

**Town of East Hartford**  
**Finance Department FY18**  
**Mayor's Recommended Budget**



# FY 17 Budget Savings Initiatives

- The sale of \$14.5M of GO bonds - \$1.4M premium
- The sale of \$5.5M of Refunding bonds - \$180k FY 17 savings



# Organizational Chart

Finance Director Mike Walsh

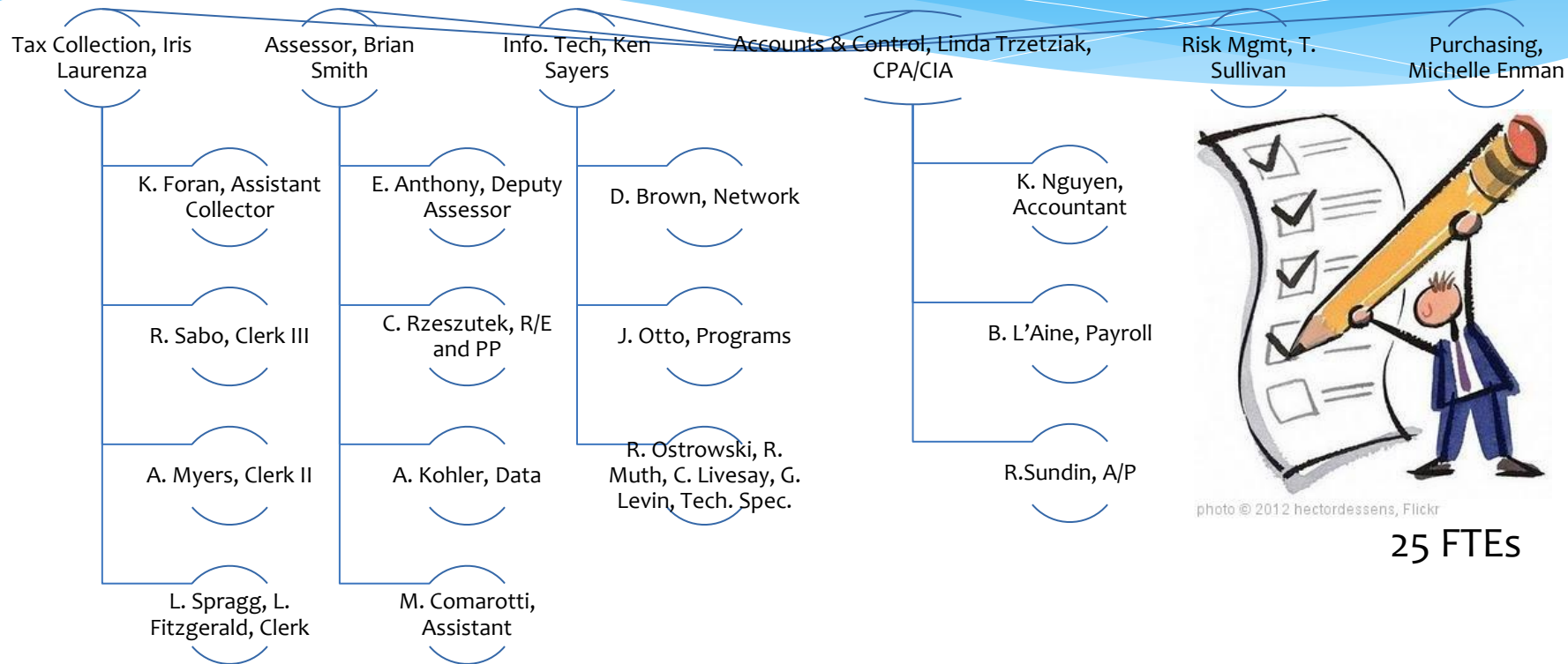


photo © 2012 hectordessens, Flickr

25 FTEs



# Recent Tasks Completed

- Production of the Mayor's Recommended Budget and CIP
- Clean audit
- The update of the Negotiation Proforma
- The sale of \$14.5M of GO bonds
- The sale of \$5.5M of Refunding bonds
- The placement of one capital leases - \$7 million
- Pension master plan document
- Pension & OPEB valuations





# The Finance Budget in Brief

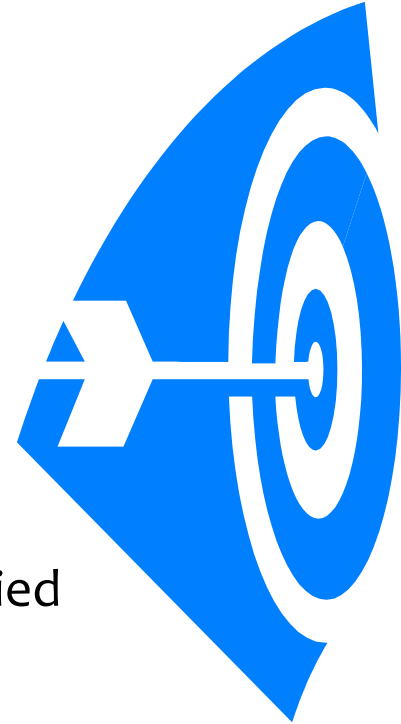
Permanent Services	\$ 43,637
Professional Development	\$ 2,000
MUNIS Licensing	\$ 8,000
IT Reductions - various	(\$107,862)
Assessor Reductions – revaluation	(\$130,000)
Pension Contribution	\$882,684
FICA Contribution	\$ 40,940
CIRMA Premiums	<u>\$ 30,928</u>
<b>Expense Increases</b>	<b>\$770,327</b>





# The Town's Financial Strengths

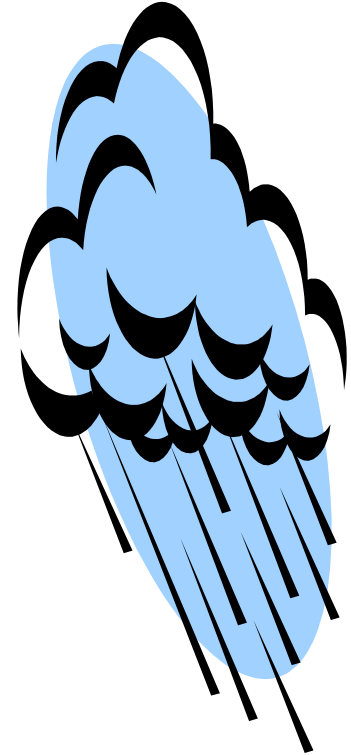
- Fund Balance is at 8% (but competitively weak)
- We bond over 10 years and have manageable debt
- We hit our budget targets annually
- We fund the pension based on the ARC
- We have an OPEB Trust
- Our Medical Reserve is appropriately funded
- Our Other Reserve Funds are adequately funded
- Our tax base is concentrated yet becoming diversified





# The Town's Financial Weaknesses

- We fund our pension using an 8% discount rate
- Our wealth and other indices are below average
- We have a \$155 million unfunded pension obligation
- We have a \$132 million unfunded OPEB obligation





# The Town's Budget in Brief

## Revenues Increases (Decreases)

Grant List Growth

\$ 1.5M

State aid

\$ M

Building Permit Fees

\$ 500k

Conveyance/Dial A Ride/Health

\$ 205k

Fire Inspection/Paramedic Fees

\$ 600k

Prior Year taxes/Interest

(\$ 350k)



**Net Revenue Increase (Decrease)**

**-\$7.4M**





# The Budget in Brief

## Expenditure Increases

Board of Education

+\$1.2M

Pension

+\$0.9M

Town Contractual Wages

+\$525K

Debt

+\$517K

MDC

+\$310K



**Expenditure Increase**

**+\$3.5M**



# The Budget in Brief

## Financial Exposures in this Budget

- FY 18 municipal aid is at risk

