

**FY2019 Recommended Budget - 822008 - Fuel, Utilities, and Tip Fees**

DEPARTMENT	FY2017 ACTUAL	FY2018 ADOPTED	FY2018 PROJECTION (P9)	FY2019 RECOMM	VARIANCE, FY2018 PROJECTED TO FY2019 RECOMM	% VARIANCE, FY2018 PROJECTED TO FY2019 RECOMM	COMMENT
<b>UTILITY</b>	<b>20,649,407</b>	<b>23,979,440</b>	<b>22,850,416</b>	<b>23,964,607</b>	<b>1,114,191</b>	<b>4.9%</b>	
534070 CONTRACT CONSULTANT SERV	68,000	158,000	95,000	138,000	43,000	45.3%	This account pays for environmental consulting services and single-stream recycling services. Historical actuals prior to FY2016 have been in the range of \$157k to \$305k. The 45% increase from currently projected FY2018 expenses to FY2019 Recommended Budget amount is due to higher projected staff availability to implement programs that had been budgeted in the past two fiscal years but had not been implemented. Implementing these programs would bring FY2019 expenses more inline with historical actuals.
534098 OTHER TECH & PROF SERVICE	139,821	333,000	150,000	322,500	172,500	115.0%	This account pays for various Citywide maintenance and disposal services, including elevator servicing and cleanup and disposal of hazardous and non-hazardous materials. Similarly to the account above, the increase from currently projected FY2018 expenses to FY2019 Recommended Budget amount is due to higher projected staff availability to implement programs that had been budgeted in past two fiscal years but had not been implemented.
562000 ELECTRICITY	3,747,255	3,415,000	3,861,000	3,912,000	51,000	1.3%	The FY2019 Recommended Budget amount is roughly 1% higher than currently projected FY2018 expenses. U.S. EIA (Energy Information Administration) projections indicate that electricity prices will remain roughly flat from CY2017 to CY2019 (2-year period given due to prices given by calendar year and not fiscal year) and the timing of anticipated savings from a planned conversion of streetlights to LEDs is uncertain due to the project timeline being extended. Additional utility distribution charges offset much of the savings that had been anticipated in FY2018 from lower contract rates, and were implemented with only a few months of advance notice.
562024 PIPED HEAT & A/C	739,655	861,000	745,000	740,000	(5,000)	-0.7%	This account pays for heated and chilled water supplied by the Hartford Steam Company to City Hall and the downtown branch of Hartford Public Library. The FY2019 Recommended Budget is nearly 1% lower than currently projected FY2018 expenses and is consistent with FY2017 actual expenses. For this account, actual expenses have typically been less than projected price increases.
562028 FUEL OIL HEATING	33,301	10,000	2,500	5,000	2,500	100.0%	This account provides funding for heating fuel to buildings in one of Hartford's cemeteries. Prior to FY2018, motor vehicle lubricant expenses also were paid from this account; in the FY2018 Adopted Budget, the budget and expenses for these costs were allocated to a more appropriate account in Public Works. The 100% increase from currently projected FY2018 expenses to the FY2019 Recommended Budget amount is due to building in a small contingency (in dollar terms) due to having a relatively short history of account expenses.
562600 PIPED GAS	589,838	867,000	646,000	682,000	36,000	5.6%	This account pays for supplying natural gas to several City facilities in Hartford. As with the Piped Heat & A/C account, expenses for this account are driven by natural gas prices and usage. The nearly 6% increase from currently projected FY2018 expenses to FY2019 Recommended Budget is due to expenses for this account anticipated to more closely approximate the 10% increase in natural gas prices projected by the U.S. EIA from CY2017 to CY2014.

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562625 GASOLINE	847,344	1,182,000	897,000	991,000	94,000	10.5%	The FY2019 Recommended Budget amount for this account represents a nearly 11% increase from currently projected FY2018 expenses. A recently executed contract that expires at the end of CY2018 included a 4.3% price increase from the previous contract. A new contract will likely be executed near the end of CY2018, and gasoline prices have already increased substantially since the current contract was executed. The U.S. EIA projects that gasoline prices will increase by just over 1% from CY2017 to CY2019. From May 2017 to May 2018, however, prices had already increased more than 17%, as reflected in prices listed on the EIA Web site.
562627 DIESEL FUEL	347,656	450,000	337,000	400,000	63,000	18.7%	The FY2019 Recommended Budget amount is nearly 19% higher than currently projected FY2018 expenses. The current diesel fuel supply contract expires at the end of FY2018 and fuel prices have increased substantially since that contract was executed. The U.S. EIA projects a 5% increase in diesel fuel prices from CY2017 to CY2019 but prices from May 2017 to May 2018 have already increased nearly 23%.
562923 WATER	996,475	1,550,000	1,550,000	1,564,107	14,107	0.9%	This account funds potable water supply and fire hydrant maintenance by the MDC (Metropolitan District Commission). FY2017 actual expenses were far lower than had been expected, potentially due to auto shut-off valves being installed at spray parks and the timing of meter readings. The FY2019 Recommended Budget is nearly 1% higher than projected FY2018 expenses, as it was projected that anticipated higher water rates would be mostly offset by water conservation efforts.
566263 FUEL CELL LEASE	452,569	445,000	441,566	369,000	(72,566)	-16.4%	This account pays monthly lease charges for the fuel cell array installed at the Hartford Public Safety Complex (HPSC). The FY2019 Recommended Budget is 16% lower than currently projected FY2018 expenses because, unlike FY2017 and FY2018, expenses for property tax on the fuel cell array are NOT included in the budget. Due to recent legislation (CT House Bill 7185) that exempted City-owned or City-leased property from paying property tax, the array will no longer be subject to property tax beginning in FY2019.
589226 METROPOLITAN DISTRICT	10,113,050	11,779,440	11,357,350	11,844,000	486,650	4.3%	This account funds payment of the tax on Hartford as a member municipality for sewer services. MDC allocations are developed on a calendar year basis and are levied based on the estimated property tax revenues for a 3-year period that are received by member municipalities. The FY2019 Recommended Budget is 4% higher than currently projected FY2018 expenses. Because the CY2018 tax levy has already been distributed, two of four FY2019 quarterly invoices are known. Also, the MDC appears to have adopted a method by which the last two quarterly payments for the next calendar year's tax levy are based on the average of the quarterly payments for the current year's tax levy. The FY2019 Recommended Budget was estimated by applying this method.
589231 HARTFORD HOUSING AUTHORITY	77,342	85,000	75,000	75,000	-	0.0%	In accordance with a 1943 agreement, the City pays sewer user fees levied by MDC on Hartford Housing Authority rental properties. The FY2019 Recommended Budget amount matches currently projected FY2018 expenses.

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590050 OTHER DISPOSAL FEES	652,250	844,000	721,000	872,000	151,000	20.9%	This account pays for removal and disposal or recycling of many types of items including dead animals, computers and electronics, lamps, oil, waste and trash, mattresses, leaves, vehicle tires, and other debris. The 21% increase from currently projected FY2018 expenses to the FY2019 Recommended Budget amount is due to higher contract rates and changes to the Bulky Waste Program, which have led to an increase in illegal dumping. Expenses for cleanup of illegal dumpings also are charged to this account.
590053 TIPPING FEES (CRRA)	1,844,850	2,000,000	1,972,000	2,050,000	78,000	4.0%	This account pays for tipping fees paid to MIRA (Materials Innovation and Recycling Authority). Because the City entered into a 10-year agreement with Mira beginning in FY2018, it will receive a discounted "long-term" tipping fee rate, but the long-term tipping fee rate can change each year. For the FY2019 Recommended Budget, it was assumed that MSW tonnage remains flat and the tipping fee rate increases by \$2/ton of MSW from \$68/ton to \$70/ton. The \$2/ton increase would match the average annual increase over the past three fiscal years. The nearly 3% increase from FY2018 to FY2019 reflects this assumption.
<b>Grand Total</b>	<b>20,649,407</b>	<b>23,979,440</b>	<b>22,850,416</b>	<b>23,964,607</b>	<b>1,114,191</b>	<b>4.9%</b>	