

FY 2020 Board of Education Highlights

Board of Education (BOE) spending will increase by \$3.4 million due to \$2 million related to rising medical costs for their active employees and \$1.4 million of higher negotiated labor contract costs. This amount will be mitigated in large part by eliminating the \$1.7 million budgeted OPEB contribution and using \$750 thousand of the expected \$2.2 million Alliance Grant increase to fund BOE initiatives. After these adjustments, the net increase to the BOE will be \$971 thousand.



Capital Equipment:

A review of the capital equipment life cycles for our larger equipment was conducted, and six dump trucks and one loader were taken off the road due to excessive wear including extensive corrosion.

Using Bond Premiums, Capital Leases, Local Capital Improvement State Grants (LOCIP), a State DERA Grant, Road Bonding, and unspent Capital surpluses, the town will invest in six full sized dump trucks, one loader, twelve Police cars/Evidence Van, Wickham renovations, the Senior Center Parking lot, three Fire light duty vehicles, server hardening, one backhoe, and two mowers.



To learn more about the recommended budget, you can view it in its entirety at www.EastHartfordCT.gov/finance

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BUDGET IN BRIEF



Mayor's Fiscal Year 2020 Proposed Budget

February 2019

Key Budget Statistics:

- Total budget spending is \$191.5 million. This is an increase of \$1.5 million or 0.8% higher than the current year
- Spending for Town government is budgeted at \$58.6 million. This is \$1.4 million or 2.4% higher than the current year
- Health Benefit/Insurances spending is budgeted at \$12.4 million. This is \$1.6 million or 11.6% lower than the current year
- Pension & Retirement spending is budgeted at \$18.7 million. This is \$984 thousand or 5.5% higher than the current year
- Educational spending is budgeted at \$91.7 million. This is \$971 thousand or 1.1% higher than the current year
- Town and BOE Debt Service spending is budgeted at \$8.2 million. This spending is flat compared to the current year
- Capital Improvement spending is budgeted at \$1.9 million. This is \$201 thousand or 9.4% lower than the current year



Mill Rate

The recommended mill rate of 49.28 for Real Estate and Personal Property is 1.62 mills or 3.4% higher than the current year while the motor vehicle mill rate remains at 45.00 with no year over year increase. Accordingly, in total, the average taxpayer with two cars will see a \$185 or a 3.0% increase in taxes beginning in July of 2019.

FY 2020 Recommended Budget Summary

| | REVISED | RECOMMENDED | % Change | \$\$\$ |
|------------------------------------|---------------|----------------|--------------|-------------|
| | FY 2018-19 | FY 2019-20 | (prior year) | Inc. (Dec.) |
| TOWN | \$ 57,208,682 | \$ 58,579,207 | 2.4% | \$1,370,525 |
| HEALTH BENEFITS/INSURANCES | 14,008,346 | 12,385,518 | -11.6% | (1,622,828) |
| RETIREMENT BENEFIT COSTS | 17,752,956 | 18,737,000 | 5.5% | 984,044 |
| BOARD OF EDUCATION | 90,691,419 | 91,662,619 | 1.1% | 971,200 |
| TOWN AND BOARD DEBT SERVICE | 8,213,764 | 8,211,866 | 0.0% | (1,898) |
| CAPITAL IMPROVEMENTS | 2,148,169 | 1,947,216 | -9.4% | (200,953) |
| TOTAL | \$190,023,336 | \$ 191,523,426 | 0.8% | \$1,500,090 |

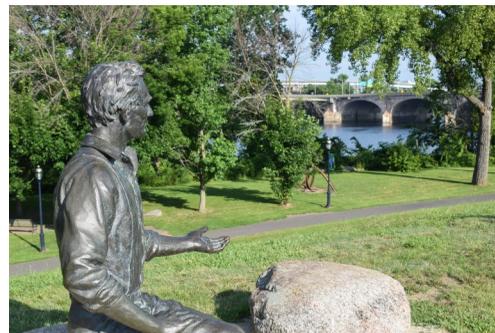
Other Noteworthy Items

In fiscal year 2020, the town will begin the process of competitively bidding out waste collection with recycling together in an effort to reduce the overall cost to the taxpayers through permanent staffing reductions by attrition and market driven efficiency.

In addition to the reconfiguring of Public Works staffing, the town is rethinking its policy of full depth road reclamation when completing road repaving and instead amending the approach so that more milling and repaving will be completed on most roads which will allow the annual road miles paved to increase from about six miles per year to ten miles per year.

The town will also begin the engineering phase of the \$3.9 million Town Hall renovation project including new HVAC, electrical, roof, cupola restoration repairs, and possible solar voltaic rooftop system. The renovation of the former Blessed Sacrament Church into the town's new Senior Center is underway and being bid for 2019 construction. The expansion and renovation of the historic Wickham Library is also underway and in the process of being bid for construction in the summer of 2019.

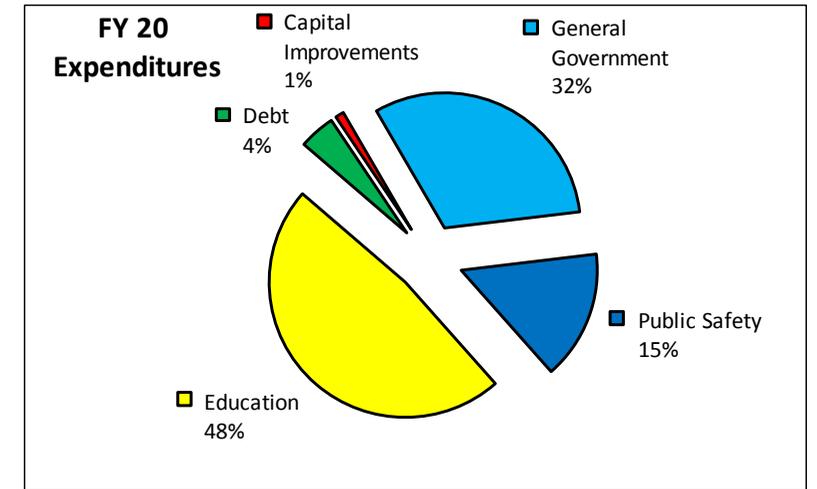
While a host of noteworthy infrastructure items are detailed above, the town also commits via this budget to a more robust and operationally sound Information Technology operation with the funding of a shared Chief Information Officer position with the BOE and an allocation of capital money in the amount of \$250 thousand to make current and harden the server infrastructure that the town's Information Technology rides on.



Revenues and Expenditures

The Town's October 1, 2018 taxable grand list, the economic engine that produces \$132 million of revenue for the town to use to balance its budget was down on a net taxable ba-

sis due to the completion of the Pratt and Whitney Headquarters and Engineering Building and that building moving into 80% tax exempt status for five years based on a program available to Pratt under Connecticut General Statutes. Currently, given the State's financial situation, no reimbursement of this State abatement is available to the town. The associated loss of revenue to the Town of East Hartford is projected at \$2.2 million annually or \$11 million over the life of the abatement.



Revenues in the form of grants from the State of Connecticut and totaling nearly \$50 million annually were held flat in the fiscal year 20 projections as new Governor Ned Lamont com-

Miscellaneous Statistics

| | |
|-------------------------|----------------------|
| Date of incorporation | 1783 |
| Form of government | Strong Mayor/Council |
| Area | 18.7 square miles |
| Population | 51,252 |
| Recreation and culture: | |
| Number of parks | 24 with 650 acres |
| Municipal golf course | 1 |
| Number of libraries | 2 |

| | |
|---|-----------------|
| 2019-20 Mill Rate for Real Estate & Personal Property | 49.28 |
| 2019-20 Mill Rate for Motor Vehicle | 45.00 |
| (A mill is \$1 for each \$1,000 taxable value) | |
| 2018 Net Taxable Grand List | \$2,782,418,549 |