,000 to \$25,000 per year, for the useful operational life of the unit. Virtual Net Metering (VNM) is a state-enabled program that allows the City to purchase discounted utility bill credits associated with solar installations. The City executed its first 20-Year VNM Agreement in June 2018 that provides approximately \$30,000 VNM on-bill credits annually. Another VNM Agreement has not yet been finalized, however, if executed, could provide an additional \$150,000 VNM credits annually. In total, the City projects up to \$3.6 Million over the next 20 years with both new and existing financial agreements.
- **Lead by Example.** The City is organizing an energy challenge with the utilities, local nonprofits and residents related to measuring and reducing energy use. The City team is taking a “Lead by Example” approach to this effort, ensuring that our own facilities are benchmarked – with performance over time measured and improved.

**STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT**

To: Members of MARB Hartford Subcommittee
From: Julian Freund, OPM
Date: December 17, 2019
Subject: Responses to Questions from Subcommittee Meeting

At the October 17 subcommittee meeting, members requested responses to several specific questions related to the charter schools. The Board of Education provided the following responses via email:

- What recourse does Hartford Public Schools have regarding the Achievement First contract?

At this time, the Office of the Corporation Counsel is internally reviewing what recourse may be available to Hartford Public Schools, and next best steps moving forward.

- Is school lunch funding for the charter schools handled as a pass-through? Is food service at the charter schools operated by HPS staff?

We have interschool agreement with the following schools:

- *CREC Montessori located on the Hartford Magnet Trinity College Academy (HMTCA) campus*
- *Jumoke – all 3 locations*
- *Achievement First*
- *High Roads Primary and High*

At all of these sites, Food Services provides all of the staffing and food, and all of the USDA funding comes directly to food services. No funds go to the schools. The funding covers the cost of food and labor.

- Is HPS compensated for custodial overtime at Achievement First?

Requests from HPS facilities for overtime are paid for by HPS. Request for overtime for AF sponsored activities are paid by AF.