



Finance Department BUDGET PRESENTATION

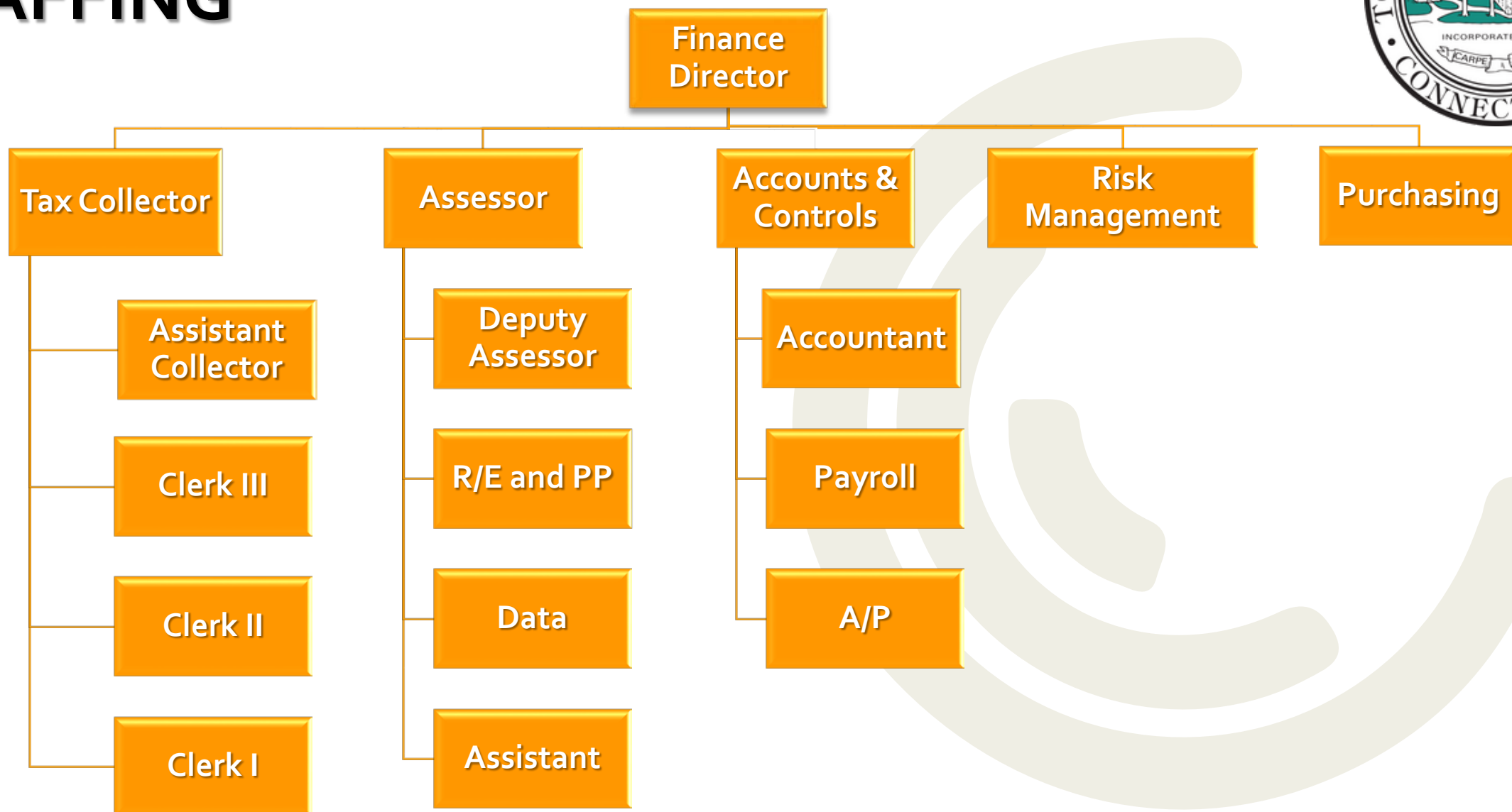
FY 2020-2021

➤ LINDA TRZETZIAK

- Finance Director 2019 to current
- Town of East Hartford Assistant Finance Director 1994 to 2019
- Bachelor's Degree from UCONN
- Certified Public Accountant
- Certified Internal Auditor



STAFFING





► DESCRIPTION & MISSION

To provide the Mayor, Town Council, taxpayers and town departments with efficient and effective financial management services



► HOW DO WE DO THAT?

- Labor and Pension Contract Negotiation Proforma
- Medical Benefit Delivery
- Worker's Compensation Administration
- Preparation of the Mayor's Budget and 5-Year CIP
- Investment of Town assets
- Liaison to the Retirement Board
- Financial Reporting
- Payroll and Vendor Payments, Federal and State reporting



➤ HOW DO WE DO THAT?

- Tax Collection Oversight
- Tax Liens/Tax Sales
- Assessor's Office Grand List Oversight
- Purchasing Administration
- Insurance Placement or SIR analysis
- Respond to Litigation Issues and then Adjust Risk Policies
- Debt Issuances
- Lease Administration



➤ FINANCE ACCOMPLISHMENTS

- Production of the Annual Budget and CIP
- Labor Negotiations – recent Fire, Supervisors, Dispatch
- Clean audit, solid FY 19 Year-end results
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting – 39 years as of June 30, 2018 (2019 application pending)



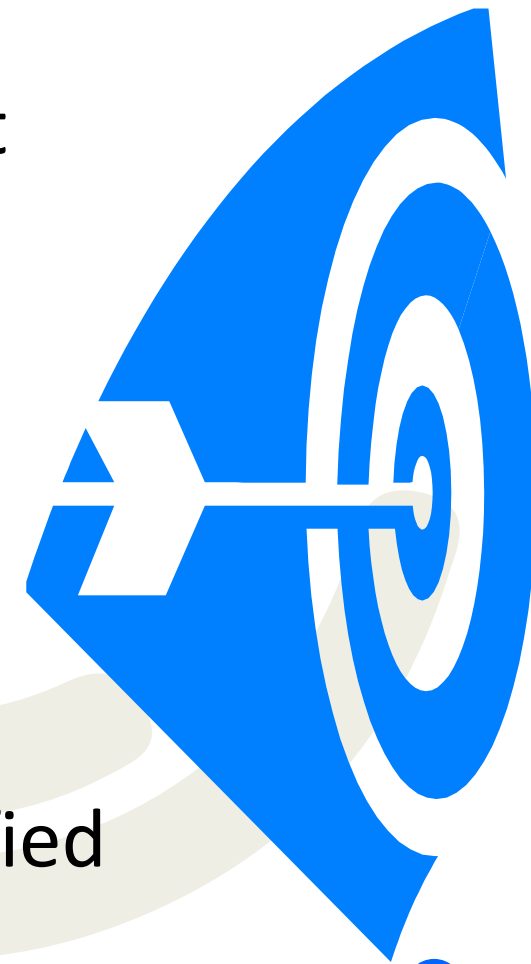
► FINANCE ACCOMPLISHMENTS

- Pension and OPEB valuations
- Attention to Senior Center renovations budget/funding
- Pratt Revaluation Lawsuit completed
- CONN-OSHA Inspection and Compliance efforts



➤ FINANCIAL STRENGTHS

- Fund Balance is at 10% (competitively weak)
- We bond over 10 years and have manageable debt
- We hit our budget targets annually
- We fund the pension based on the ARC
- We have an OPEB Trust
- Our Medical Reserve is appropriately funded
- Our Other Reserve Funds are adequately funded
- Our tax base is concentrated yet becoming diversified





➤ FINANCIAL WEAKNESSES

- We fund our pension using a 7.55% discount rate (down from 7.6%)
- We have a \$218 million unfunded pension obligation @ 7.55%
- We have a \$254 million unfunded pension obligation @ 6.65%
- We have a \$79 million unfunded OPEB obligation
- Our wealth and other indices are below average



➤ FY 21 BUDGET REVENUE *DRIVERS* \$5.2 M *RECOMMENDED* INCREASE

Mill Rate
Increase
1.6%

49.11 to 49.92
.81 mills

\$2,755,349
Value 1 mill

Other revenue items of note:

- State aid increase for \$1.8 million – Municipal Projects (MM&E)
- State MV Mill Rate grant increase \$133k
- ECS Alliance to BOE-\$2.2M

FY 21 BUDGET Expense Drivers

\$5.2 M *Recommended* Increase

\$1.2 M Increase From *Revised*

BOE Increase		1,016,626
Pension (to 7.55% discount rate/no change to amortization)		1,100,000
Debt Issuance		777,000
Contractual Settlements		1,029,331
Lease Payments/CIP		135,108
MDC (Clean Water bond issuance)		322,250
Revaluation		250,000
MIRA Tipping Fees		275,000
53 week payroll		700,000
OPEB (lower due to new ordinance and \$2.7 million addit FY20)		(512,812)

➤ THE AVERAGE TAXPAYER

	2018	2019		
	Grand List	Grand List		
	<u>FY 20 Budget</u>	<u>FY 21 Budget</u>	<u>Diff.</u>	<u>% Chg.</u>
Total Assessed Value	\$ 114,310	\$ 114,310	-	
Mill rate	<u>49.11</u>	<u>49.92</u>	.81	
Tax	\$ <u>5,614</u>	\$ <u>5,706</u>	\$ 92	1.6%
Market Value - Information only		\$ 163,300		
Car 1 Assessed Value	\$ 9,200	\$ 8,464	(736)	
Car 2 Assessed Value	<u>4,600</u>	<u>4,232</u>	(368)	
Total Value	\$ 13,800	\$ 12,696	(1,104)	
Mill rate	<u>45.00</u>	<u>45.00</u>	-	
Tax	\$ <u>621</u>	\$ <u>571</u>	\$ (50)	(8.0%)
Total Taxes	\$ 6,235	\$ 6,278	\$ 43	.69%

➤ BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3100	60110	Finance Admin Salaries	Change in personnel	(\$4,872)
G3100	62213	Finance Admin Dues	Increased costs of security identity monitoring for Town bank account signers	\$590
G3200	60110	Accounts & Control Salaries	Change in personnel	(\$49,518)
G3200	63138	Accounts & Control Contractual	Increase in annual maintenance for MUNIS financial system software	\$5,000
G3400	60110	Purchasing Salaries	Contractual increase	\$840

➤ BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3400	63236/64 605	Purchasing Office Equipment	Reclass office equipment expense between account	\$450 (\$450)
G3600	60110	Assessor Salaries	Change in personnel	(\$12,891)
G3600	62213	Assessor Dues	Increased dues for new Deputy Assessor	\$230
G3600	62214	Assessor Books	Increased costs NADA guides	\$120
G3600	62216	Assessor Devel/Training	Increased training for 2 new staff members	\$1,280

➤ BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3600	63702	Assessor Revaluation	Revaluation required in 2021	\$250,000
G3700	60110	Tax Salaries	Change in personnel	(\$1,497)
G3800	61210	Benefits EAP	New provider with enhanced services	\$4,635
G3800	61430	Benefits Pension	Actuarial funding requirement. Decrease interest rate from 7.6% to 7.55%	\$1,100,000
G3800	61440	Benefits Unemployment	Decrease in unemployment compensation claims	(\$10,000)

➤ BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3800	61466	Benefits OPEB	Decrease in required calculation per ordinance	(\$512,812)
G3900	60110	Risk Mngt Salaries	Contractual increase	\$968
G3900	63221	Risk Mngt Printing	Discontinue purchase printed posters	(\$250)



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Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of East Hartford
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Thomas P. M.

THANK YOU!
