



MEMORANDUM

DATE: February 22, 2019

TO: See Distribution

FROM: Michael P. Walsh, Director of Finance

TELEPHONE: (860) 291-7246

RE: Mayor's Recommended FY 20 Budget, Narrative, and Additional Analysis

By way of this memo, attached please find a copy of the Mayor's Recommended FY 20 Budget in hard copy. An electronic copy was also sent to you by e-mail. Additionally, the following budget files have been sent to you by e-mail. A brief explanation of the individual file contents is presented below:

File Name	File Contents Description
2020MayorsRecBudget.pdf	The Mayor's Recommended Budget
2020AdditionalAnalysis.pdf	A companion set of supporting documents to the budget
2020Form1and2.pdf	Form 1 and 2 by department
2020NewInitiatives.pdf	New initiatives proposed by department
2020MUNISBudgetDetailExpwbm.pdf	Budget detail by line for expenses (with bookmarks)

Additionally, let me describe the process that was followed which resulted in the attached budget.

The FY 20 Budget Process

In November, the FY 20 Budget Package was distributed to all Directors and Department Heads. As it relates to the *Requested Budget* submissions, the primary directive from the Mayor was to maintain existing town services so that any budget increase would be driven from those contractual items (labor or otherwise) that the town is obligated to fund.

A 5-Year Capital Improvement Plan (CIP) with funding recommendations and narratives is also included in the Mayor's Recommended Budget.

Presented below, you will find an index of additional budget analysis that will provide insight into how the Recommended Budget was created. This index and the other related files are companions to the budget and will be frequently referenced during the workshops or as you work your way through the MUNIS reports.

Support for revenue items is presented first followed by expenditure items. Please retain this index as the PDF file related to this memo is designated by page number.

Revenue items:

- | | | |
|---------|-----|--|
| Exhibit | 1 | Mill Rate calculation |
| | 2 | Year over year tax comparison |
| | 3-5 | October 1, 2018 Grand List Analysis and Top 10 Gross and Net Property owners |
| | 6 | Possible Impact of October 1, 2016 Pratt Revaluation lawsuit |

Expenditure items:

- | | | |
|---------|-------|---|
| Exhibit | 7-9 | Salary grid and pay schedules for classified, non-union employees and Directors |
| | 10-25 | CCM Municipal Salary Data Survey |
| | 26-28 | Capital Region Council of Governments dues |
| | 29-30 | NCCEMSC assessment |
| | 31 | GHTD contribution request |
| | 32-33 | NCRMHB contribution request |
| | 34-41 | Segal pension funding analysis, S & P Discount Analysis discussion |
| | 42-51 | Medical Reserve, OPEB, Worker's Comp, and AL/GL reserve calculation |
| | 52-55 | MDC assessment due and 2019 Tax Warrant |
| | 56-58 | Bonding reports that tie down debt service, Bonding Premium e-mail |
| | 59 | Salary Negotiations Contingency calculations |
| | 60 | P and L Golf Course – 12/31/2018 |
| | 61-62 | Senior Center construction cost analysis |
| | 63 | Wickham renovation cost analysis |
| | 64-68 | Gasoline terms sheet and PD vehicle use memo |
| | 69-70 | MIRA tipping fees projection memo |
| | 71 | Fire retirement projections |

If you have any questions on the budget or the contents of any of the files presented, please feel free to contact me at (860) 291-7246.

cc: Marcia A. Leclerc, Mayor
All Town Councilors

2/1/2019

TOWN OF EAST HARTFORD

Mill Rate Calculation

For the Period July 1, 2018 through June 30, 2020

		<u>RE and PP</u>	<u>MV</u>	<u>Total</u>	
<u>Collection Rate as per FY 2018 Audit</u>	<u>98.04%</u>				
Adjusted Taxes	127,053,000				
Collected as per audit	124,562,000				
<u>Levy on Which to Base Mill Rate</u>					
Net Grand List less all adjustments		2,508,554,299	273,864,250	2,782,418,549	
X collection rate		98.04%	98.04%	98.04%	
Grand List Base		<u>2,459,371,605</u>	<u>268,494,870</u>	<u>2,727,866,475</u>	
Mill rate		49.28	45.00		
<u>Summary</u>					
Revenue raised on Real Estate and PP		121,197,833	-	121,197,833	
Reduced by: Local Option estimate		(570,000)	-	(570,000)	
Reduced by: Veteran's Exemption estimate		(230,000)	-	(230,000)	
Reduced by: Pratt Leased Engine settlement		(225,000)	-	(225,000)	
Revenue raised on MV		-	12,082,269	12,082,269	
Subtotal Revenue raised by the mill rate		<u>120,172,833</u>	<u>12,082,269</u>	<u>132,255,102</u>	(191,260)
Value of one mill				<u>2,727,866</u>	
Total Budget				191,523,426	
Less Revenue raised from taxation				132,255,102	
Revenue raised from other receipts				<u>59,268,324</u>	

**Year over Year Tax Comparison
FY 20**

	2017 Grand List FY 19 Budget	2018 Grand List FY 20 Budget	Diff.	% Chg.
Average Taxpayer				
Total Assessed Value	\$ 114,310	\$ 114,310	-	0.0%
Mill rate	47.66	49.28	1.62	3.4%
Tax	\$ 5,448	\$ 5,633	\$ 185	3.4%
Market Value - Information only		\$ 163,300		
Car 1 Assessed Value	\$ 10,000	\$ 10,000	-	0.0%
Car 2 Assessed Value	5,000	5,000	-	0.0%
Total Value	\$ 15,000	\$ 15,000	-	0.0%
Mill rate	45.00	45.00	-	0.0%
Tax	\$ 675	\$ 675	\$ -	0.0%
Total Taxes	\$ 6,123	\$ 6,308	\$ 185	3.0%

TOWN OF EAST HARTFORD
10-1-2018 GRAND LIST

	GROSS		EXEMPTIONS		NET	
2018						
Real Estate	2,281,613,189		71,251,800		2,210,361,389	
Personal Property	606,173,800		307,980,890		298,192,910	
Motor Vehicles	277,876,270		4,012,020		273,864,250	
TOTAL GRAND LIST	3,165,663,259		383,244,710		2,782,418,549	✓

2017						
Real Estate	2,277,323,784		28,005,280		2,249,318,504	
Personal Property	592,598,810		302,110,930		290,487,880	
Motor Vehicles	275,334,840		3,173,930		272,160,910	
TOTAL GRAND LIST	3,145,257,434		333,290,140		2,811,967,294	✓

Change						
Real Estate	4,289,405	0.19%	43,246,520	154.42%	-38,957,115	-1.73%
Personal Property	13,574,990	2.29%	5,869,960	1.94%	7,705,030	2.65%
Motor Vehicles	2,541,430	0.92%	838,090	26.41%	1,703,340	0.63%
TOTAL GRAND LIST	20,405,825	0.65%	49,954,570	14.99%	-29,548,745	-1.05%

REAL ESTATE - EXEMPT PROPERTY		
2018	472,616,430	
2017	472,327,300	
Change	289,130	0.06%

Pratt Headquarters / Eng.
Market \$82.2M Tax
Assessed 57.5M \$2.8M
80% Exp. 46.0M \$2.2M

Comment

On a gross basis, the GL grew across the board producing 0.65% growth.

On a net basis, due to the Pratt Headquarters EZ exemption for 5 years, GL growth is down 1%.

This GL will produce \$1.4M less than last year with Pratt enjoying a \$2.2M reduction in their annual property taxes.

Gross

TOWN OF EAST HARTFORD
2018 GRAND LIST
TOP 10 PROPERTY OWNERS

	NAME	PROPERTY TYPE	REAL ESTATE	PERSONAL PROPERTY	MOTOR VEHICLE	TOTAL
1	United Technologies Corp.	Manufacturer	189,711,490	312,364,930	35,080	502,111,500
2	Goodwin College	School	121,457,870	5,042,310	207,900	126,708,080
4	CT Light & Power	Utility	1,676,010	47,688,420	-	49,364,430
5	CT Natural Gas Corp	Utility	6,140,570	22,295,850	2,942,520	31,378,940
6	Merchant Group	Offices	29,118,200	562,140	-	29,680,340
7	Fremont Group	Offices	27,246,860	-	-	27,246,860
3	Coca Cola Bottling Co	Manufacturer	6,892,550	18,342,680	266,980	25,502,210
8	Ansonia Acquisitions LLC	Apartments	23,429,320	309,270	-	23,738,590
9	Cabela's Inc.	Retail	15,908,450	4,276,390	25,110	20,209,950
10	Colonial Rivermead MHC LLC	Real Estate	14,758,500	3,655,110	-	18,413,610



TOWN OF EAST HARTFORD
2018 GRAND LIST
TOP 10 PROPERTY OWNERS

"Net"
—

	NAME	PROPERTY TYPE	REAL ESTATE	PERSONAL PROPERTY	MOTOR VEHICLE	TOTAL	EXEMPTIONS	NET TAXABLE
1	United Technologies Corp.	Manufacturer	189,711,490	312,364,930	35,080	502,111,500	305,170,960	196,940,540
2	Goodwin College	School	121,457,870	5,042,310	207,900	126,708,080	123,516,130	3,191,950
4	CT Light & Power	Utility	1,676,010	47,688,420	-	49,364,430	-	49,364,430
5	CT Natural Gas Corp	Utility	6,140,570	22,295,850	2,942,520	31,378,940	-	31,378,940
6	Merchant Group	Offices	29,118,200	562,140	-	29,680,340	-	29,680,340
7	Fremont Group	Offices	27,246,860	-	-	27,246,860	1,348,080	25,898,780
3	Coca Cola Bottling Co	Manufacturer	6,892,550	18,342,680	266,980	25,502,210	6,019,590	19,482,620
8	Ansonia Acquisitions LLC	Apartments	23,429,320	309,270	-	23,738,590	-	23,738,590
9	Cabela's Inc.	Retail	15,908,450	4,276,390	25,110	20,209,950	-	20,209,950
10	Colonial Rivermead MHC LLC	Real Estate	14,758,500	3,655,110	-	18,413,610	-	18,413,610

The Impact of the October 1, 2016 Grand List Revaluation and Other Pratt Lawsuits

First understand the Town is defending against a Pratt lawsuit – the burden of proof is theirs

Background:

Pratt in 1992 - \$20 million in annual taxes paid when the Town budget was \$85 million

Pratt in 2015 - \$6 million in annual taxes paid when the Town budget was \$188 million

Local Effect:

The Pratt tax burden was shifted to our residential taxpayers

Method:

Pratt used their employment size as leverage to pressure reductions in assessments over the years while successfully lobbying the Legislature for an expanding definition of what's taxable manufacturing equipment in order to exempt it from local taxation while securing \$400 million in State monetized R and D credits to remain in the State of Connecticut

Financial Impact to the Town by Fiscal Year

It's important to understand that governmental accounting is based on a system called the modified accrual method which basically sees the Town spend money as it receives money

FY 2018 – Pratt is seeking \$2.2 million of monies we've already spent (they are challenging their campus real estate value)

FY 2019 - Pratt is seeking \$4.0 million of monies we've already spent (they are challenging their campus real estate value and the value of the Engineering/Hdqtrs. building just completed)

FY 2020 - Pratt is seeking \$4.0 million of monies that we have NOT already spent but unless we find \$4 million of expense reductions, we will pass this tax along mostly to our residential taxpayers (they are challenging their real estate value and the value of the Engineering/Hdqtrs. building just completed; plus the denial of their EZ application)

FY 2021 & 22 – The outcome of the lawsuit will determine the impact to these budgets. However, no matter the outcome, the lawsuit and a possible negative outcome represents the single greatest financial threat to the Town's fiscal health and will upend the level of services we deliver as Education and Public Safety (Police and Fire) will face draconian staffing cuts

Why we must litigate:

The magnitude of the demands by Pratt are staggering and their position unwavering and if we don't get some certainty from the court system in the form of a trial decision, the value used for the next revaluation will immediately be under attack by Pratt if history is any indication

Town of East Hartford
Non-Union Wage Chart
Proposed for July 1, 2019

Adoped for FY 2018-19 (plus 1.5%)

GRADE	Step 1	Step 2	Step 3	Step 4
1	39,475	41,054	42,696	44,404
2	41,449	43,107	44,831	46,624
3	43,522	45,263	47,074	48,957
4	45,697	47,525	49,426	51,403
5	50,268	52,278	54,369	56,544
6	55,293	57,505	59,805	62,198
7	60,822	63,255	65,785	68,417
8	66,906	69,582	72,366	75,260
9	73,347	76,281	79,332	82,505
10	81,079	84,322	87,695	91,203
11	89,051	92,613	96,317	100,170
12	97,956	101,875	105,950	110,188
13	107,751	112,061	116,544	121,205

Recommended for FY 2019-20 (plus 2.0%)

GRADE	Step 1	Step 2	Step 3	Step 4
1	40,265	41,875	43,550	45,292
2	42,278	43,969	45,728	47,557
3	44,393	46,168	48,015	49,936
4	46,611	48,476	50,415	52,431
5	51,273	53,324	55,457	57,675
6	56,399	58,655	61,001	63,441
7	62,039	64,520	67,101	69,785
8	68,244	70,974	73,813	76,765
9	74,814	77,807	80,919	84,156
10	82,700	86,008	89,449	93,027
11	90,832	94,465	98,244	102,173
12	99,915	103,912	108,069	112,391
13	109,906	114,302	118,875	123,630

The Town of East Hartford
Paygrid for Non-union Classified Employees
Prepared as of November 14, 2018

POSITION TYPE	FY 2017-18 ADOPTED			FY 2018-19 ADOPTED			FY 2019-20 RECOMM			\$	%
	GRADE	STEP	SALARY	GRADE	STEP	SALARY	GRADE	STEP	SALARY	Inc.	Inc.
ASSISTANT CORP COUNSEL	13	4	119,414	13	4	121,205	13	4	123,630	2,425	2.0%
DEPUTY CHIEF POLICE (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
DEPUTY CHIEF POLICE (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
DEPUTY CHIEF POLICE (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
DEPUTY CHIEF POLICE (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
ASST FIRE CHIEF (40)	12	4	108,559	12	1	96,508	12	1	99,915	3,407	3.5%
ASST FIRE CHIEF (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
ASST FIRE CHIEF (40)	12	4	108,559	12	4	110,188	12	4	112,391	2,203	2.0%
LIBRARIAN II - REF/CULTURAL ASSETS	7	4	67,406	7	4	68,417	7	4	69,785	1,368	2.0%
LIBRARIAN II - CHILDRENS	7	4	67,406	7	4	68,417	7	4	69,785	1,368	2.0%
YOUTH TASK FORCE COORDINATOR	7	4	67,406	7	4	68,417	7	4	69,785	1,368	2.0%
HUMAN RESOURCES BENEFITS ADMIN. (40)	6	4	70,031	6	4	71,082	6	4	72,488	1,406	2.0%
HUMAN RESOURCES ASSISTANT (40)	6	4	70,031	6	4	71,082	6	4	72,488	1,406	2.0%
LIBRARY SPECIALIST - BRANCH	6	4	61,279	6	4	62,198	6	4	63,441	1,243	2.0%
LIBRARY SPECIALIST - CIRCULATION	6	4	61,279	2	4	46,624	2	4	47,557	933	2.0%
LIBRARIAN I - REFERENCE	6	4	61,279	6	4	62,198	6	4	63,441	1,243	2.0%
LIBRARIAN I - REFERENCE	6	2	56,655	6	3	59,805	6	4	63,441	3,636	6.1%
LEGAL SECRETARY	5	4	55,709	5	4	56,544	5	4	57,675	1,131	2.0%
LIBRARY ADMIN. AIDE	4	2	46,823	4	3	49,426	4	4	52,431	3,005	6.1%
LIBRARY SPECIALIST - CATELOG	2	4	45,935	2	4	46,624	2	4	47,557	933	2.0%
LIBRARY SPECIALIST - CHILDRENS	2	3	44,169	2	4	46,624	2	4	47,557	933	2.0%
LIBRARY ASSISTANT	1	4	43,748	1	2	41,054	1	3	43,550	2,496	6.1%
LIBRARY ASSISTANT	1	3	42,065	1	2	41,054	1	3	43,550	2,496	6.1%
EXEC. SECTY. TO THE MAYOR	5	4	54,726	5	1	50,268	5	2	53,324	3,056	6.1%
Total Non-Union Classified			1,686,715			1,678,487			1,723,355	44,868	2.6%

The Town of East Hartford												
Paygrid for Non-Union Non-Classified Directors												
Prepared as of November 14, 2018												
		Town			CCM Survey					Actual vs.		
		FY 2019-20 Range			FY 2018-19 Range			FY 18-19	FY 19-20	Vs. CCM	FY 19-20	Annualized
POSITION TYPE	GRADE	Min.	Mid.	Max.	Min.	Mid.	Max.	Amended	Recommended	Mid.	\$ Inc.	% Inc.
POLICE CHIEF	13	112,224	124,694	137,163	123,523	137,248	150,973	124,203	✓	-10%		#VALUE!
FIRE CHIEF	13	112,224	124,694	137,163	120,375	133,750	147,125	124,203	✓	-7%		#VALUE!
FINANCE DIRECTOR	13	122,891	136,546	150,201	124,664	138,516	152,368	134,872	✓	-3%		#VALUE!
DIRECTOR PUBLIC WORKS	13	104,817	116,463	128,109	121,340	134,822	148,304	105,000	✓	-22%		#VALUE!
DIRECTOR HEALTH	12	91,818	102,020	112,223	101,649	112,943	124,237	98,489	✓	-13%		#VALUE!
LIBRARY DIRECTOR	11	94,647	105,163	115,679	99,327	110,363	121,399	95,325	✓	-14%		#VALUE!
DIRECTOR HUMAN RESOURCES	11	95,989	106,654	117,320	108,000	120,000	132,000	105,622	✓	-12%		#VALUE!
DIRECTOR DEVELOPMENT	11	92,385	102,650	112,915	97,200	108,000	118,800	98,642	✓	-9%		#VALUE!
DIRECTOR PARKS/RECREATION	11	87,977	97,752	107,527	98,634	109,593	120,552	94,440	✓	-14%		#VALUE!
DIRECTOR INSPECTION/PERMITS	11	89,107	99,008	108,908	90,610	100,678	110,746	95,516	✓	-5%		#VALUE!
DIRECTOR YOUTH SERVICES	11	79,026	87,806	96,587	76,986	85,540	94,094	85,540	✓	0%		#VALUE!
ASSISTANT TO MAYOR	10	67,430	74,922	82,414	60,243	66,937	73,631	82,400	✓	23%		#VALUE!
TOWN CLERK	9	71,161	79,068	86,975	81,000	90,000	99,000	80,831	✓	-10%		#VALUE!
CORPORATION COUNSEL P/T	13	55,220	61,356	67,492	54,000	60,000	66,000	57,267	✓	-5%		#VALUE!
Total Non-Union Non-Classified Directors								1,382,350			0	0.00%

Survey Reports

18-19

Police Chief

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

40,000 pop +

[Download Spreadsheet](#)

Click on a table header to sort table fields.

Show 10 ▼

Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Police Chief
Bristol	36.88	60223	26.5	Mayor-Council	\$136056.00
Danbury	27.6	85246	42.1	Mayor-Council	\$137248.00
East Hartford	47.66	50319	18	Mayor-Council	\$124203.00
Enfield	33.4	44585	33.4	Council-Manager	\$131009.34
Fairfield	26.36	62105	30	Representative town meeting	\$155417.68
Greenwich	11.369	62855	47.9	Representative town meeting	\$173674.00
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$156800.02
Manchester	35.81	57932	27.3	Council-Manager	\$134640.00
Meriden	41.04	59927	23.7	Council-Manager	\$129146.00
Median Salary per Position					\$ 137248

Showing 1 to 10 of 17 entries

◀ 1 2 ▶

Survey Reports


18-19
Fire Chief

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

40,000 Per +

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Show 10 

Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Fire Chief
Bristol	36.88	60223	26.5	Mayor-Council	\$126500.00
Danbury	27.6	85246	42.1	Mayor-Council	\$136971.00
East Hartford	47.66	50319	18	Mayor-Council	\$124203.00
Enfield	33.4	44585	33.4	Council-Manager	n/a
Fairfield	26.36	62105	30	Representative town meeting	\$148461.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$172844.00
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$144999.92
Manchester	35.81	57932	27.3	Council-Manager	\$130528.00
Meriden	41.04	59927	23.7	Council-Manager	\$119763.00
Median Salary per Position					\$ 133749.5

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Survey Reports

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Finance Director
Bristol	36.88	60223	26.5	Mayor-Council	\$164822.00
Danbury	27.6	85246	42.1	Mayor-Council	\$169084.00
East Hartford	47.66	50319	18	Mayor-Council	\$134872.00
Enfield	33.4	44585	33.4	Council-Manager	\$117300.00
Fairfield	26.36	62105	30	Representative town meeting	\$161400.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$211534.00
Hamden	47.96	61284	32.8	Mayor-Council	\$0.00
Hartford	74.29	123400	17.3	Mayor-Council	\$135000.84
Manchester	35.81	57932	27.3	Council-Manager	\$117300.00
Meriden	41.04	59927	23.7	Council-Manager	\$138516.00
Median Salary per Position					\$ 138516

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18-19
Finance Director
40,000 Pop +

Survey Reports

18-19

Public Works Dir.

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

40,000 Pop +

[Download Spreadsheet](#)

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Public Works Director
Bristol	36.88	60223	26.5	Mayor-Council	\$134822.00
Danbury	27.6	85246	42.1	Mayor-Council	\$169084.00
East Hartford	47.66	50319	18	Mayor-Council	\$105000.00
Enfield	33.4	44585	33.4	Council-Manager	\$112000.00
Fairfield	26.36	62105	30	Representative town meeting	\$148449.01
Greenwich	11.369	62855	47.9	Representative town meeting	\$199247.00
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$150000.00
Manchester	35.81	57932	27.3	Council-Manager	\$125000.00
Meriden	41.04	59927	23.7	Council-Manager	\$122000.00
Median Salary per Position					\$ 134822

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Survey Reports

18-19
Health Dir.

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

40,000 per +

 Download Spreadsheet

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Health Director
Bristol	36.88	60223	26.5	Mayor-Council	\$95000.00
Danbury	27.6	85246	42.1	Mayor-Council	\$112228.00
East Hartford	47.66	50319	18	Mayor-Council	\$98489.00
Enfield	33.4	44585	33.4	Council-Manager	n/a
Fairfield	26.36	62105	30	Representative town meeting	\$124251.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$173246.00
Hamden	47.96	61284	32.8	Mayor-Council	n/a
Hartford	74.29	123400	17.3	Mayor-Council	\$145999.88
Manchester	35.81	57932	27.3	Council-Manager	\$90644.00
Meriden	41.04	59927	23.7	Council-Manager	\$113658.00
Median Salary per Position					\$ 112943

Showing 1 to 10 of 17 entries

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Survey Reports

18-19

Library Director

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

40,000 Pop +

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Click on a table header to sort table fields.

Show 10 ▾

Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Library Director
Bristol	36.88	60223	26.5	Mayor-Council	\$127530.00
Danbury	27.6	85246	42.1	Mayor-Council	\$116817.00
East Hartford	47.66	50319	18	Mayor-Council	\$95325.00
Enfield	33.4	44585	33.4	Council-Manager	\$110000.00
Fairfield	26.36	62105	30	Representative town meeting	\$120000.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$179205.00
Hamden	47.96	61284	32.8	Mayor-Council	\$100000.00
Hartford	74.29	123400	17.3	Mayor-Council	n/a
Manchester	35.81	57932	27.3	Council-Manager	\$104834.00
Meriden	41.04	59927	23.7	Council-Manager	\$105756.00
Median Salary per Position					\$ 110362.5

Showing 1 to 10 of 17 entries

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Survey Reports

18-19

Human Resources

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Human Resources Director
Bristol	36.88	60223	26.5	Mayor-Council	\$0.00
Danbury	27.6	85246	42.1	Mayor-Council	\$116817.00
East Hartford	47.66	50319	18	Mayor-Council	\$105622.00
Enfield	33.4	44585	33.4	Council-Manager	\$122129.54
Fairfield	26.36	62105	30	Representative town meeting	\$139230.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$188605.00
Hamden	47.96	61284	32.8	Mayor-Council	\$100000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$156800.02
Manchester	35.81	57932	27.3	Council-Manager	\$144353.00
Meriden	41.04	59927	23.7	Council-Manager	\$117544.00
Median Salary per Position					\$ 120000

Showing 1 to 10 of 17 entries

◀ 1 2 ▶

Survey Reports

18-19

Develop Dir.

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Economic Development Director
Bristol	36.88	60223	26.5	Mayor-Council	\$111883.00
Danbury	27.6	85246	42.1	Mayor-Council	\$71794.00
East Hartford	47.66	50319	18	Mayor-Council	\$98642.00
Enfield	33.4	44585	33.4	Council-Manager	\$112500.00
Fairfield	26.36	62105	30	Representative town meeting	\$139789.09
Greenwich	11.369	62855	47.9	Representative town meeting	n/a
Hamden	47.96	61284	32.8	Mayor-Council	\$100000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$0.00
Manchester	35.81	57932	27.3	Council-Manager	\$124704.00
Meriden	41.04	59927	23.7	Council-Manager	\$109778.00
Median Salary per Position					\$ 108000

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18-19

Parks Director

Survey Reports

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Parks and Recreation Director
Bristol	36.88	60223	26.5	Mayor-Council	\$111686.00
Danbury	27.6	85246	42.1	Mayor-Council	\$85305.00
East Hartford	47.66	50319	18	Mayor-Council	\$94440.00
Enfield	33.4	44585	33.4	Council-Manager	\$92371.00
Fairfield	26.36	62105	30	Representative town meeting	\$118830.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$172930.00
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	n/a
Manchester	35.81	57932	27.3	Council-Manager	\$122382.00
Meriden	41.04	59927	23.7	Council-Manager	\$106300.00
Median Salary per Position					\$ 109593

Showing 1 to 10 of 17 entries

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Survey Reports

18-19

Chief Bldg. Off.

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Chief Building Official
Bristol	36.88	60223	26.5	Mayor-Council	\$106741.00
Danbury	27.6	85246	42.1	Mayor-Council	\$107272.00
East Hartford	47.66	50319	18	Mayor-Council	\$95516.00
Enfield	33.4	44585	33.4	Council-Manager	\$100233.00
Fairfield	26.36	62105	30	Representative town meeting	\$127810.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$129512.00
Hamden	47.96	61284	32.8	Mayor-Council	\$100000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$87267.96
Manchester	35.81	57932	27.3	Council-Manager	\$100678.00
Meriden	41.04	59927	23.7	Council-Manager	\$91603.20
Median Salary per Position					\$ 100678

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Survey Reports

18-19

Youth Services

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Youth Services Director
Bristol	36.88	60223	26.5	Mayor-Council	\$97520.00
Danbury	27.6	85246	42.1	Mayor-Council	n/a
East Hartford	47.66	50319	18	Mayor-Council	\$85540.00
Enfield	33.4	44585	33.4	Council-Manager	\$69783.50
Fairfield	26.36	62105	30	Representative town meeting	\$74297.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$76640.00
Hamden	47.96	61284	32.8	Mayor-Council	\$79192.79
Hartford	74.29	123400	17.3	Mayor-Council	\$130000.00
Manchester	35.81	57932	27.3	Council-Manager	\$78108.00
Meriden	41.04	59927	23.7	Council-Manager	n/a
Median Salary per Position					\$ 85540

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Survey Reports

18-19

Mayor's Assistant

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Executive Administrative Assistant
Bristol	36.88	60223	26.5	Mayor-Council	\$58563.00
Danbury	27.6	85246	42.1	Mayor-Council	\$62484.00
East Hartford	47.66	50319	18	Mayor-Council	\$82400.00
Enfield	33.4	44585	33.4	Council-Manager	\$51765.00
Fairfield	26.36	62105	30	Representative town meeting	\$68685.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$81549.00
Hamden	47.96	61284	32.8	Mayor-Council	\$55358.55
Hartford	74.29	123400	17.3	Mayor-Council	\$34499.92
Manchester	35.81	57932	27.3	Council-Manager	\$66937.00
Meriden	41.04	59927	23.7	Council-Manager	\$70220.80
Median Salary per Position					\$ 66937

Showing 1 to 10 of 17 entries

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18-19

Town Clerk

Survey Reports

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Town/City Clerk
Bristol	36.88	60223	26.5	Mayor-Council	\$101440.00
Danbury	27.6	85246	42.1	Mayor-Council	\$66184.00
East Hartford	47.66	50319	18	Mayor-Council	\$80831.00
Enfield	33.4	44585	33.4	Council-Manager	\$93558.81
Fairfield	26.36	62105	30	Representative town meeting	\$99000.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$101962.00
Hamden	47.96	61284	32.8	Mayor-Council	\$90000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$128254.10
Manchester	35.81	57932	27.3	Council-Manager	\$97800.00
Meriden	41.04	59927	23.7	Council-Manager	\$79404.87
Median Salary per Position					\$ 90000

Showing 1 to 10 of 17 entries

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Survey Reports


18-19
Corp. Counsel

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Corporation Counsel
Bristol	36.88	60223	26.5	Mayor-Council	\$41239.00
Danbury	27.6	85246	42.1	Mayor-Council	\$0.00
East Hartford	47.66	50319	18	Mayor-Council	\$62135.00
Enfield	33.4	44585	33.4	Council-Manager	\$89760.51
Fairfield	26.36	62105	30	Representative town meeting	\$0.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$0.00
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$144999.92
Manchester	35.81	57932	27.3	Council-Manager	\$60000.00
Meriden	41.04	59927	23.7	Council-Manager	\$29000.00
Median Salary per Position					\$ 60000

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Survey Reports


18-19
IT Director

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Information Technology Director
Bristol	36.88	60223	26.5	Mayor-Council	\$130399.00
Danbury	27.6	85246	42.1	Mayor-Council	\$114538.00
East Hartford	47.66	50319	18	Mayor-Council	\$92655.00
Enfield	33.4	44585	33.4	Council-Manager	\$121805.84
Fairfield	26.36	62105	30	Representative town meeting	\$124440.00
Greenwich	11.369	62855	47.9	Representative town meeting	\$164764.00
Hamden	47.96	61284	32.8	Mayor-Council	\$87863.63
Hartford	74.29	123400	17.3	Mayor-Council	\$131444.96
Manchester	35.81	57932	27.3	Council-Manager	\$131122.00
Meriden	41.04	59927	23.7	Council-Manager	n/a
Median Salary per Position					\$ 124440

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Survey Reports


18-19
Mayor

Click on the **Benefit Plan** icon below to access **health and other benefit plan cost data** and filter by plan type (health, dental, vision, LTD, etc.).

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Search List

Municipality	Mill Rate	Population	Land Area	Government Type	Mayor
Bristol	36.88	60223	26.5	Mayor-Council	\$105838.00
Danbury	27.6	85246	42.1	Mayor-Council	\$122401.00
East Hartford	47.66	50319	18	Mayor-Council	\$95392.00
Enfield	33.4	44585	33.4	Council-Manager	\$0.00
Fairfield	26.36	62105	30	Representative town meeting	n/a
Greenwich	11.369	62855	47.9	Representative town meeting	n/a
Hamden	47.96	61284	32.8	Mayor-Council	\$120000.00
Hartford	74.29	123400	17.3	Mayor-Council	\$146780.00
Manchester	35.81	57932	27.3	Council-Manager	\$3000.00
Meriden	41.04	59927	23.7	Council-Manager	\$16788.00
Median Salary per Position					\$ 105838

Showing 1 to 10 of 17 entries

◀ 1 2 ▶

DATE: December 13, 2018

TO: Chief Elected Officials and Chief Administrative Officer
Town of **East Hartford**

FROM: Lyle D. Wray, Executive Director, CRCOG

RE: **Fiscal Year 2019-20 Proposed Local Assessments for CRCOG**

PROPOSED ASSESSMENT

\$37711



We are providing this letter on proposed local assessments for CRCOG member towns for your use in the preparation of your Fiscal Year 2019-2020 budgets.

Proposed assessments were determined based on the Department of Public Health 2017 population estimates, a base of \$3,000 per town and a per capita assessment of \$.6898

As always, we will work hard to make sure that your contribution for membership in CRCOG is put to effective use on your behalf. We will also continue to look for new revenue sources in the coming months.

Also enclosed is a copy of the Five-Year Membership Benefits for East Hartford.

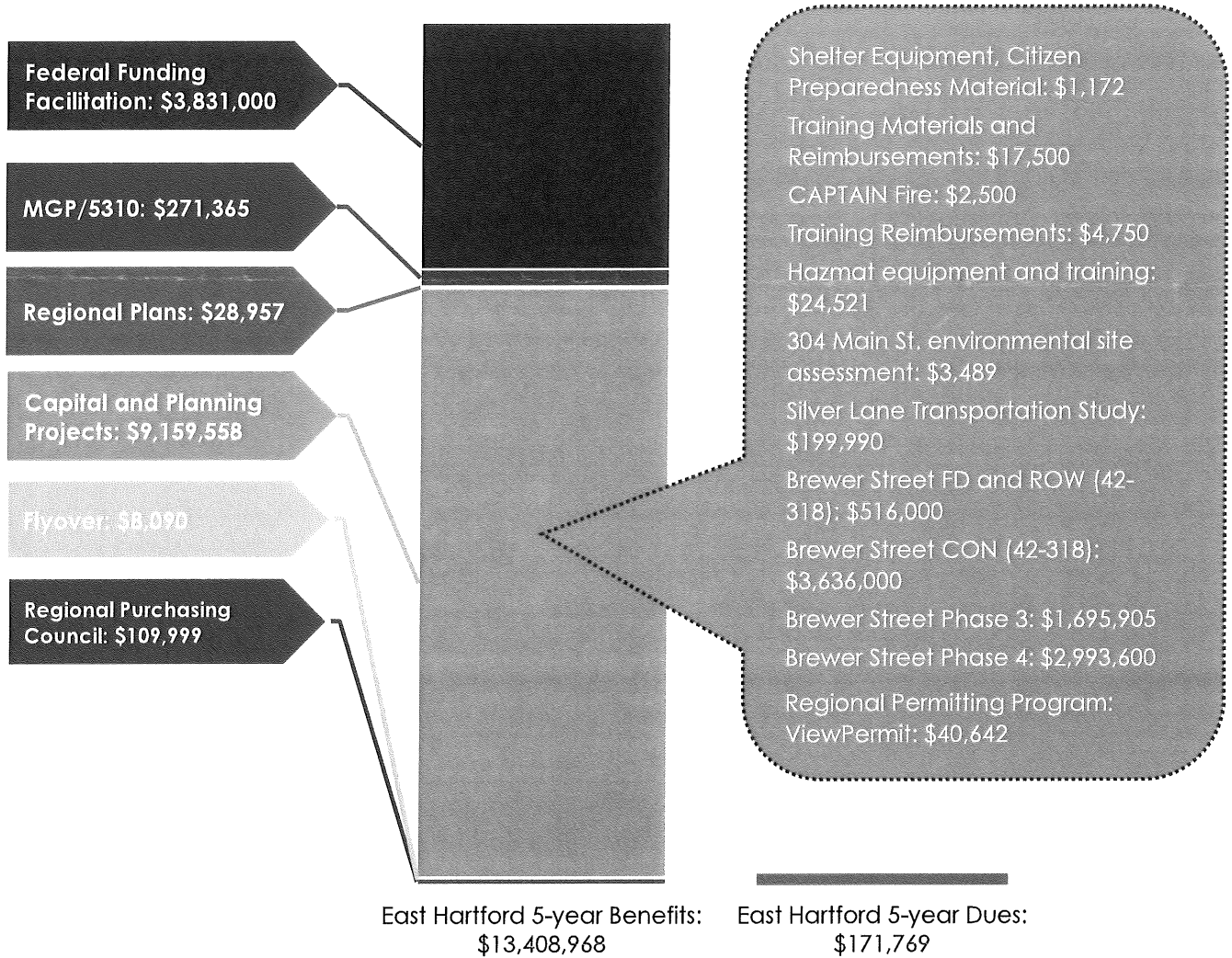
We would gladly attend a meeting of your Town Council or Board of Selectman to discuss any questions or concerns that you may have.

RECEIVED

DEC 18 2018

FINANCE DEPT.
TOWN OF EAST HARTFORD

Five-Year Membership Benefits FY 2014-2018



Descriptions

Flyover: CRCOG managed a statewide aerial photography flight. This represents your portion of that benefit.

Regional Plans: CRCOG undertakes a number of regional planning projects. These include: Natural Hazards Mitigation Plan; Regional Complete Streets Plan; MetroHartford Future (CEDs); Regional Sustainable Code Development.

Transit Programs: CRCOG assists the Department of Transportation with municipal coordination and project selection for the FTA 5310 program and the Municipal Grant Program.

Federal Funding Facilitation: As the region's designated Metropolitan Planning Organization, CRCOG plays an important role in facilitating federal funding for projects in the region.

Continued

CRCOG 2017-2018 Department Highlights

Homeland Security and Public Safety

Advanced the Get Ready Capitol Region Citizen Preparedness Initiative.



Bolstered regional teams- SWAT, Dive, Bomb, Incident Management, Command Post, Incident Communication.

Performed a large scale West Farms Mall SAVERS exercise and an infectious disease exercise series.

Managed and administered federal homeland security grant funds on behalf of the 41 communities who make up the Capitol Region Emergency Planning Council.

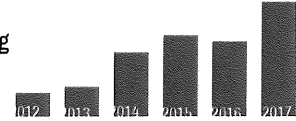


Involved in the statewide Puerto Rico and Islands Evacuee Relief effort. Participated in work groups and assisted communities in our region as necessary.

Began administering a DPH grant in the amount of \$1.2 million on behalf of all the hospitals and local public health agencies in Region 3. Includes Hospital Emergency Preparedness (HEP) and Public Health Emergency Preparedness (PHEP) funding. Created a Health Care Coalition to manage the process.

Municipal Services

Expanded Job Order Contracting to 45 communities and saved CRCOG members \$1 million in CRPC bids.



Began administering the Crumbling Foundations Testing Reimbursement Program and continued support of the Ad-Hoc Working Committee on Crumbling Foundations.

Improved and advanced the HR Portal, including the addition of benefits information to the salary survey.

Installed and continued configuration of the Electronic Document Management Pilot.

Managed Human Services Coordinating Council and Regional Election Monitor; continued support of the Central Connecticut Solid Waste Authority.

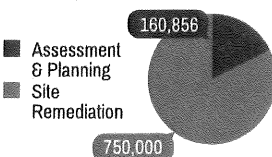


Increased IT Cooperative participation with 61 towns participating in various programs. Savings to municipalities for the various programs range from 5% to 68%.

Policy Development and Planning

Improved redevelopment potential of contaminated properties through environmental site assessments and remediation planning under the Metro Hartford Brownfields Program. DECD and EPA grants provided \$160,856 in assistance this year to complete assessments and planning at twenty sites in eight municipalities.

FY 2018 Brownfields Investment Total: \$910,856
23 Sites, 11 Communities



Established Metro Hartford Brownfields Revolving Loan Fund and Subgrant Program, and awarded \$750,000 in new loans and subgrants to fund clean-up of site contamination in three towns.

Promoted and supported transit oriented development (TOD) through a state grant to encourage municipalities, neighborhoods, and anchor institutions to better connect people, places and jobs. Highlighted TOD successes in the region.

Conducted three major regional planning initiatives to make our region more economically competitive, vibrant, and resilient: Comprehensive Economic Development Strategy, Complete Streets Policy and Action Plan, and Natural Hazard Mitigation Plan.



Transportation

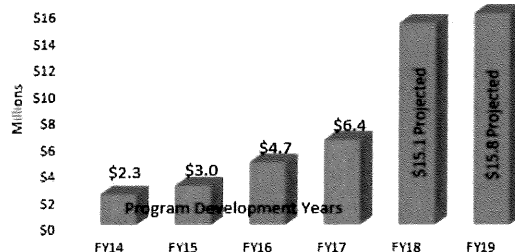
Obligated approximately \$21.9 million in federal STP Urban funds for transportation projects in FFY 2017 and approved \$10.9 million in new bridge projects under LOTCIP.

Issued a LOTCIP project solicitation for \$25.5 million for roadway reconstruction, pavement rehabilitation, stand-alone sidewalk, and bicycle-pedestrian projects.

Completed FFY 2018-2021 Transportation Improvement Program.

Received positive Federal Certification for the Hartford Transportation Management Area

LOTICIP Expenditures



Programmed \$6.4 million in FY 2017 funding and continued to ramp up municipal projects for delivery under LOTCIP in FY2018.



North Central Connecticut Emergency Medical Services Council, Inc.

January 4, 2019

Marcia A. Leclerc
Mayor
Town of East Hartford
740 Main Street
East Hartford, Connecticut 06108

RECEIVED
JAN - 4 2019
FINANCE DEPT
TOWN OF EAST HARTFORD

Dear Mayor Leclerc:

Reference: CMED Fair Share Assessment

As you prepare your budget, we inform you that your Town Fair Share CMED Assessment for the Fiscal Year 2019-2020 is **\$45,041.54**. The assessment is used for operating expenses. It is based on a per capita rate of **89.512 cents** for your Town with a population of **50,319**. ***We request that your community pay this Town Fair Share Assessment amount.***

The contract and invoice will be mailed to you in June 2019.

The population figures are taken from the Connecticut Department of Public Health Population Estimates as of July 1, 2017. We enclose the CMED Operations Budget for Fiscal Year 2019-2020 and North Central Connecticut EMS Council's 2018 Audited Financial Statements for your review.

In addition to the Town Fair Share Assessment, North Central receives a State of Connecticut subsidy of thirty cents per capita for each community that acknowledges North Central CMED as its service provider. This subsidy has remained the same since the inception of the CT 9-1-1 surcharge on each telephone bill. Together, your Town Fair Share Assessment and the State subsidy complete the total budget requirements.

As a regional asset, we continually seek opportunities to support interoperable communications initiatives that ultimately benefit 851,126 residents in the Capital Region. North Central CMED coordinates Emergency Medical Services when a mass casualty incident or a major disaster occurs.

Continued

Mass gatherings, such as concerts, athletic events, local fairs, etc., can also involve North Central CMED for planning and coordination of EMS services. An outline of our organization's role and responsibilities is enclosed.

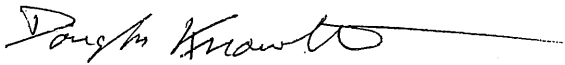
North Central CMED is the activation point for the Connecticut Long Term Care Mutual Aid Plan (LTCMAP). Many communities in the Capital Region have nursing homes and/or assisted living facilities. CT LTCMAP establishes a course of action and agreed commitment among participating hospitals, nursing homes and assisted living residences to assist each other when disaster strikes. CT LTCMAP, Active Shooter, and Hospital Emergency Preparedness Response Plans are exercised throughout the year.

Thank you for your community's continuing participation in the Coordinated Medical Emergency Directions (CMED), Communications System. During a 9-1-1 medical emergency each certified or licensed EMS Provider is in contact with North Central CMED. The communications system facilitates coordination between ambulances in 28 municipalities and 8 hospitals while the patient is en-route. Our fiscal year ended June 30, 2018, recording 144,152 EMS calls for service.

Please consider appointing a representative to attend the CMED Communications Committee meetings if your community does not already have one. The Committee meets every other month at the administrative office at Oak Hill, 120 Holcomb Street, Hartford.

If you need additional information, please contact Betty R. Morris, Executive Director, at 860-769-6055. Thank you for your attention to this matter.

Sincerely,



Douglas Knowlton
Chairman, NCCEMSC Communications Committee

Enclosures

cc: Letter Only
Michael Walsh, Director of Finance
Note: CMED Representative Position Currently Vacant



January 24, 2019

The Honorable Marcia A. Leclerc
Mayor of East Hartford
740 Main Street
East Hartford, CT 06108

Re: Anticipated Request for Voluntary Contribution (Dues)
Fiscal Year 2020

Dear Mayor Leclerc:

As your municipality begins its budget preparation process for the upcoming Fiscal Year, this correspondence is intended to identify the dollar amount of dues that will be requested by the Greater Hartford Transit District.

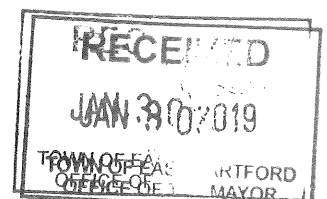
The expected request for voluntary contribution (dues) from your municipality for Fiscal Year 2020 will be in the amount of \$8,200.00. This figure reflects your municipality's population as determined by the 2010 Census at \$.16 per capita. An invoice will be forwarded for this amount in July 2019.

Should you have any questions regarding this information, please do not hesitate to contact me at (860) 247-5329 Extension 3002.

Best Regards,

A handwritten signature in dark ink, appearing to read "Vicki L. Shotland", is written over the typed name.

Vicki L. Shotland
Executive Director





NORTH CENTRAL REGIONAL MENTAL HEALTH BOARD, INC.

151 New Park Ave., Suite 14A, Hartford, CT 06106
info@ncrmhb.org WWW.NCRMHB.ORG (860) 667-6388

December 6, 2018

Mike Walsh, Director of Finance
740 Main Street
East Hartford CT 06108

Dear Mr. Mike Walsh:

First, I want to thank the town of East Hartford for their contribution for FY 2018-2019. We are grateful for the consistent level of support our towns continued to award us for this current year. I am submitting the yearly request for North Central Regional Mental Health Board (NCRMHB). Since 1992 the per capita contribution of towns to NCRMHB has remained constant at \$.07. The FY 2019-2020 contribution for East Hartford is \$1,500 based upon 2010 census figures. Town funds combine with funds from the Connecticut Department of Mental Health and Addiction Services (DMHAS) to enable us to perform our statutory functions.

Created by Connecticut General Statutes (17a-483) in 1975, NCRMHB is a non-profit agency with volunteer members from each of the 37 towns in Region IV. **This unique structure permits local town representatives to evaluate state services provided to their citizens and recommend how state and federal mental health funds are to be spent. We are your town's quality assurance unit for local DMHAS funded services.**

Effective March 2018, NCRMHB's responsibility has expanded to include community education and prevention activities that address behavioral health concerns for individuals across the lifespan (including children). Through our work, local citizens have a **direct impact on the services** that East Hartford residents receive from DMHAS. Town representatives identify local needs and conduct service evaluations that lead to decisions to increase local funding, as well as to eliminate or change ineffective programs. They conduct special studies that lead to critical changes or new services. At the request of DMHAS, they submit a yearly regional service plan to address new trends, needs, and gaps in services seen at the local level. As the state reviews competing service requests, **the regional board is vital in articulating local needs in its region and where limited service dollars need to be directed.**

The enclosed Annual Report documents NCRMHB's **leadership and success in (1) stimulating new and enhanced and higher quality behavioral health services; (2) promoting wellness; (3) developing tools and resources for increasing the involvement of family members; (4) fostering consumer involvement in research and project development; 5) influencing policy and resource allocation; and 6) educating and collaborating with our communities to resolve local and statewide issues.**

We ask for your support for **the successful, cost effective results that NCRMHB has produced for over forty years.** Your contribution funds a small staff that supports **over a hundred volunteers.** We invite officials to attend our local Catchment Area Council meetings on the first Thursday of the month or call our Executive Director, Marcia DuFore, or the town's representative with requests or concerns. We also address concerns monthly with the DMHAS Commissioner.

Sincerely,

Marcia DuFore

Executive Director, North Central Regional Mental Health Board



NORTH CENTRAL REGIONAL MENTAL HEALTH BOARD, INC.

151 New Park Ave., Suite 14A, Hartford, CT 06106
info@ncrmhb.org WWW.NCRMHB.ORG (860) 667-6388

December 6, 2018

Mike Walsh
Director of Finance
740 Main Street
East Hartford CT 06108

Contribution to North Central Regional Mental Health Board, Inc.
Request for Local Support
FY 2019-2020

Rate: \$.07/ capita
Based on 2010 Census
Population of 51,252

Total \$1,500

Marcia DuFore
Executive Director

cc: JoAnn Dorn, Social Services Program Supervisor

Recommended
↓

Requested
↓

Impact of Rate of Return with 3.25% Amortization (in millions)

Interest	7.65%	7.60%	7.55%	7.50%	7.45%	7.40%
Amortization	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
1) Net Employer Normal Cost	\$3.3	\$3.3	\$3.4	\$3.5	\$3.6	\$3.6
2) Actuarial Accrued Liability	\$432.4	\$434.7	\$437.1	\$439.4	\$441.8	\$444.1
3) Market Value of Assets	\$226.3	\$226.3	\$226.3	\$226.3	\$226.3	\$226.3
4) Actuarial Value of Assets	\$234.6	\$234.6	\$234.6	\$234.6	\$234.6	\$234.6
5) Unfunded Actuarial Accrued Liability (UAAL): (2) – (4)	\$197.8	\$200.1	\$202.5	\$204.8	\$207.2	\$209.5
6) Amortization of UAAL	\$12.5	\$12.6	\$12.7	\$12.7	\$12.8	\$12.9
7) Actuarially Determined Contribution (adjusted for timing)	\$16.3	\$16.4	\$16.6	\$16.8	\$16.9	\$17.1

All scenarios shown reflect the following assumption changes since the July 1, 2017 valuation:

- All deaths and disabilities for Fire and Police are now assumed to be 100% service related (deaths previously 75%, disabilities previously 50%)
- The mortality projection scale for females was changed to MP-2017 (previously, MP-2016); the male tables were projected an additional year

DRAFT

275,000

16,125,000



275,000 BOE PARA ★ SEGAL

16,525,000

34

Impact of Rate of Return with 3.00% Amortization (in millions)

Interest	7.65%	7.60%	7.55%	7.50%	7.45%	7.40%
Amortization	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1) Net Employer Normal Cost	\$3.3	\$3.3	\$3.4	\$3.5	\$3.6	\$3.6
2) Actuarial Accrued Liability	\$432.4	\$434.7	\$437.1	\$439.4	\$441.8	\$444.1
3) Market Value of Assets	\$226.3	\$226.3	\$226.3	\$226.3	\$226.3	\$226.3
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7) Actuarially Determined Contribution (adjusted for timing)	\$16.5	\$16.7	\$16.9	\$17.0	\$17.2	\$17.4

All scenarios shown reflect the following assumption changes since the July 1, 2017 valuation:

- All deaths and disabilities for Fire and Police are now assumed to be 100% service related (deaths previously 75%, disabilities previously 50%)
- The mortality projection scale for females was changed to MP-2017 (previously, MP-2016); the male tables were projected an additional year

DRAFT

★ SEGAL

The Increasing Cost Of Governmental Pensions: Discount Rate And Contribution Practices

Sep 27, 2018

[View Analyst Contact Information](#)

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Key Takeaways

- Plans' assumed discount rate and amortization method are the most influential underlying factors driving rising pension costs.
- Many governments are deferring costs through ineffective funding policies built on weak assumptions and amortization methods leading to escalating costs in the future.
- Although plans are gradually lowering their discount rate, the assumed real rates continue to grow for some, highlighting continued exposure to market risk.
- A plan with an aging population is sensitive to investment volatility, amplifying possible acceleration of pension costs to governments and credit pressure in the future

As part of S&P Global Ratings' ongoing efforts to educate the market about our views on how unfunded pension liabilities could affect credit risks for state and local governments, this report focuses on how certain plan assumptions and methods may negatively influence future budgets.

Many state and local governments are facing growing pension liabilities and costs. The extent of these mounting pressures and whether costs manifest in the near term or accelerate in the future depends on the management of the government's pension plan. A plan's discount rate assumption and amortization methodology, in particular, largely influence contribution practices and provide a window into how pension costs will unfold for a government over time.

Most U.S. public sector pension plans have recently experienced a sharp increase in unfunded liabilities due to several factors including demographic shifts primarily associated with the baby boomers, significant increases in life expectancy, and investment returns falling short of expectations amid a sustained low-interest-rate environment. As a result, many plans have revised assumptions and methods to align with experience leading to a dramatic rise in the contributions required to fully fund these plans. Based on current trends and market projections, S&P Global Ratings believes that pension plans are likely to continue to revise their assumptions and methods for long-term sustainability, resulting in an increasing trajectory of future pension costs for governments.

The struggle to balance increasing costs with long-term pension health has led some government plans to institute practices that defer required government contributions in the near term. For example, many contractual and statutory contribution rates based on a fixed percentage of payroll have fallen below actuarially recommended contributions, leading to a deferral of costs and compounding of unfunded liabilities if left unaddressed. Sometimes, the plan will establish an actuarially determined contribution (ADC) built on methodologies or assumptions that promote the deferral of contributions, or costs, as discussed later in this report. While alleviating costs to governments in the near term, these plan practices could lead to increased budgetary stress in the long term. Governments that regularly meet required plan contributions, which are calculated with an actuarial basis, using a reasonable discount rate assumption and effective amortization methods, are more likely to maintain sustainable pension funding and costs over time.

Below, we dive into the mechanics of how the discount rate assumption and amortization methodology drive pension funding costs and ultimately the budgetary impact to the participating governments.

Discount Rate Reflects Risks Accepted By The Plan Sponsor(s)

State and local governments are subject to numerous actuarial pension plan assumptions that dictate the trajectory of pension funding and associated costs. Among the most important plan assumptions is the discount rate, which is used to translate anticipated future cash flows back to the present date. As an illustration of the discount rate's significance, Chen and Matkin ("Actuarial Inputs and the Valuation of Public Pension Liabilities and Contribution Requirements: A Simulation Approach," 2017) note that for a typical plan (with average demographics and funded ratio) in the current climate, each 0.25% decrease in the discount rate can lower the funded ratio by about 2.5%-3.0%. A plan's decision on the assumed discount rate today will have important long-term implications for pension funding.

U.S. public pension plans currently use an expected cost (or level cost) approach to discounting pension liabilities. Under this approach, liabilities are calculated using the long-term rate of return under the assumption that assets will grow to help fund future benefit payments. The expected cost approach is a forward-looking methodology that anticipates growth in both earned benefits and assets over time and is designed to measure funding progress over the long term. (See "Credit FAQ: Looking Forward: The Application Of The Discount Rate In Funding U.S. Government Pensions," published Sept. 13, 2018 on RatingsDirect.) Therefore, we generally use the terms "discount rate" and "assumed rate of return" in this piece interchangeably.

The discount rate assumption for a well-managed public pension plan balances asset risk as well as return. It is reviewed periodically with consideration given to the unique characteristics of the individual plan, such as whether the plan is closed to new entrants and other demographic factors. A high discount rate represents a high asset return target to meet in order to avoid increasing unfunded liabilities. However, investments with higher expected returns often come with greater volatility. Due to the added volatility risk, a comparatively high discount rate tends to correspond with a greater likelihood of underfunded pensions in the long term.

The following questions frame a plan's discount rate selection:

- What is a reasonable asset allocation portfolio based on sufficient liquidity and ability to withstand market volatility?
- Based on that asset allocation, projected returns, and inflation, what is a realistic rate of return, and therefore discount rate?

(To simplify our discussion around the discount rate, we have bucketed the investment universe into three categories: liquid assets, risk mitigating assets, and return seeking assets. We will refer to these as cash, low-risk assets, and high-risk assets, respectively.)

In order to address the first question on asset allocation, it is important to understand the primary risk factors inherent in the portfolio: liquidity and volatility risks.

- **Liquidity risk:** A well-managed pension investment portfolio has enough cash or short-term liquid investments to cover benefit payments in the near term, with minimal risk that investments need to be sold to fund immediate payments at suboptimal prices. Such liquidation of assets could create a drag on investment returns and funding progress. Keeping cash or short-term investments helps insulate the portfolio from unexpected experience, which, based on a survey of public plans, covers approximately one year of benefit payments with a 3% allocation for most plans.
- **Volatility risk:** Beyond a small portion of cash reserves, an investment portfolio typically maintains some combination of low-risk and high-risk assets. The proportion allocated to each category determines the expected volatility risk and corresponding real return. Excessive emphasis on return, in lieu of risk mitigation, may lead to an overly volatile allocation that could cause economic hardship in a down market. If there is a downward "shock" market event, we believe potential spikes in required contributions could overburden public agencies at a time when economic conditions could also increase budgetary stress.

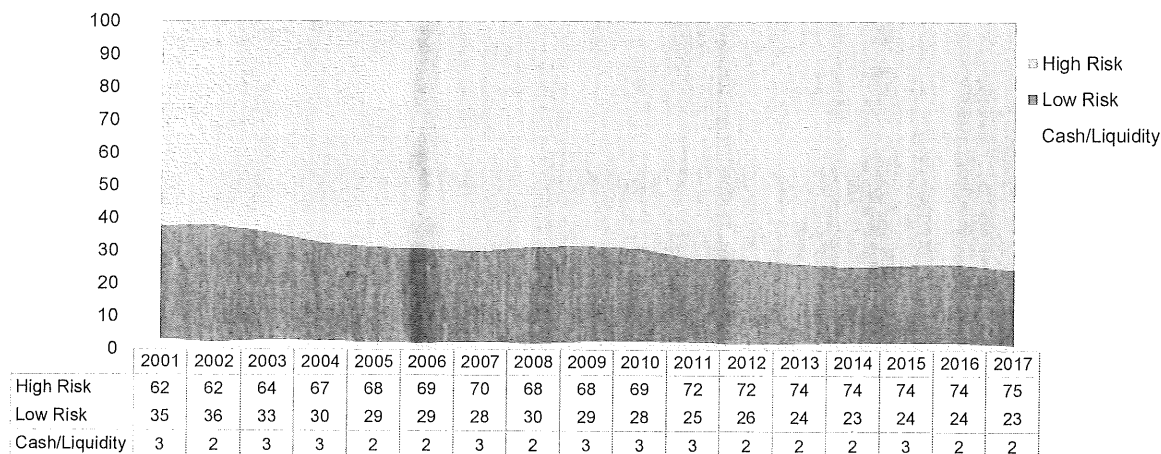
An investment portfolio addresses liquidity risk with cash reserves and volatility risk through a balance of risk and return according to the risk appetite of public agencies within the plan. This should lead to portfolio growth in good market periods and bearable losses during a market correction. Plans whose sponsors have a low risk appetite for contribution volatility could choose to adjust their asset allocation and reduce the discount rate to further minimize volatility risk.

Based on our research of information available from the largest external investment consultants, we observe market return and volatility projections applied to an average plan's asset mix and adjusted for inflation suggests an expected long-term return of between 6% and 7%. The current national average across major state and local plans is currently higher than this, at just over 7.3% as of February 2018 (see "NASRA Issue Brief: Public Pension Plan Investment Return Assumptions"), and likely indicates further contribution pressure over time if the current assumptions are revised downward or not fully met.

A look behind the scenes at recent declines in plan discount rate assumptions

The nominal assumed rate of return for an asset portfolio includes both projected inflation and real return. In the past decade, we note many public pension plans have continued to reduce their assumed nominal long-term return, or discount rate. However, these notable reductions to discount rates have not declined at the same pace as that of the assumed inflation rate. This means that, even though some plans might appear to be reducing risk by lowering their nominal rate-of-return assumption, they are actually assuming a higher real rate of return and increasing market volatility risk. To justify the increased discrepancy between inflation and the discount rate, some plans have been adjusting target asset portfolios on average to include more complex and risky instruments. Our review of the major state and local pension plans tracked by the Public Plans Database reflects asset portfolios with rising allocations in high-risk assets to achieve these higher assumed real rates of return. As depicted in chart 1, a 60/40 allocation between high-risk (equities, real estate, and alternatives) and a combination of low-risk and cash was typical at the turn of the century. The current average allocation is closer to 75/25.

Chart 1 | Download Chart Data

Average Asset Portfolio Allocation (%)

Source: Public Plans Database

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Demographic considerations that could drag down the discount rate

While investments appear to be getting riskier in general, most pension plans are also getting more mature with a larger proportion of retirees. Similar to how individuals will reduce risk in their 401k as retirement approaches to ensure sufficiency, a plan with an aging population will need to ensure that liquid assets are available to be drawn down even in the event of a downturn. A high proportion of equities can help boost the return assumption, but the downside risk is magnified for employer contributions in mature plans, given the limited contributions from active members and higher asset base. This heightened sensitivity to investment volatility amplifies possible acceleration of pension costs to governments and credit pressure in the future.

Amortization Methods Display Level Of Commitment Toward Full Funding

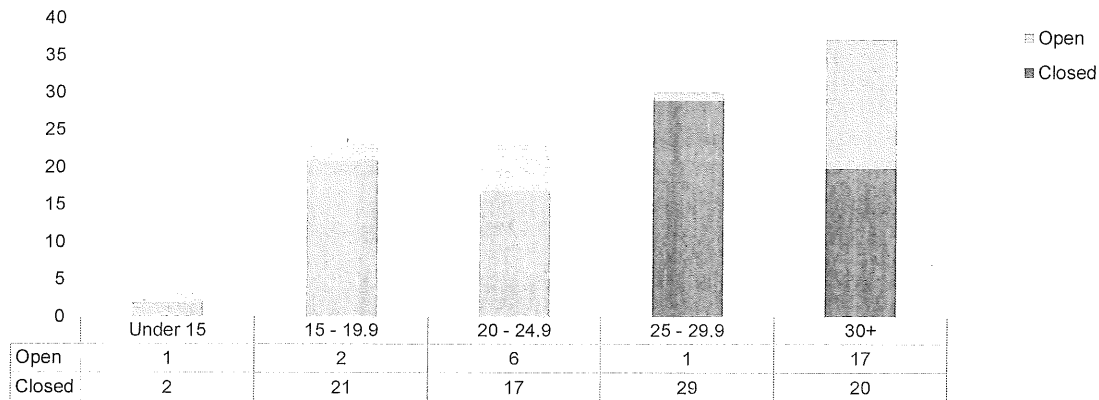
A plan's chosen amortization method is another key driver of pension funding and costs to governments over time. Actuarially determined contributions are typically made up of two components: a normal cost to account for the upcoming year's accruals; and an amortization of the unfunded liability. Amortization allows pension funds to address, over a feasible budgetary period, gains and losses (or surpluses and deficits) experienced by the plan over time to keep contribution rates relatively stable while maintaining the funding of benefits. While contributing an actuarial recommendation is an important first step toward addressing pension liabilities, it does not necessarily proactively work toward full funding, as there are many different ways to define an amortization methodology. In fact, a plan's ADC could be based on an ineffectual amortization method, which ultimately defers payments and results in pension underfunding. Amortization methods that avoid excessively deferring costs into the future are those that make material progress every year toward full funding, which will better manage costs in the long run. A plan that designs contribution requirements to pay down unfunded liabilities within a reasonable amount of time strikes a balance between eventual full funding and volatility of annual costs to the participating employers. Some common definitions within amortization methodologies are summarized as follows:

- **Open:** All unfunded liabilities are combined and the payment is calculated such that liabilities will be fully funded over a set number of years. This calculation happens every year, but the number of years never changes, similar to annually refinancing debt. Annual expenditures are small, but even if all assumptions are met, unfunded liabilities are never projected to be fully funded. If combined with an increasing amortization schedule, such as contributions set as a level percent of payroll, it is possible that unfunded liabilities actually grow perpetually, creating negative amortization every year. However, it is still possible to make significant funding progress with short amortization periods of around 15 years or less.
- **Closed declining:** All unfunded liabilities are combined and the payment is calculated such that liabilities will be fully funded over a set number of years. This calculation happens every year and the number of years decreases by one each year so that unfunded liabilities will be fully paid down as of a specified date, which typically avoids negative amortization when the number of years is 20 or less. As this amortization schedule nears its end, unexpected demographic or economic experience may increase the volatility of contribution rates, potentially stressing the budgets of participating agencies.
- **Closed layered:** Unfunded liabilities accrued in the current year are amortized such that they will be fully funded over a set number of years. Funding progress which avoids negative amortization is typically achieved when the amortization is 20 years or less. Each year under the layered approach, a new "base" is created with its own closed declining amortization schedule. This means that any future increases to the unfunded liability are projected to be completely paid off while minimizing exposure to contribution volatility.

As discussed, in order to make reasonable progress toward full funding, the amortization period should be reasonably short. Using information from the Public Plan Database, we have surveyed 116 unique pension plans with relevant data as of the 2017 fiscal year. Our research found that over half of the plans (67 of 116) use an amortization period longer than 25 years, meaning that minimal progress is made in the medium term toward full funding. Moreover, as shown in chart 2 below, many of these plans (18 of the 67) have an open amortization, so at best minimal progress is made every year.

Chart 2 | Download Chart Data

Remaining Amortization Periods As Of 2017 (As of 2017)



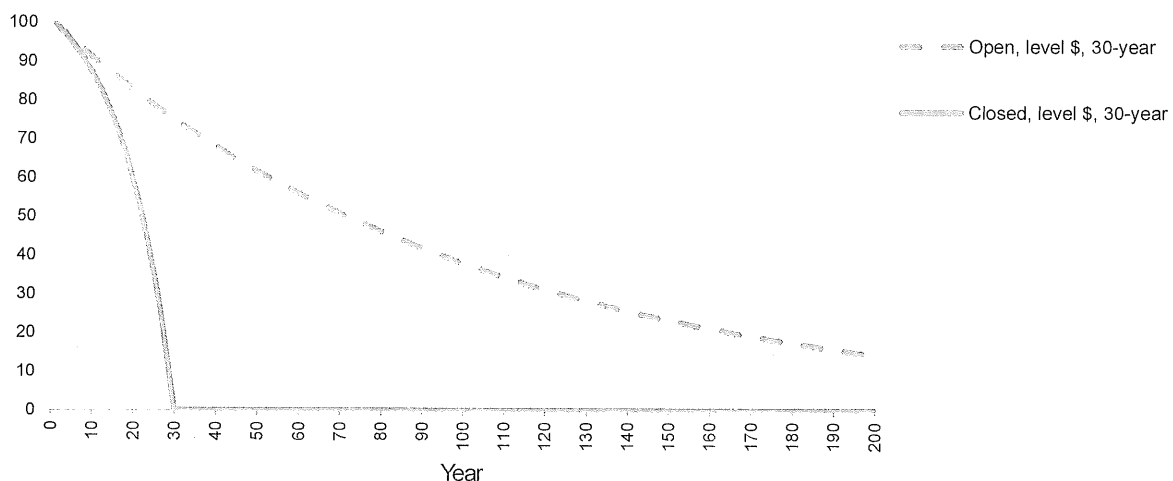
Source: Public Plans Database

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As illustrated in chart 3, a 30-year closed level-dollar amortization, after 30 years, is projected to pay down the unfunded liability in full. A 30-year open level-dollar amortization, after 30 years, is projected to pay down 25% of the unfunded liability, leaving 75% intact. An open amortization is never projected to pay down the unfunded liability in full.

Chart 3 | Download Chart Data

Percent Of Unfunded Liability Remaining Under Different Amortization Methods

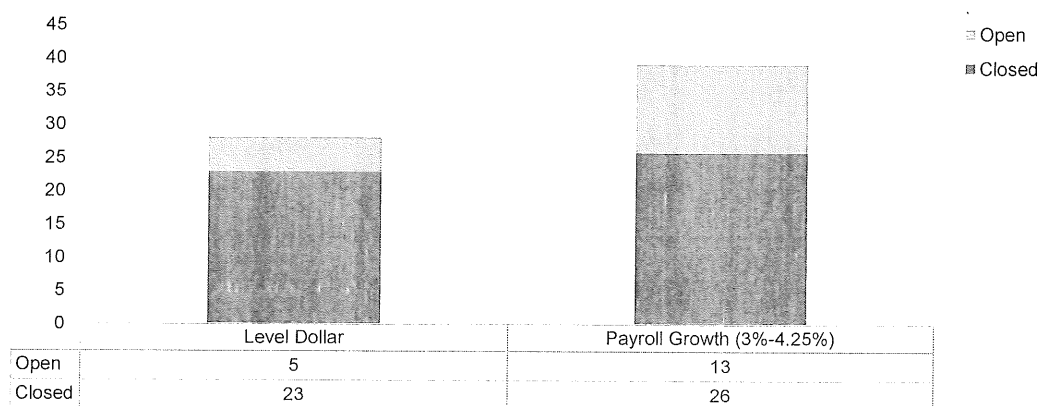


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Another point to consider regarding the amortization methodology is whether the payment schedule is level or increasing. A level percentage of payroll growth method is a typical way to lower initial payments while planning for contributions to escalate over time. The 67 highlighted plans in chart 2 with at least 25-year amortizations are displayed in chart 4 according to whether the amortization schedule is increasing by payroll growth.

Chart 4 | Download Chart Data

Payroll Growth For Amortization Period Over 25 Years (As of 2017)



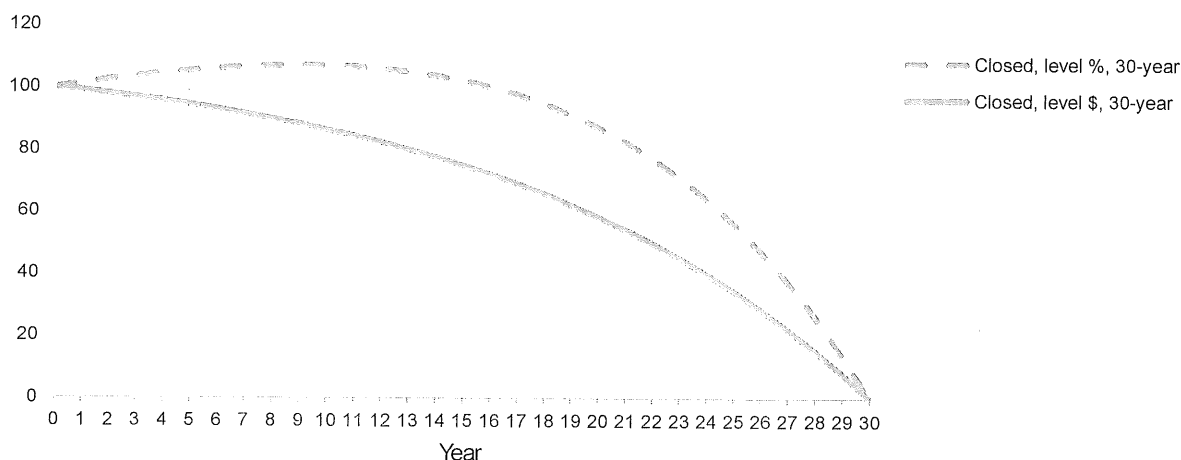
Source: Public Plans Database

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Of the 67 plans that make minimal funding progress due to longer amortization periods, 39 amortize their unfunded liabilities based on anticipated payroll growth, which defines the contribution rate to increase over time by an annual growth rate between 3% and 4.25%. This creates negative amortization in the early years, which means those payments do not cover the interest on the unfunded liability but instead allow it to grow for a number of years before very large projected contributions kick in to make up for smaller payments in earlier years (see chart 5). We have observed that this kind of contribution scenario of deferred but escalating payments can lead to pronounced and unabated budgetary stress as the amortization progresses. We also note that actual government payroll growth in the previous decade has often fallen below their annual growth assumptions, exacerbating the negative amortization and digging a deeper hole to be addressed with future contributions.

Chart 5 | Download Chart Data

Percent Of Unfunded Liability Remaining Under Different Amortization Methods



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Of the 39 plans in chart 4 with both long amortization periods and contribution deferrals through a level percent method, 13 combine this with an open amortization schedule, creating a permanent cycle of negative amortization that causes the unfunded liability to grow perpetually. Negative amortization – especially permanent negative amortization – causes an escalation of payments over time while failing to both make any progress towards eventually funding pension liabilities and reducing or eliminating the actual cost to amortize them. Governments that participate in a plan with weak or negative amortization face escalating pension payments that can impair financial stability and dampen credit quality.

The Ingredients To Sustainable Funding

In our opinion, a plan's discount rate assumption and amortization methodology are key ingredients to sustainable pension funding and government costs over time. A discount rate based on the assumed long-term asset return that balances liquidity and volatility risk considerations, relative to plan characteristics as well as funding trajectories, is more favorable from a credit perspective by facilitating effective liability management. Amortization payments that pay down a reasonable amount of unfunded liability every year while managing contribution volatility also lend to sustainable pension funding. Contribution practices that are based on forward-looking and effectual assumptions as well as methods enable governments to better manage pension costs over time.

Related Research

- Credit FAQ: Looking Forward: The Application Of The Discount Rate In Funding U.S. Government Pensions, Sept. 13, 2018
- Local Government Pension And Other Postemployment Benefits Analysis: A Closer Look, Nov. 8, 2017

This report does not constitute a rating action.

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Walsh, Mike

From: Walsh, Mike
Sent: Tuesday, January 08, 2019 11:50 AM
To: Paul Mainuli (mainuli.pf@easthartford.org); 'JOANNE B. ZATARAIN'; Trzetzziak, Linda; Cummings, Kim
Cc: Quesnel, Nathan (quesnel.nd@easthartford.org); Leclerc, Marcia; Sassen, Christine
Subject: Medical and OPEB through 12/31/2018
Attachments: 20190108114918614.pdf

Folks –

Linda ran the 12/31/2018 numbers for the Town and BOE for the Medical Reserve and OPEB Trust and I updated our projection worksheets. The results are attached.

No surprises good or bad from September which means the decidedly ugly BOE trend we were projecting was accurate and what was loaded into the BOE budget for FY 20 appears to be on target.

The Reader's Digest commentary is below:

Compared to September, the town's full year Medical Reserve Revenue projection had a minor uptick (+\$182k) while the full year Medical Reserve Claims projection had a material uptick (+\$1.2m) that was driven solely by higher Anthem claims so while we were projecting a large \$2.1m reserve increase, that has moderated to more realistic \$1.1m increase. But it's all still good on the town side of things.

Compared to September, the BOE full year Medical Reserve Revenue projection held stable (Paul and Joanne, please check to be sure my expectation of \$12M of Revenue from the BOE by June 30, 2019 is your expectation) while the full year Medical Reserve Claims projection stayed on track (continuing a much higher trend that has evolved since the spring of 2018) but overall came in slightly down (-\$500k) due to stop loss "catch-up". In the end, we still project a \$3.2 FY 2019 operating deficit which translates into the full use of the \$1.3m 6/30/2018 BOE Medical Reserve leaving the BOE with a \$2m Medical Reserve deficit to cover by June 30, 2019. Please let me know when you will be transferring the OPEB contribution to the Medical Reserve if that is still the plan.

With respect to OPEB and compared to September, the town's full year Revenue projection had a \$409k reduction due to market losses on the invested portion of the Trust. BOE full year Revenue projections are holding steady as are the full year Town and BOE OPEB Medical Claims projections.

The Town ordinance that requires a Fund Balance transfer when the Fund Balance exceeds 10% was triggered by solid FY 2018 audited results and a transfer of \$1.6m was completed increasing the OPEB Trust Fund balance at 12/31/2018 to \$10.6m, up from the \$9.3m protection at 9/30/2018. So OPEB is moving in the right direction.

That's it from me. Let me know if you have any questions on any of the aforementioned. Thanks.


Michael P. Walsh, Director of Finance
Town of East Hartford
740 Main Street
East Hartford, CT 06108
Telephone: (860) 291-7246
Facsimile: (860) 289-0831
E-Mail: MWalsh@easthartfordct.gov



MEMORANDUM

DATE: November 26, 2018

TO: Marcia A. Leclerc, Mayor and Richard Kehoe, Town Council Chairman

FROM: Michael P. Walsh, Director of Finance 

TELEPHONE: (860) 291-7246

RE: **FY 19 and FY 20 Medical Insurances - Primary Increase Drivers**

By way of this memo, please find some important information on both the FY 19 Medical Insurance trend and the resulting FY 20 Medical Insurance projections.

Background

The Town of East Hartford and the Board of Education (BOE) provides a full range of medical, prescription, and dental coverage for 1,384 active employees and their 1,836 dependents (total 3,220 covered lives). We self-insure claims but buy stop-loss coverage for any individual claims that exceed \$200,000 per plan year (up from \$150,000 in FY 14).

Base claims since FY 14 have ranged from a low of \$18.3 million (FY 14) to a high of \$23.4 million (FY 18). Anthem expenses charged to process our claims including stop-loss premiums range from a low of \$2.0 million (FY 17) to a high of \$2.5 million (FY 15). Total claims and expenses range from a low of \$21.0 million (FY 15) to a high of \$24.8 million (FY 18) annually.

The Problem: Severity, Utilization, and Medical Inflation

High cost claims since FY 15 have steadily increased from a low of 46 (FY 15) to a high of 73 (FY 18) with corresponding claim payments increasing from \$6.0 million to \$7.6 million or an increase of \$1.6 million or 28%. The stop-loss premium cost has also steadily increased from \$800,000 (FY 15) to \$1.7 million (FY 19) with the FY 19 increase at \$500,000.

So taken together, predominately on the BOE side of the Medical Reserve, we are seeing higher claim volume coupled with a higher increased cost per claim: \$629 per claim in FY 17 to \$724 per claim in FY 18, or an increase of \$94 or 15%. The resulting utilization and medical inflation will drive FY 18 BOE costs higher by \$2 million in FY 19 before new medical inflation.

Summary

Add the increase stop-loss severity of \$1.6 million and higher costs of \$500,000 to carry stop-loss to the higher medical utilization/medical inflation of \$2 million and you have a FY 19 unbudgeted increase of \$4 million that will erode the BOE's Medical Reserve completely while creating a \$2.5 million deficit if left unattended.

The Financial Impact of the Above on FY 19 and the Solution

The BOE began to experience an increased claim trend beginning in the early part of 2018 which caused a drawdown of \$1.3 million from their \$2.5 million FY 18 Medical Reserve Fund balance leaving it at \$1.3 million.

Because the BOE set their FY 19 budget prior to the claim trend escalation, the FY 19 BOE contribution to the Medical Reserve Fund was based on a lower than actual claim trend causing their contribution to be nearly \$4.0 million lower than actual as mentioned above.

In order to mitigate this unexpected variance, the BOE will direct surplus dollars as they identify them including additional grant allocations to the Medical Reserve. Additionally, they will redirect the \$1,670,000 scheduled OPEB contribution to the Medical Reserve.

With the above mentioned items taken to respond to the emerging FY 19 BOE Medical issue, I believe the reserve will be stabilized through June 30, 2019 and perhaps leave the BOE's Medical Reserve Fund balance at \$0.

The Financial Impact of the Above on FY 20 and the Solution

While Town medical expenses seem to be running as expected in both FY 18 and FY 19, it becomes necessary to materially increase the FY 20 BOE Medical Reserve contribution in order to maintain the reserve funding target of about \$4 million recently created via Town ordinances.

Accordingly, based on higher overall utilization trend, higher severity of claims trend, expected medical inflation, and higher realized administrative costs mostly related to increasing stop loss premiums, the BOE Medical Insurance Reserve budget contribution should increase by a minimum of \$2.5 million year over year.

Cc: Town Council Members
BOE Members


Town of East Hartford
Medical Reserve Analysis
For the Fiscal Year Ending June 30, 2019

BCBS Month end 6
BCBS Month remain. 6
CTCare, Medco, Delta days gone 182
CTCare, Medco, Delta days remain 183

	Medical Reserve		
	Town	BOE	Total
Surplus (Deficit) @ 6/30/2018	3,955,000	1,266,830	5,221,830
<u>Revenue Sources</u>			
Budget contribution	8,000,000	11,010,482 ✓	19,010,482
Ordinance 10-52 transfer	0	0	0
Interest from investments	122,446	0	122,446
Premium shares from active employees	532,710	772,116 ✓	1,304,826
Stop loss recoveries	0	0	0
Retiree contributions	0	0	0
COBRA contributions	0	0	0
Grant fund reimbursement	0	0	0
Other revenues	200,439	1,800,000 ✓	2,000,439
Subtotal Revenue Sources	8,855,595	13,582,598	22,438,193
Projection to year end revenues	532,710	772,116	1,304,826
Total Revenue sources	9,388,305	14,354,714	23,743,019 ✓
<u>Expenditure Sources</u>			
Anthem claims	2,828,227	7,462,753	10,290,980
Anthem administration fees	328,653	761,396	1,090,050
Connecticare claims	0	0	0
Connecticare administration fees	0	0	0
Medco claims	372,086	44,299	416,385
Medco administration fees	1,585	91	1,676
Delta Dental claims	267,978	0	267,978
Delta Dental administration fees	16,785	0	16,785
Insurance premiums paid (Teamsters)	169,728	0	169,728
HRA Expense	688	1,000	1,688
HSA Expense Employer	239,331	0	239,331
IPI retiree claims	0	0	0
IPI retiree administration fees	0	0	0
Health insurance opt out payments	72,788	0	72,788
COBRA payments	720	1,120	1,840
Wellness initiatives	3,782	0	3,782
Other expenditures	35,151	(627,276)	(592,125)
Subtotal Expenditure Sources	4,337,502	7,643,384	11,980,886
Projection to year end expenditures	3,988,660	7,641,508	11,630,168
Total Expenditure Sources	8,326,162	15,284,892	23,611,054
Net Surplus (Deficit) to Fund	1,062,143	(930,178)	131,965
Projected Net Surplus (Deficit)	5,017,143	336,652	5,353,795

Walsh, Mike

From: JOANNE B. ZATARAIN <zatarain.jb@easthartford.org>
Sent: Tuesday, January 08, 2019 12:33 PM
To: Walsh, Mike; PAUL MAINULI; Trzetzziak, Linda
Subject: RE: Medical and OPEB through 12/31/2018

 **CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Budget contribution: \$11,010,482
Grants estimated contribution: \$1,800,000
Employee contributions estimated: \$1,600,000 (year-to-date \$772,116.48)

Estimated grand total: \$14,410,482

If we hold to these numbers – would this mean we would still have a reserve?

Joanne B. Zatarain

CPA for Business Services

East Hartford Public Schools

1110 Main Street

East Hartford, CT 06108

860 622 5133

860 622 5049

zatarain.jb@easthartford.org

From: MWalsh@easthartfordct.gov [<mailto:MWalsh@easthartfordct.gov>]
Sent: Tuesday, January 08, 2019 11:50 AM
To: PAUL MAINULI; JOANNE B. ZATARAIN; Ltrzetzziak@easthartfordct.gov; kcummings@easthartfordct.gov
Cc: NATHAN D. QUESNEL; MLEclerc@easthartfordct.gov; CSasen@easthartfordct.gov
Subject: Medical and OPEB through 12/31/2018

Folks –

Linda ran the 12/31/2018 numbers for the Town and BOE for the Medical Reserve and OPEB Trust and I updated our projection worksheets. The results are attached.

No surprises good or bad from September which means the decidedly ugly BOE trend we were projecting was accurate and what was loaded into the BOE budget for FY 20 appears to be on target.

The Town of East Hartford
 Analysis of Internal Service Funds - Budget Contributions
 For the Fiscal Year Ended June 30, 2020

Operating Revenue	Medical Reserve			Projected FY19	Budget FY20	Ordinance Res. Calc.
	FY16	Actual FY17	FY18			
Net Assets - BOY	3,893	4,921	5,252	5,222	5,354	✓
Budget Contribution (including Grants)	19,630	19,271	20,038	20,993	19,841	
Charges for Services/Premium Shares	3,697	2,749	2,658	2,750	3,000	
Other plus Interest	313	293	588	-	-	
Total Revenue	27,533	27,234	28,536	28,965 ✓	28,195	
Operating Expenses						
Claims	19,412	18,782	20,575	20,872	19,730	
Premiums and Admin. Charges	3,200	3,200	2,739	2,739	3,200	
Other (Interfund Transfer)	-	-	-	-	-	
Total Operating Expenses	22,612	21,982	23,314	23,611 ✓	22,930	
Net Assets - EOY	4,921	5,252	5,222	5,354 ✓	5,265	3,775 ✓
Town Budget Contribution				8,000	8,000	
BOE Budget Contribution (does not include Grants)				11,010	11,841	
Total Budget Contribution				19,010	19,841	

**Town of East Hartford
OPEB Trust Analysis
For the Fiscal Year Ending June 30, 2019**

6 Months done
6 Months to go
6 Months gone (IPI)
6 Months remain (IPI)

	OPEB Trust		
	Town	BOE	Total
Surplus (Deficit) @ 6/30/2018	4,968,833	4,709,950	9,678,783
<u>Revenue Sources</u>			
Budget contribution	1,976,812	0	1,976,812
Ordinance 10-52 transfer	1,587,900	0	1,587,900
Interest from investments	106,106	0	106,106
Gains and (Losses)	(409,267)	0	(409,267)
OPEB Payroll Deduction	89,970	0	89,970
Retiree contributions	335,688	502,017	837,705
COBRA contributions	3,547	14,557	18,104
Grant fund reimbursement	0	0	0
Other revenues	51,745	0	51,745
Subtotal Revenue Sources	3,742,501	516,574	4,259,075
Projection to year end revenues	425,658	502,017	927,675
Total Revenue sources	4,168,159	1,018,591	5,186,750
<u>Expenditure Sources</u>			
Anthem claims	825,339	104,109	929,448
Anthem administration fees	232,405	37,083	269,488
Connecticare claims	0	0	0
Connecticare administration fees	0	0	0
Medco claims	320,416	142,827	463,243
Medco administration fees	643	244	888
Delta Dental claims	0	0	0
Delta Dental administration fees	0	0	0
Insurance premiums paid (Teamsters)	0	0	0
IPI retiree claims	289,416	110,156	399,572
IPI retiree administration fees	24,318	12,886	37,204
Health insurance opt out payments	0	0	0
COBRA payments	0	0	0
Wellness initiatives	0	0	0
Other expenditures	27,799	0	27,799
Subtotal Expenditure Sources	1,720,336	407,305	2,127,641
Projection to year end expenditures	1,720,336	407,305	2,127,641
Total Expenditure Sources	3,440,672	814,610	4,255,282
Net Surplus (Deficit) to Fund	727,487	203,981	931,468
Projected Net Surplus (Deficit)	5,696,320	4,913,931	10,610,251

The Town of East Hartford
 Analysis of Internal Service Funds - Budget Contributions
 For the Fiscal Year Ended June 30, 2020

		OPEB Actual				Projected	Budget	Ordinance
Operating Revenue	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Res. Calc.
Net Assets - BOY	1,036	2,448	2,892	6,833	8,429	9,679	9,024	
Budget Contribution	4,581	3,831	5,034	3,053	3,374	1,977 ✓	3,565 ✓	4,917
Charges for Services/Premium Shares	2,277	2,093	2,100	1,911	1,515	1,926	1,926	
Investment Income	662	183	712	908	635	(303)	-	
Total Revenue	8,556	8,555	10,738	12,705	13,953	13,279	14,515	
Operating Expenses								
Claims	6,083	5,660	3,905	4,276	4,260	4,255 ✓	4,837	
Premiums and Admin. Charges	25	3	-	-	14	-	-	
Other (Interfund Transfer)	-	-	-	-	-	-	-	
Total Operating Expenses	6,108	5,663	3,905	4,276	4,274	4,255	4,837	
Net Assets - EOY	2,448	2,892	6,833	8,429	9,679	9,024	9,678	
Town Budget Contribution					✓	1,977	1,977	
BOE Budget Contribution						-	-	
Total Budget Contribution						1,977	1,977	

5,491
 Ord. OK'd.

(b)(3)

#1,588 10-52 Transfer Made Jan, 2019
 → Accounted for FY 20 (1,977 + 1,588 = 3,565)

The Town of East Hartford
 Analysis of Internal Service Funds - Budget Contributions
 For the Fiscal Year Ended June 30, 2020

Worker's Compensation						Projected FY19	Budget FY20	Ordinance Res. Calc.
Operating Revenue	Actual FY14	FY15	FY16	FY17	FY18			
Net Assets - BOY	(1,899)	(1,903)	(1,533)	(1,116)	(734)	(1,161)	(1,229)	
Budget Contribution	1,690	1,719	1,727	1,825	1,722	1,627	1,847	✓
Other	-	616	-	-	34	-	-	
Interest Income	55	2	-	10	27	-	-	
Total Revenue	(154)	434	194	719	1,049	466	618	
Operating Expenses								
Claims	1,683	1,887	1,308	1,453	2,142	1,695	1,695	✓
Premiums and Admin. Charges	65	81	-	-	68	-	-	
Other (Interfund Transfer)	-	-	2	-	-	-	-	
Total Operating Expenses	1,748	1,968	1,310	1,453	2,210	1,695	1,695	
Net Assets - EOY	(1,902)	(1,534)	(1,116)	(734)	(1,161)	(1,229)	(1,076)	1,089
Backout: Unfunded liability							2,200	
Adjusted Reserve Balance							1,124	
Town Budget - WC						1,231	1,231	✓
Town Budget - H & H (\$2.2M of liability)						100	320	✓
Board Budget						296	296	✓
Total Budget						1,627	1,847	

The Town of East Hartford
 Analysis of Internal Service Funds - Budget Contributions
 For the Fiscal Year Ended June 30, 2020

Operating Revenue	General Liability					Projected FY19	Budget FY20	Ordinance Res. Calc.
	Actual FY14	FY15	FY16	FY17	FY18			
Net Assets - BOY	740	521	726	700	961	808	936	✓
Budget Contribution	1,360	1,496	1,582	1,694	1,660	1,660	1,390	
Other	25	-	-	-	50	-	-	
Interest Income	-	2	-	13	30	-	-	
Total Revenue	2,125	2,019	2,308	2,407	2,701	2,468	2,326	
Operating Expenses								
Claims	1,569	1,258	1,608	1,446	1,781	1,532	1,532	
Premiums and Admin. Charges	35	35	-	-	90	-	-	
Other (Interfund Transfer)	-	-	-	-	22	-	-	
Total Operating Expenses	1,604	1,293	1,608	1,446	1,893	1,532	1,532	
Net Assets - EOY	521	726	700	961	808	936	793	784
Town Budget (including CIRMA Premiums)						970	700	✓
Board Budget						690	690	✓
Total Budget						1,660	1,390	

The Town of East Hartford
Converting the MDC Annual Tax to a Fiscal Year Budget Charge

The MDC tax is divided among member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years.

The amount of the MDC tax due in the first half of the coming year is equivalent to 50% of the total prior year tax levy on the eight member towns. The total amount due from all towns in the second half of the year will be subtracted from the total current year levy; the balance becomes the amount due in the second half of the year.

MDC Annual Tax - East Hartford

	Full Year	YOY Increase	% Increase	50% of Full Year
2003	3,223,609			1,611,805
2004	3,446,828	223,219	6.9%	1,723,414
2005	3,621,203	174,375	5.1%	1,810,602
2006	3,967,005	345,802	9.5%	1,983,503
2007	4,130,459	163,454	4.1%	2,065,230
2008	4,279,675	149,216	3.6%	2,139,838
2009	3,880,800	(398,875)	-9.3%	1,940,400
2010	3,757,200	(123,600)	-3.2%	1,878,600
2011	3,769,700	12,500	0.3%	1,884,850
2012	3,856,000	86,300	2.3%	1,928,000
2013	3,964,500	108,500	2.8%	1,982,250
2014	4,213,200	248,700	6.3%	2,106,600
2015	4,490,100	276,900	6.6%	2,245,050
2016	4,762,000	271,900	6.1%	2,381,000
2017	5,059,400	297,400	6.2%	2,529,700
2018	5,477,400	418,000	8.3%	2,738,700
2019	5,775,200	297,800	5.4%	2,887,600

Fiscal Year Conversion

Town of East Hartford Fiscal Year Budget Charge

FYE		July	October	January	April	Total	FY0Y Increase	% Increase
June 30,	2005	917,512	917,512	861,707	861,707	3,558,438		
June 30,	2006	948,895	948,895	905,301	905,301	3,708,391	149,953	4.2%
June 30,	2007	1,078,202	1,078,202	991,751	991,751	4,139,906	431,516	11.6%
June 30,	2008	1,073,478	1,073,478	1,032,615	1,032,615	4,212,186	72,280	1.7%
June 30,	2009	1,107,223	1,107,223	970,200	970,200	4,154,846	(57,341)	-1.4%
June 30,	2010	970,200	970,200	970,200	970,200	3,880,800	(274,046)	-6.6%
June 30,	2011	970,200	970,200	939,300	939,300	3,819,000	(61,800)	-1.6%
June 30,	2012	945,550	945,550	990,650	990,650	3,872,400	53,400	1.4%
June 30,	2013	985,575	985,575	964,000	964,000	3,899,150	26,750	0.7%
June 30,	2014	1,018,250	1,018,250	991,125	991,125	4,018,750	119,600	3.1%
June 30,	2015	1,115,475	1,115,475	1,053,300	1,053,300	4,337,550	318,800	7.9%
June 30,	2016	1,191,750	1,191,750	1,122,525	1,122,525	4,628,550	291,000	6.7%
June 30,	2017	1,258,475	1,258,475	1,190,500	1,190,500	4,897,950	269,400	5.8%
June 30,	2018	1,339,200	1,339,200	1,264,850	1,264,850	5,208,100	310,150	6.3%
June 30,	2018	1,473,850	1,473,850	1,369,350	1,369,350	5,686,400	478,300	9.2%
June 30,	2019	1,518,250	1,518,250	1,443,800	1,443,800	5,924,100	237,700	4.2%



The Metropolitan District
water supply • environmental services • geographic information

Robert J. Pasek

2018 DEC 17 A 9:01

TOWN CLERK
EAST HARTFORD

VIA CERTIFIED MAIL — RETURN RECEIPT REQUESTED

Certified No. 7008 0500 0001 1894 5893

December 11, 2018

Robert J. Pasek, Town Clerk
Town of East Hartford
740 Main Street
East Hartford, CT 06108

Re: Year 2019 Tax Levy


Dear Mr. Pasek:

In conformance with the attached resolution adopted by the District Board of the Metropolitan District on December 10, 2018, and in compliance with the provisions of Section 3-13 of the District Charter, the Year 2019 Tax Warrant for the Town of East Hartford is attached and made a part hereof.

Remittances should be made payable to The Metropolitan District and mailed to:

The Metropolitan District
Attn: John Zinzarella, Chief Financial Officer
555 Main Street, P.O. Box 800
Hartford, Connecticut 06142-0800

Sincerely,


John S. Mirtle, Esq.
District Clerk

Enclosures

C: Michael Walsh, Finance Director



The Metropolitan District


water supply • environmental services • geographic information

This is to certify that, at a meeting of the District Board of The Metropolitan District held a meeting on December 10, 2018, the following resolutions were adopted:

Resolved: That, in accordance with Section 3-12 and 3-13 of the District Charter, a tax on the member municipalities comprising The Metropolitan District, in the sum of \$48,153,100, shall be due and payable in favor of The Metropolitan District in four installments on the following due dates: the first installment, totaling \$11,251,000, shall be due and payable on January 16, 2019; the second installment, totaling \$11,251,000, shall be due and payable on April 17, 2019; the third installment, totaling \$12,825,550, shall be due and payable on July 17, 2019; and the fourth installment, totaling \$12,825,550, shall be due and payable October 16, 2019. In the event the Department of Energy and Environmental Protection pays the \$4 million included in the District's 2019 budget related to the groundwater discharge at the Hartford Landfill, said money shall be applied to reduce the member municipalities' 2019 ad valorem taxes. Apportionment of the Fiscal Year 2019 tax among the member municipalities and the amount due on each installment shall be as follows:

Installment Date	1/16/2019	4/17/2019	7/17/2019	10/16/2019	Total
Hartford	\$2,887,600	\$2,887,600	\$3,298,400	\$3,298,400	\$12,372,000
East Hartford	1,371,650	1,371,650	1,515,950	1,515,950	5,775,200
Newington	1,030,225	1,030,225	1,129,225	1,129,225	4,318,900
Wethersfield	926,950	926,950	1,062,750	1,062,750	3,979,400
Windsor	1,000,375	1,000,375	1,137,075	1,137,075	4,274,900
Bloomfield	814,050	814,050	930,250	930,250	3,488,600
Rocky Hill	678,125	678,125	776,675	776,675	2,909,600
West Hartford	2,542,025	2,542,025	2,975,225	2,975,225	11,034,500
Total	\$11,251,000	\$11,251,000	\$12,825,550	\$12,825,550	\$48,153,100

Attest:


John S. Mirtle
District Clerk
December 11, 2018



The Metropolitan District

water supply • environmental services • geographic information

December 10, 2018

TAX WARRANT

To the Town of East Hartford:

By the authority of the State of Connecticut, you are hereby ordered to remit to the Treasurer of The Metropolitan District of Hartford the sum of Five Million, Seven Hundred Seventy-Five Thousand, Two Hundred Dollars (\$5,775,200.00), which is your portion of the Forty-Eight Million, One Hundred Fifty-Three Thousand, One Hundred Dollar (\$48,153,100.00) ad valorem tax (the "Base Amount") laid by the District Board on its eight member municipalities for the fiscal year ending December 31, 2019 in the amounts and at the time set forth herein. One Million, Three Hundred Seventy-One Thousand, Six Hundred Fifty Dollars (\$1,371,650.00) is due and payable in full on or before January 16, 2019; the second installment, totaling One Million, Three Hundred Seventy-One Thousand, Six Hundred Fifty Dollars (\$1,371,650.00), shall be due and payable on April 17, 2019; the third installment, totaling One Million, Five Hundred Fifteen Thousand, Nine Hundred Fifty Dollars (\$1,515,950.00), shall be due and payable on July 17, 2019; the fourth installment, totaling One Million, Five Hundred Fifteen Thousand, Nine Hundred Fifty Dollars (\$1,515,950.00), shall be due and payable October 16, 2019.

Dated at Hartford, Connecticut, this 10th day of December 2018.

THE METROPOLITAN DISTRICT
HARTFORD COUNTY

William A. DiBella
District Chairman

Town of East Hartford, CT

Bond Debt Outstanding

As of 10/31/18

Aggregate Debt Service

Date	Principal	Interest	Total P+I
06/30/2019	2,912,500.00	690,135.01	3,602,635.01
06/30/2020	7,045,000.00	1,911,865.84	8,956,865.84
06/30/2021	7,650,000.00	1,339,288.76	8,989,288.76
06/30/2022	7,660,000.00	1,056,888.76	8,716,888.76
06/30/2023	6,285,000.00	808,688.76	7,093,688.76
06/30/2024	5,720,000.00	597,508.76	6,317,508.76
06/30/2025	3,615,000.00	423,712.51	4,038,712.51
06/30/2026	3,610,000.00	305,568.76	3,915,568.76
06/30/2027	3,600,000.00	180,312.50	3,780,312.50
06/30/2028	1,940,000.00	81,612.50	2,021,612.50
06/30/2029	1,615,000.00	24,225.00	1,639,225.00
Total	\$51,652,500.00	\$7,419,807.16	\$59,072,307.16

Actual

Par Amounts Of Selected Issues

2009A Series (Ref) - Outstanding Maturities	485,000.00
Refunding 2013 - \$12,230,000 -General Purpose	5,178,000.00
Refunding 2013 - \$12,230,000 -School Purpose	302,000.00
Bonds 2014 - \$19.1M By Project (TD Bank) -Road 2010	4,287,500.00
Bonds 2014 - \$19.1M By Project (TD Bank) -Levies 2011	2,442,500.00
Bonds 2014 - \$19.1M By Project (TD Bank) -Library Improvements	1,277,500.00
Bonds 2014 - \$19.1M By Project (TD Bank) -Firehouse Improvements	507,500.00
Bonds 2014 - \$19.1M By Project (TD Bank) -Roads 2012	3,147,500.00
Bonds 2016 (New Money) - \$14,835,000 -Road Improvements 2012	4,320,000.00
Bonds 2016 (New Money) - \$14,835,000 -Road Improvements 2014	8,880,000.00
Bonds 2016 (Refunding) - \$6,225,000	6,225,000.00
Bonds 2018 - \$14,600,000 (By Project) -EHMS Window Wall	1,600,000.00
Bonds 2018 - \$14,600,000 (By Project) -Roads 2014	5,000,000.00
Bonds 2018 - \$14,600,000 (By Project) -Roads 2016	8,000,000.00
TOTAL	51,652,500.00

Budget vs.

8,211,866

Bond Premium

745,000

DEBT SERVICE SCHEDULE				CONFIRMED WITH PAY SCHEDULE				
FISCAL YEAR 2019-2020				11/6/2018				
DATE DUE	ISSUE YEAR	TOWN PRINCIPAL	INTEREST	BOE PRINCIPAL	INTEREST	TOTAL	INV RECD	BANK
7/15/2019	14	1,062,500.00	112,360.00			1,174,860.00		TD BANK
10/15/2019	16	1,650,000.00	234,093.75			1,884,093.75		US BANK
10/15/2019	16R	1,895,000.00	124,500.00			2,019,500.00		US BANK
10/15/2019	18		540,020.83		66,556.25	606,577.08		
12/1/2019	13R		61,279.38		3,255.00	64,534.38	REFUNDING FEB 13	US BANK
						-		
						-		
1/15/2020	14	1,062,500.00	101,097.50			1,163,597.50		TD BANK
4/15/2020	16		201,093.75			201,093.75		US BANK
4/15/2020	16R		86,600.00			86,600.00		US BANK
4/15/2020	18		281,750.00		34,725.00	316,475.00		
6/1/2020	13R	1,256,000.00	61,279.38	119,000.00	3,255.00	1,439,534.38	REFUNDING	US BANK
						-		
						-		
TOTAL		6,926,000.00	1,804,074.59	-	119,000.00	107,791.25	8,956,865.84	-
BUDGET		G9510 66416	G9510 66411	G9520 66416	G9520 66411	-	8,956,865.84	
		(6,926,000.00)	(1,804,074.59)	(119,000.00)	(107,791.25)	(8,956,865.84)		
SHORT TERM NOTE INTER BUDGET					PRINCIPAL	7,045,000.00		
					INTEREST	1,911,865.84		
2013R	12.23							
2014	19.1							
2016	14.835							
2016R	6.225							
2018	14.6							

57

Walsh, Mike

From: Trzetziak, Linda
Sent: Friday, January 11, 2019 12:58 PM
To: Walsh, Mike
Subject: RE: Bond Premium

2,440,553.63
(1,495,085.03 and 945,468.60)

745,000 used to lower Debt. Svc. ✓
1,695,554 used to Fund Capital ✓

Linda Trzetziak
Assistant Finance Director
Town of East Hartford

From: Walsh, Mike
Sent: Friday, January 11, 2019 12:25 PM
To: Trzetziak, Linda
Subject: Bond Premium

T -

I plan to use all the bond premium we have squirreled away for capital items including Wickham, the Senior Center, dump trucks, and other items.

Can you tell me how much exactly I have to work with. I recall \$2.4M.

Also, do you think we need Council action on moving it to the Capital Reserve as part of the final budget adoption?

Michael P. Walsh, Director of Finance
Town of East Hartford
740 Main Street
East Hartford, CT 06108
Telephone: (860) 291-7246
Facsimile: (860) 289-0831
E-Mail: MWalsh@easthartfordct.gov

Town of East Hartford
Labor Contract Dates
Prepared as of January 12, 2019

Bargaining Unit	BU #	Contract Start	Contract End	Base plus OT	Employees Covered	Avg. Pay	Funding Needed FY 19
Fire	1548	7/1/2015	6/30/2019	11,706,460	127	92,177	234,129
Police	EHPOA	7/1/2017	6/30/2020	11,261,624	125	90,093	-
Laborers	1174	7/1/2017	6/30/2021	3,796,950	60	63,283	-
Supervisors	818	7/1/2016	6/30/2019	2,626,500	30	87,550	52,530
Municipal Employees	CSEAU	7/1/2017	6/30/2021	4,893,904	90	54,377	-
Dispatchers	Teamsters	7/1/2016	6/30/2019	1,506,239	19	79,276	30,125
					Total		<u>316,784</u>



East Hartford Golf Club
For the Month Ending December 31st, 2018

December					YTD				
Actual	Budget	Budget Variance	Last Year	Last Year Variance		Actual	Budget	Budget Variance	Last Year Variance
Rounds									
94	47	47	47	47	Rounds - Member	1,365	1,307	58	1,307
0	0	0	0	0	Rounds - Outing	416	420	(4)	284
539	100	439	174	365	Rounds - Public	10,773	13,250	(2,477)	11,855
633	147	486	221	412	Total Rounds	12,554	14,977	(2,423)	13,446
Revenue									
5,430	1,200	4,230	1,416	4,014	Green Fees	170,086	205,600	(35,514)	181,760
3,219	0	3,219	1,130	2,089	Cart Fees	75,397	106,500	(31,103)	94,427
2,217	1,115	1,102	1,862	355	Pro Shop Sales	21,126	21,694	(568)	23,319
135	0	135	118	16	Food (Food & Soft Drinks)	28,569	31,600	(3,031)	27,827
113	0	113	34	79	Beverages (Alcohol)	36,003	36,550	(547)	31,589
0	0	0	0	0	Other Food & Beverage Revenue	135	0	135	464
132	300	(168)	170	(38)	Other Golf Revenues (Club Rent, Han-	491	1,290	(798)	1,065
3,096	1,798	1,298	1,798	1,298	Dues Income - Monthly Dues	10,387	7,192	3,195	7,611
68	0	68	10	58	Miscellaneous Income and Discounts	(109)	0	(110)	(240)
14,410	4,414	9,996	6,538	7,871	Total Revenue	342,085	410,426	(68,341)	367,822
Cost of Sales									
1,717	1,412	(306)	1,412	(306)	COGS - Pro Shop	14,448	14,918	470	15,913
732	0	(732)	56	(676)	COGS - Food	9,052	12,300	3,248	14,022
2	0	(2)	7	5	COGS - Non-Alcoholic Beverages	2,648	2,975	326	2,982
62	0	(62)	(62)	(124)	COGS - Alcohol	9,421	11,935	2,515	11,597
2,513	1,412	(1,101)	1,413	(1,100)	Total Cost of Sales	35,569	42,128	6,560	44,514
11,897	3,002	8,895	5,126	6,771	GROSS INCOME	306,516	368,297	(61,781)	323,308
Labor									
846	750	(96)	321	(525)	Golf Operation Labor	35,123	38,450	3,327	30,662
5,229	5,150	(79)	5,031	(198)	General and Administrative	31,077	30,902	(175)	29,799
8,449	6,813	(1,636)	7,076	(1,372)	Maintenance and Landscaping	68,633	65,792	(2,841)	68,793
0	0	0	0	0	F&B	31,430	29,400	(2,030)	33,947
14,524	12,713	(1,811)	12,428	(2,096)	Total Direct Labor	166,263	164,544	(1,719)	163,200
1,198	1,040	(158)	970	(228)	Total Payroll Taxes	19,245	21,696	2,451	21,122
1,873	1,676	(197)	1,676	(197)	Total Medical/Health Benefits	4,996	9,705	4,709	9,705
3,071	2,716	(355)	2,646	(425)	Total Payroll Burden	24,240	31,401	7,161	30,827
17,595	15,429	(2,166)	15,074	(2,521)	Total Labor	190,504	195,945	5,441	194,027
Other Operational Expenses									
533	50	(483)	55	(479)	Golf Ops	7,044	5,471	(1,573)	5,069
10,196	12,075	1,879	11,912	1,716	G&A	79,090	84,017	4,927	82,161
2,325	1,883	(442)	1,893	(432)	Maintenance	33,022	34,923	1,901	56,997
48	48	0	48	0	F&B	4,815	5,059	244	4,970
500	500	0	350	(150)	Sales and Marketing	7,705	8,369	663	7,490
0	0	0	0	0	Equipment Leases	145,954	145,954	0	145,954
835	846	11	846	11	Insurance - P&C	5,008	5,075	67	5,075
14,437	15,402	965	15,103	667	Total Other Operational Expenses	282,638	288,867	6,229	307,714
32,031	30,831	(1,200)	30,177	(1,854)	Total Expenses	473,142	484,812	11,670	501,742
(20,134)	(27,829)	7,694	(25,051)	4,917	EBITDAR	(166,626)	(116,514)	(50,111)	(178,433)
(20,134)	(27,829)	7,694	(25,051)	4,917	EBITDA	(166,626)	(116,514)	(50,111)	(178,433)
(20,134)	(27,829)	7,694	(25,051)	4,917	Net Income	(166,626)	(116,514)	(50,111)	(178,433)

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**OPINION OF PROBABLE COST SUMMARY**

Estimate: Town of East Hartford - Renovated Senior Center

Date: November 14, 2018

Project Number: 1805

**Opinion of Construction Costs Based on Design Development**

Trade Costs				Average cost/gsf	Total SF 19,258 Renovations Total
Division	Description				
01000	General Trade Requirements Allowance				See Below
01100	Utility Relocations				Incl. in Site Work
02000	Site Development	8.59%	27.53	\$	530,259
02000	Building Selective Demolition	3.17%	10.15	\$	195,470
	Rock Removal Allowance				Excluded
02100	Hazardous Material Removal	0.19%	0.62	\$	12,000
02100	Mold Remediation				n/a
03000	Concrete Work	1.11%	3.54	\$	68,255
04000	Masonry	0.00%	-	\$	-
05000	Metals	0.70%	2.25	\$	43,296
06000	Woods & Plastics	0.86%	2.75	\$	53,025
07000	Moisture and Thermal Protection	12.79%	41.00	\$	789,503
08000	Doors and	4.80%	15.37	\$	296,020
09000	Finishes	14.20%	45.50	\$	876,175
10000	Specialties	3.83%	12.28	\$	236,566
11000	Equipment	2.62%	8.40	\$	161,747
12000	Furnishings	0.00%	-	\$	-
13000	Special	0.81%	2.60	\$	50,000
14000	Conveying Systems	0.00%	-	\$	-
15300	Fire Protection	1.28%	4.12	\$	79,281
15400	Plumbing Systems	5.65%	18.12	\$	348,933
15500	HVAC Systems & Equipment	16.80%	53.83	\$	1,036,697
16000	Electrical Systems	13.50%	43.26	\$	833,143
Subcontracted Subtotal				\$	5,610,371
Ave. Cost / sqft				90.91%	291.33
Contingencies					
5.00%	Estimating Contingency (% of trade cost excluding General Trade	4.55%	14.57	\$	280,519
5.00%	Design Contingency (% of trade cost excluding General Trade	4.55%	14.57	\$	280,519
0.00%	Builder's Construction Contingency (unforeseen conditions during construction phase)	Excluded - Generally carried in "Owner Soft" costs			
	Owner's Construction Contingency (unforeseen conditions during construction phase)	Excluded - Generally carried in "Owner Soft" costs			
	Subtotal - Contingencies	9.09%	29.13	\$	561,037
Total Construction Costs including contingencies				100.00%	320.46
				\$	6,171,408

State Bond
 [Signature]

Additional Cost (not included above) (contingencies & fees)

	PHOTOVOLTAICS		6.32	\$ 121,643
	COMMUNICATIONS			Excluded (by owner)
	AUDIO / VISUAL		1.16	\$ 22,310
	ACCESS CONTROL / VIDEO SURVEILLANCE		1.16	22,310
	WATER TAP FEES			Excluded (by owner)
	PLANTING ALLOWANCE		0.45	\$ 8,689
	GARDEN WALLS		2.09	\$ 40,316
	Subtotal Opitions (incl. contingencies & fees)		11.18	\$ 215,268

Assumptions/Changes used as Basis of Estimate	2017	2016
1. The Company's estimate of the fair value of the equity awards granted to the Company's employees is based on the Black-Scholes option pricing model. The Black-Scholes model is based on several assumptions, including the expected volatility of the Company's common stock. The Company's estimate of the fair value of the equity awards is based on the Black-Scholes model, which is based on the following assumptions: (i) the expected volatility of the Company's common stock is 25.0%; (ii) the expected dividend yield is 0.0%; (iii) the expected term of the equity awards is 4.0 years; (iv) the risk-free rate is 1.0%; and (v) the expected exercise price is \$10.00. The Company's estimate of the fair value of the equity awards is based on the Black-Scholes model, which is based on the following assumptions: (i) the expected volatility of the Company's common stock is 25.0%; (ii) the expected dividend yield is 0.0%; (iii) the expected term of the equity awards is 4.0 years; (iv) the risk-free rate is 1.0%; and (v) the expected exercise price is \$10.00.		

	Patio:
	Concrete not bluestone
	Exterior Siding:
	Metal panel, but simplified version
	Interior Finishes:
	Tiled walls areas are half the total wall area
	Ceilings :
	Entry - drywall and wood
	Restrooms - drywall
	Cloud ceilings - ACT
	Dining Room/Flex Space - ACT
	Millwork:
	Cubbies are categorized as furnishings not millwork except for the ones embedded in the wall at the Fitness Area

Exclusions:

	Non-fixed cubbies		
	Locker Room Benches		
	Banquette		
	Café Cabinets & Countertops		\$23,750
	Demonstration Kitchen Cabinets & Countertops		\$32,500
	Demonstration Kitchen Appliances		\$15,000
	Café Appliances	225	
	Art Room Cabinets & Countertops		\$10,200
	Fitness Equipment		\$115,690
	Voice/Data Wiring & Devices		\$27,478

Inclusions:

[illegible]

664 all in
216 Frontier
P 6.8m

\$,000
400
900
7
1
2

Bond - Town	7
State Grant	5
Funds	
State Bond	7
446d Fund. Proj.	

$$\begin{array}{r} \text{Avail.} \\ 6.8M - 900K = 5.9M \\ \quad .5M \\ \hline 6.4M \end{array}$$

Silver/Petrucci + Associates, Inc.
Architects/Engineers/Interior Design

Town Of East Hartford,CT.
Wickham Memorial Library Renovation & Addition
East Hartford, Connecticut

Opinion of Probable Construction Cost: Schematic Phase

Total New Construction (SF) 1580
Total Existing Construction (SF) 5005
Total Proposed Building (SF) 6585

	AREA	Detail	COST/SF	SUBTOTAL
New Construction	1,580	New Construction (Architectural only)	\$ 250.00	\$395,000.00
Existing Building Renovations	5,005	Existing Construction (Architectural only)	\$ 65.00	\$325,325.00
Demolition		Architectural	LS	\$15,000.00
		Mechanical	LS	\$6,500.00
		Plumbing	LS	\$2,000.00
		Electrical	LS	\$2,000.00
New gas-fired boiler			LS	\$9,500.00
New hydronic piping, gas piping, and accessories			LS	\$18,000.00
New heat pump and VRF split system			LS	\$19,500.00
New plumbing fixtures for existing men's room			LS	\$10,000.00
New fixtures for addition			LS	\$25,000.00
Instantaneous water heaters at all sink (5 total)			LS	\$4,500.00
Fire Protection (Sprinklers, Backflow, Piping, New Service etc) All floors including attic			LS	\$90,000.00
Utility Fees			LS	\$8,500.00
Power(Panelboard, Receptacles, Wiring, etc.)			LS	\$28,000.00
Lighting(Fixtures, Switches, Wiring, etc.)			LS	\$25,000.00
Data(Jacks, Faceplates, Cabling)			LS	\$2,000.00
Fire Alarm(Horn/Strobe, Smoke Detector, Pull Station, etc.)			LS	\$8,000.00
Site Demolition, Earthwork		Trenching, Foundations, Fill	LS	\$25,000.00
Site Paving, Curbs, Walkways		Bituminous Paving, Concrete Sidewalks & Aprons	LS	\$250,000.00
Landscaping		Plantings, Signage	LS	\$10,000.00

CONSTRUCTION TOTAL	\$1,278,825.00
15% OWNER'S CONTINGENCY	\$191,823.75

A/E CONSTRUCTION DESIGN, BID & CA (tbd..PLACEHOLDER)	\$120,168.00
ENVIRONMENTAL (tbd..PLACEHOLDER)	\$40,000.00
FURNITURE FIXTURES EQUIPMENT (tbd..PLACEHOLDER)	\$50,000.00
BID PRINTING & LEGAL NOTICES	\$2,000.00
SPECIAL INSPECTIONS AND MATERIAL TESTING	\$3,500.00

SOFT COST TOTAL	\$215,668.00
10% SOFT COST CONTINGENCY	\$21,566.80

TOTAL PROJECT COST	\$1,707,883.55
ANTICIPATES 2019 CONSTRUCTION	

FY 18 H9

675,000 LOCIP



East River Energy

Heating Oil #2, 4 & 6, Bio Heat, Gasoline, Diesel Fuels, Kerosene, Bio Diesel, Propane, Natural Gas, Electricity, Pool Water, HVAC Services, Tank and Equipment Rentals, On Site Fleet Fueling and Emergency Response Services

December 17, 2018

Mr. Michael Walsh
Finance Director
Town of East Hartford
740 Main Street
East Hartford, CT 06108

URGENT

Transmitted via Electronic Mail

Dear Mr. Walsh:

East River Energy is pleased to confirm the following agreement which has already been processed effective this date, as per the electronic mail exchanged between Michael Walsh of the Town of East Hartford and Charlie Guadagnino of East River Energy.

East River Energy shall supply and the Town of East Hartford shall purchase the following as listed below.

Product	Contract Gallons	Contract Period	Fixed Price Per Gallon Excluding Taxes
Regular Unleaded Gasoline	133,000	01/01/2019-12/31/2019	\$1.7800

Please note that gasoline is subject to CT Gross Receipts Tax, L.U.S.T of \$0.0010 per gallon and Federal Spill Fund Recovery Tax of \$0.002142 per gallon.

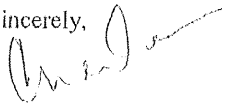
East River Energy's payment terms are net 25 days.

Please sign below where indicated along with Attachment A, and return to my attention via email or facsimile immediately.

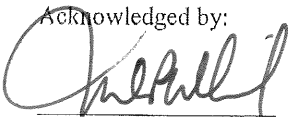
Any unauthorized use, disclosure, distribution, copying or altering of any part of this document is prohibited. Any information included in this document is that of East River Energy, Inc. and intended solely for the recipient.

Thank you for your valued business. I look forward to continuing our mutually rewarding relationship.

Sincerely,


Charles Guadagnino
Business Development

Acknowledged by:


Mr. Michael Walsh
Finance Director

Dated: 12/18/18

Your Energy Partner

401 Soundview Road · P.O. Box 388 · Guilford, CT 06437-0388

203.453.1200 · 800.336.3762 · FAX: 203.453.3899

www.eastriverenergy.com

Est. 1984

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East River Energy

Heating Oil #2, 4 & 6, Bio Heat, Gasoline, Diesel Fuels, Kerosene, Bio Diesel, Propane, Natural Gas, Electricity, Pool Water, HVAC Services, Tank and Equipment Rentals, On Site Fleet Fueling and Emergency Response Services

Attachment A

The price contained and offered in this contract is based upon the sale of the quantity of contract gallons as stated in the specifications. In the event that the customer exceeds 100% of the contract gallons during the contract period, East River Energy reserves the right to (1) extend the contract under the same terms and conditions, or (2) change the contract price to the Oil Price Daily New Haven Harbor Average plus \$0.15 per gallon. In the event that the customer purchases less than 100% of the contract gallons during the contract period, East River Energy reserves the right to (1) extend the contract under the same terms and conditions, (2) have the customer purchase at the contract price the difference between the contract gallons and the actual delivered gallons; East River Energy shall have no obligation to deliver remaining gallons, or (3) terminate the contract. Storage fees or liquidation charges may apply and customer will be responsible for payment of any storage fees or liquidation charges. East River Energy will monitor consumption on a monthly basis. East River Energy reserves the right to allocate committed gallons on a pro-rata basis over the term of this contract. Should customer request a #1 Diesel (Kerosene) blend, the #1 Diesel Fuel gallons delivered will be invoiced based on the prevailing market rate. East River Energy reserves the right to utilize OPIS postings at its discretion.

Customer agrees to the terms of sale as set forth in this contract. If customer fails to pay within the terms of contract, customer agrees that East River Energy has the right to charge, and customer agrees to pay, a finance charge of 1.5% per month on any unpaid balance. If East River Energy hires an attorney or collection agency to collect the amounts the customer owes, customer agrees to pay any costs and expenses, including reasonable attorneys' fees and/or collection agency fees, incurred in the collection of the account or in enforcing the contract. In addition, any credit balance remaining on an account will be applied to the following year's purchases. Please note that any change in State or Federal taxes/fees over the course of the contract period will be passed down to the customer and customer will be responsible for payment on such new tax/fee rate.

East River Energy reserves the right to refuse to deliver to any tank, which, in its sole discretion, is deemed unsafe. Deliveries will resume once the problem is corrected. In the event a "run-out" occurs at a "will-call" tank, East River Energy reserves the right to levy a surcharge commensurate to the cost of providing immediate delivery, if one is requested. In the event a driver is re-routed due to a will call customer not taking the full load as ordered, East River Energy reserves the right to levy a delivery charge. Customer acknowledges that all tanks and piping are in good condition and meet all State and Federal regulations and specifications. Product samples, when requested, must come directly off of the truck before delivery is made. East River Energy is not obligated to deliver to any tanks or locations other than what is stated in the contract and/or bid specifications. In addition, East River Energy reserves the right to levy a fuel surcharge. East River Energy does not provide assurances for fuel which the customer stores in their tanks, or the condition of their tank, leakage or environmental contamination. This is including but not limited to spillage and inaccuracy of fuel ordering. Customer is responsible to notify East River Energy if any tank is replaced, eliminated, or if there is construction work around a tank location. These changes could affect scheduled delivery times, hose lengths, and fittings required to make the delivery. Please have your maintenance personnel keep driveways, pathways and fills clear of ice and snow. This ensures ability of timely delivery and personal safety of our drivers. Demurrage will be assessed if a delivery is delayed at your location by circumstances beyond our control, and/or if our driver finds it necessary to clear ice or snow in order to deliver fuel to your tank(s). Customer is responsible to pay any demurrage, delivery or fuel surcharges assessed during the contract period.

Publication: OPIS publications including the Oil Price Daily are copyrighted documents and therefore are not to be transmitted by East River Energy to the Customer by law. These publications change daily and it is the customer's responsibility to validate posted prices. The posting utilized will be most closely reflective of the product actually being delivered.

Force Majeure: East River Energy shall not be liable to the customer for any losses or damages to that customer in the event East River Energy is unable to fulfill its obligations under this agreement due to acts of God, fire, flood, war or any other causes beyond its control.

Any unauthorized use, disclosure, distribution, copying or altering of any part of this document is prohibited. Any information included in this document is that of East River Energy, Inc. and intended solely for the recipient.

Acknowledged by: *Cherrell*

Dated: 12/18/16

Your Energy Partner

401 Soundview Road • P.O. Box 388 • Guilford, CT 06437-0388

203.453.1200 • 800.336.3762 • FAX: 203.453.3899

www.eastriverenergy.com

Est. 1984

(65)



EAST HARTFORD POLICE DEPARTMENT MEMORANDUM



To: Keith Chapman, Director of Public Works

From: Scott M. Sansom, Chief of Police

Date: January 9, 2019

Subject: Police Department Fleet

As we spoke this is a general reference to better understand the utilization of our fleet. I have also attached a chart showing peak operation. What the chart does not show is the days we need vehicles for the special events such as the Stadium (50 Posts) and the Hartford Marathon (70 Posts). On these days we really scramble to get the most of the post covered.

There are 6 Admin vehicles, which are take-home (5 in regular use and 1 spare). The spare is utilized when one of the administrative vehicles is in for repair, or by a Lieutenant or Officer as needed.

There are 5 Lieutenant vehicles available to them as needed. The Lieutenants that have access to these vehicles are: the Public Information/Executive Lieutenant, the Communications Lieutenant, the Criminal Investigations Bureau Lieutenant, the Support Services Lieutenant and the Professional Standards Bureau Lieutenant. Each of these individuals utilizes these vehicles for various needs associated with their respective job functions.

The Criminal Investigations Bureau has 8 vehicles available to them to conduct investigations or other functions as needed. Detectives that are assigned a partner will share a vehicle, since there are not enough vehicles for each individual detective. There is also a dedicated Evidentiary Services Unit vehicle that is utilized for investigations as necessary.

There are two community service officers that both have their own vehicle. These officers are tasked with various community-related job functions that require them to travel to various locations on a daily basis.

The Firearms Officer in Charge has a vehicle that he utilizes to obtain supplies when necessary or for transportation to training.

There are 4 dedicated K9 vehicles, 3 that are always in use and 1 spare. K9 vehicles are take-home vehicles dedicated to the specific K9 officer. The spare is necessary when a vehicle need maintenance or be taken out of service. If no spare K-9 vehicle is available then the dog would be taken out of service for that time period.

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EAST HARTFORD POLICE DEPARTMENT MEMORANDUM



There is one Management Information Services vehicle. This vehicle is utilized by MIS personnel to attend training at various department vendors, pick up parts to fix IT-related issues.

Generally, there are 12 officers and supervisors working per shift, however there is a 1-2 hour overlap everyday where there are 24 officers and supervisors working. On common days there are 36 officers and supervisors working at a time, thus requiring 36 vehicles. See the graph to get a visualization of shifts.

There are 9 dedicated private job vehicles. However, depending on the time of year, there can be anywhere from 6-15 (or more) private jobs a day. These cars are utilized during special events such as the Hartford Marathon and Uconn football games. Thus, when all the PJ vehicles are taken, officers will utilize lieutenant vehicles, the spare admin vehicle or line cars when needed.

There are two dedicated prisoner vans. The prisoner van is utilized to bring prisoners to court on a daily basis.

There is one dedicated property vehicle. This vehicle is utilized by property personnel to bring evidence items to court or for evidence destruction.

There are 5 SRO vehicles (4 in regular use, 1 spare). Although SRO's are assigned to either the middle school or the high school, they travel to various schools throughout the Town for presentations, training or to assist with SRO-related functions. They will also transport students who are arrested to the police department.

There are 5 dedicated traffic vehicles. Four officers work 7:30-15:30 and one works 15:00-23:00.

There is one vehicle for the training sergeant. The training sergeant is responsible for scheduling training for all officers, and coordinating training for newly hired officers. The training sergeant provides new officers with transportation to obtain equipment for new hires and to outside training when required.

There are 4 Vice, Narcotics and Intelligence Officers (3 officers, 1 sergeant), each of which have their own vehicle to conduct investigations. There is also a DEA officer who has their own separate vehicle.



EAST HARTFORD POLICE DEPARTMENT MEMORANDUM



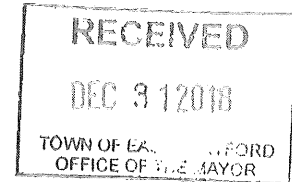
Vehicle	Typical Yearly Mileage
Admin	20k
LT	5k
CIB	6.25k
CSO	5k
Patrol	15-20k
PJ	4.5k
K9	19.5k
SRO	2k
Traffic	7k

C.C. Lt. Neves
Mike Walsh
S. Jones



200 CORPORATE PLACE Suite 202 • Rocky Hill • CONNECTICUT • 06067 • TELEPHONE (860) 757-7700
FAX (860) 757-7740

December 27, 2018



Via Email and Certified Mail

The Honorable Marcia Leclerc
Mayor, Town of East Hartford
740 Main Street
East Hartford, CT 06108

Dear Mayor Leclerc:

On November 9, 2018 the Materials Innovation and Recycling Authority (MIRA) provided notice that its CSWS trash-to-energy facility in Hartford's South Meadows suffered a serious mechanical failure, leaving the CSWS facility without waste processing capability until repairs are completed. This constituted an event causing MIRA to incur Additional Costs under Section 2.7 of the Municipal Services Agreement between MIRA and your municipality.

Since the event, MIRA has been working diligently to expedite repairs and bring the CSWS facility back on line, while diverting municipal waste deliveries to alternate disposal sites and storing waste that cannot be diverted. Every town under agreement with MIRA has continued to receive uninterrupted MSW disposal and recycling service. However, MIRA's cost to divert waste during this event has averaged over \$100 per ton, well above the previously established net cost of operation municipal tipping fee as defined in the Municipal Services Agreement. These Additional Costs may continue beyond the expected return of the facility to limited service, and if necessary, will be incorporated into the tip fee for the coming fiscal year 2020 budget.

MIRA's ability to defer recouping these Additional Costs through use of reserves is presently challenged by a number of factors including increased repair costs and delays in the receipt of claims that will partially reimburse MIRA for costs associated with the underlying events. Accordingly, pursuant to section 22a-265

of the general statutes, MIRA is providing sixty (60) days' notice that its fiscal year 2019 adopted tip fees may increase by as much as \$13 per ton. If this increase is determined to be unavoidable it will occur no sooner than March 1, 2019. After such increase the effective rates may be established as follows:

- Tier 1 Long Term - \$85 per ton
- Tier 1 Short Term - \$87 per ton
- Tier 2 - \$89 per ton
- Tier 3 - \$85 per ton

$$14,000 / 12 = 1,167$$

$$4,667 \times 13 = 60,667$$

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MIRA understands that this increase would place an added and unexpected burden on its municipal customers and we are making every effort to mitigate these Additional Costs. I want to reiterate that this is a notice of a **potential** increase in tipping fees and is provided, as required by the general statutes.

As circumstances evolve over the next several weeks, MIRA 's Board of directors will reassess its fiscal position and make a determination on the fee, including the potential to defer recouping Additional Costs to July 1, 2019 (the start of its fiscal year 2020). This reassessment will take into consideration the timing and receipt of insurance claim proceeds, the schedule for return to full operation, and changing costs of disposal diversions.

We invite you to a telephone conference to provide additional information and an opportunity to ask questions regarding this situation. That call is scheduled for Thursday, January 10, 2019 at 1:30 PM. To participate call: 1-888-808-6929, access code 7602926#.

We regret the necessity of this notice and are hopeful we can minimize any impact to the towns. We appreciate your patience and cooperation in dealing with this unprecedented facility casualty and look forward to a return to routine service.

Sincerely,



Thomas D. Kirk
President

Walsh, Mike

From: Trzetzziak, Linda
Sent: Wednesday, January 16, 2019 8:50 AM
To: L'Aine, Brenda; Cummings, Kim
Cc: Walsh, Mike
Subject: Fire DROPS June

FYI to all:

We have 18 firefighters eligible to join the Fire DROP plan in June this year. (and 9 more eligible in May 2020 just FYI for Mike).

These 18 were all hired 6/17/94. Sandy says that according to the retirement board rules, they must enter the plan on June 25th or later if they want to include the month of June in their retirement calculation. DROP dates in June will have payout calculations at this year's fiscal 2019 pay rates.

Logistically, Finance won't see paperwork to pay out the DROP lump sums until July and the new fiscal 19-20 budget year. They are paid out for their 5 weeks of vacation time (Fire budget) and 60 days of sick time (Finance benefits budget -Mike that's a big impact on our G3800 account where we pay the sick time from – make a note for your budget pile.)

Therefore, since we will be into the new fiscal year budget, these employees will have the option to split their DROP payout between the 2019 and 2020 calendar years. They will be able to choose how to split their payout in any way between a portion in July 2019 and/or January 2020.

Sandy will be setting up monthly meetings with those involved. I plan to tag along with her this round to try to avoid so many individual questions that came in from the 9 folks who entered the plan in the fall.
Any questions, let me know.

Linda Trzetzziak
Assistant Finance Director
Town of East Hartford