



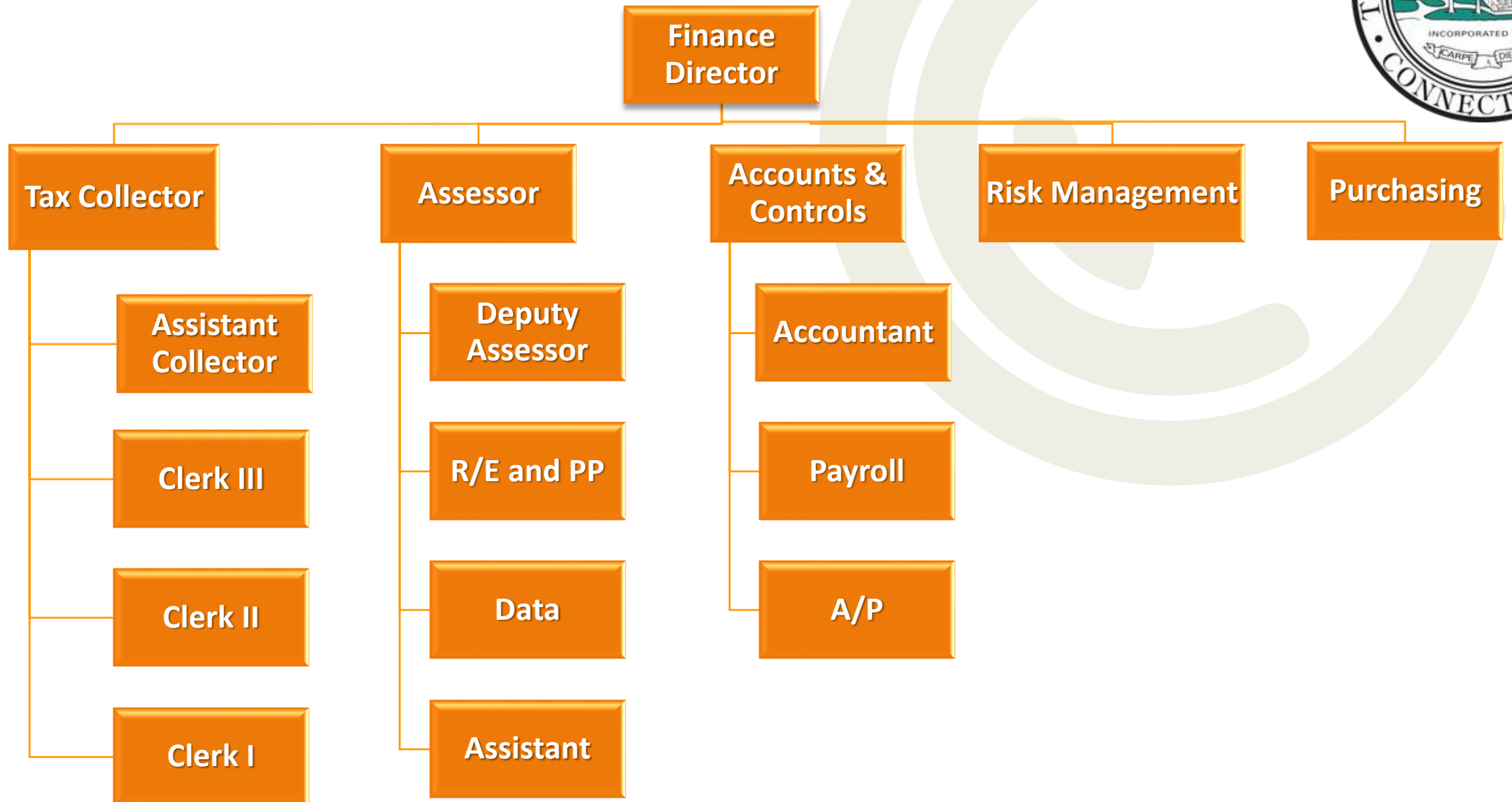
# Finance Department BUDGET PRESENTATION

**FY 2021-2022**

# ➤ 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





## ➤ 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 – upcoming Police, 1174, CSEA
- Clean audit, solid FY 20 Year-end results
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting – 40 years as of June 30, 2019 (2020 application pending)



# ➤ FINANCE ACCOMPLISHMENTS

- Pension and OPEB valuations
- Attention to Senior Center renovations budget/funding
- Accounting during the pandemic – FEMA, State, Payroll
- Services during the pandemic – Tax Collections, Bids, Assessment Services
- 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 7.50% discount rate (down from 7.55%)
- We have a \$234 million unfunded pension obligation @ 7.50%
- We have a \$114 million unfunded OPEB obligation
- Our wealth and other indices are below average



# ➤ OCTOBER 1, 2020 GRAND LIST

The East Hartford Assessor's Office has completed the Grand List for October 1, 2020 . The new total Grand List is: **3,280,766,453** .  
By categories, the real estate, personal property and motor vehicle changes are indicated by the following chart:

	GROSS	EXEMPTIONS	NET	COMPARISON OF NET TAXABLE CURRENT YEAR TO PRIOR YEAR	
				ASSESSMENT CHANGE	PERCENTAGE CHANGE
Real Estate	2,268,054,477	66,862,130	2,201,192,347	-217,739	-0.01%
Personal Property	713,434,876	385,404,330	328,030,546	7,367,848	2.30%
Motor Vehicles	299,277,100	2,765,310	296,511,790	10,790,000	3.78%
<b>TOTAL GRAND LIST</b>	<b>3,280,766,453</b>	<b>455,031,770</b>	<b>2,825,734,683</b>	<b>17,940,109</b>	<b>0.64%</b>

There are also **483,907,800** in tax exempt property in the town. This represents real estate owned by the Town, State of Connecticut, Federal Government and other tax-exempt entities. It is not taxed and thus not included in the taxable Grand List.

The figures above do not reflect any adjustments that may be made by the Board of Assessment Appeals, which meet during the month of March. Anyone wishing to appeal their Real Estate, Personal Property or Supplemental Assessment must file an application, available in the Assessor's Office by February 20th.

# ➤ **FY 22 BUDGET REVENUE *DRIVERS*** **\$4.3 M *RECOMMENDED* INCREASE**

**Mill Rate  
Decrease  
1.8%**

**49.92 to 49.35  
.57 mills**

**\$2,748,854  
Value 1 mill**

## Other revenue items of note:

- State aid increase for \$4.5 million – Additional Distressed Municipalities Grant
- ECS Alliance to BOE- flat, no increase

# ➤ FY 22 BUDGET Expense Drivers

## \$4.3 M *Recommended* Increase

<b>BOE Increase</b>	<b>1,500,000</b>
Pension (to 7.50% discount rate/no change to amortization)	1,400,000
Reserve for future contracts	173,818
Contractual Settlements	676,062
Contribution to Workers Comp Fund	100,000
IT Software and Licensing	165,600
MIRA Tipping Fees	87,200
Police Body Cameras	155,999
Police Dashboard Cameras	61,920

# ➤ THE AVERAGE TAXPAYER

	2019	2020		
	Grand List	Grand List		
<b>Average Taxpayer</b>	FY 20 Budget	FY 21 Budget	Diff.	% Chg.
Total Assessed Value	\$ 114,310	\$ 114,310	-	0.0%
Mill rate	49.92	49.35	(0.57)	-1.1%
Tax	\$ 5,706	\$ 5,641	\$ (65)	-1.1%
Market Value - Information only		\$ 163,300		
Car 1 Assessed Value	\$ 10,000	\$ 9,200	(800)	-8.0%
Car 2 Assessed Value	5,000	4,600	(400)	-8.0%
Total Value	\$ 15,000	\$ 13,800	(1,200)	-8.0%
Mill rate	45.00	45.00	-	0.0%
Tax	\$ 675	\$ 621	\$ (54)	-8.0%
<b>Total Taxes</b>	\$ 6,381	\$ 6,262	\$ (119)	-1.87%

# BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3100	60110	Finance Admin Salaries	Change in personnel. New Deputy Position.	\$102,600
G3200	60110	Accounts & Control Salaries	Change in personnel	\$11,580
G3200	63138	Accounts & Control Contractual	Increase in annual maintenance for MUNIS financial system software	\$5,000

# BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3600	60110	Assessor Salaries	Change in personnel	(\$15,231)
G3600	62213	Assessor Dues	Increased dues for new staff	\$290
G3600	63138	Contractual Services	Increase in annual software costs	\$10,000
G3700	60110	Tax Salaries	Contractual Increases	\$3,676



# ➤ BUDGET CHANGES

ORG	OBJECT	DESCRIPTION	REASON	\$ CHANGE
G3800	61430	Benefits Pension	Actuarial funding requirement. Decrease interest rate from 7.55% to 7.50%	\$1,400,000
G3800	61456	Workers Comp Claim Expense	Increase in funding to reserve	\$100,000
G3900	61450	Insurance Premium	Increase in funding to reserve	\$50,000



Government Finance Officers Association

Certificate of  
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, 2019

**THANK YOU!**