

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING NOTICE AND AGENDA
Ad-Hoc MARB Hartford Budget and Recovery Plan Review Committee

Meeting Date and Time: Thursday, April 12, 2018 3:00 PM – 5:00PM

Meeting Location: Hartford City Hall, Green Room, Room 100, 550 Main Street, Hartford, CT

Minutes (Bold)

Members Present: Ben Barnes, Bill Cochran, Mark Waxenberg, Bart Shuldman (by phone)

State Staff Present: Larry Wilson, Bob Dakers, Riju Das

City: Mayor Luke Bronin, Melissa McCaw, LeeAnn Ralls (by phone)

Agenda

- I. Call to Order & Opening Remarks: **Secretary Barnes called the meeting to order at approximately 3:05 pm and welcomed Mr. Shuldman, who has been appointed as a new member of the MARB replacing Thomas Barnes.**
- II. Review and Approval of Minutes from March 29, 2018 Meeting: **Approved unanimously.**
- III. Review and Discussion of MARB and City Roles, Criteria and Timeframes re:
 - a. Review and Approval of Recommended Budget -**Mayor's budget to be issued April 16th; Board has 30 days to review and comment; City Council action in late May; MARB has to approve budget according to Contract Assistance Agreement.**
 - b. Approval of Budget Assumptions re Property Taxes and State Revenue-**MARB must approve assumptions used in budget in this regard;** and
 - c. Application and Awarding of OPM Municipal Restructuring Funds-**relates to action on budget**

Mr. Dakers reviewed the actions, timeframes and criteria related to actions needed by the City, the MARB and OPM/OTT.
- IV. Review of FY18 Monthly Financial Report and City Efforts to Reduce/Mitigate Projected Deficit-**the committee reviewed with the City the assumptions in the monthly report, the assumptions and projections related to property taxes, state aid, health insurance and in other revenue and expenditure areas. The report contains a projected \$23.9 million deficit for the current year, with a source of funds for this shortfall being the municipal restructuring funds contained in the current State budget. Secretary Barnes noted that the requests for these funds will likely exceed the amount available in FY18.**
- V. Review and Member Questions re Assumptions and Projections in Five-Year Recovery re:
 - a. Property Taxes
 - b. State Aid, including Under PA 17-2
 - c. Salary and Overtime Assumptions
 - d. Health and Other Insurance Costs
 - e. Pension Costs

- f. Debt Service Costs
- g. Department Budgets
- h. Board of Education, including MBR
- i. Contingency and Other
- j. Capital Plans and Fund Balance Restoration

The assumptions and projections regarding the above items was discussed, including the impact of property taxes on homeownership decisions. There was significant discussion, and some disagreement, as to what extent spending cuts can or should play a more prominent role in both the early and out years of the plan.

- VI.** Ensuring Long-Term Financial Sustainability: Potential Recommendations re Areas for Review and Study (e.g. operational efficiencies, consolidations, benefit and pension costs and funding, education budget, regionalization shared services efforts, capital needs, etc)-**the committee agreed that these matters need to be an ongoing focus of the committee and the MARB given the potential and projected shortfalls in the out years of the plan and the desire to achieve a more competitive mill rate.**
- VII.** Review, Discussion and Possible Action re Potential Recommendations to the Board re the City's Recovery Plan-**no action was taken at the meeting regarding the plan, but Secretary Barnes noted he would share the status of the Board's discussions to date and provide some guidance regarding the aforementioned issue of the restructuring funds in OPM's budget with the full Board.**
- VIII.** Adjourn-**the meeting adjourned at approximately 5:05 PM**

