

DRAFT

STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, April 27, 10:00 AM – 12:00 PM

Meeting Location: This was a virtual meeting. Meeting materials may be accessed at the following website:
<https://portal.ct.gov/OPM/Marb/Hartford-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 507 496 998#

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Andrea Comer (State Treasurer designee), Mark Waxenberg, Robert White, Stephen Falcigno

City Officials in Attendance: Phillip Penn, Julian Freund

OPM Staff in Attendance: Simon Jiang, Bill Plummer, Michael Reis, Lori Granato, Lori McLoughlin

I. Call to Order & Opening Remarks

The meeting was called to order at 10:16 AM.

II. Approval of Minutes:

a. March 23, 2023 Regular Meeting

Ms. Comer made a motion to approve the minutes with a second by Mr. White. The motion passed unanimously.

III. Review and Discussion: Moody's Rating on Hartford Refunding Bonds

Ms. Kennison stated she provided Moody's AA 3 rating for Hartford in the meeting materials. This rating is the same as Connecticut's rating due to the contract assistance in place with the State. The State will be paying for these bonds, so Hartford received the State's rating. She stated that the bonds were sold yesterday at \$124 million. Ms. Comer stated that she was excited to announce that this will save the state taxpayers \$13.9 million over the next 10 years.

IV. Review, Discussion and Possible Action: Mayor's FY 2024 Recommended Budget

Ms. Kennison stated that a memo was included in the meeting materials. The City has provided a balanced budget with a total of approximately \$619 million which represents \$19.6 million or 3.3%

increase over FY 2023 Budget. The major revenue increases are a result of an increase in taxes of \$6 million and an increase in investment interest. The mill rate remains unchanged and compares to the FY 2023 Budget.

Mr. Jiang provided a summary of highlights and explained that the MARB has approval authority of certain elements of the annual budget of Tier III municipalities which encompasses state revenues, property tax revenues and mill rates.

The major sources of State Aid in FY 2024 are generally flat compared to the adopted FY 2023 levels of funding with one exception. The FY 2024 State PILOT reflects the revisions to the funding formula which were finalized after the budget was adopted by the City, and the sources of State Aid included in the City's recommended budget are consistent with the amounts depicted in the State mid-term budget.

Mr. Freund shared that the Mayor could not be in attendance this morning, but he sent along his best wishes to everyone. He indicated that the goals of the FY24 Proposed Budget was first to preserve the property tax reduction that was built into the current year's budget. The budget maintains the property tax rate at 68.95 mills and makes targeted investments to increase capacity of departments to meet the City's needs. There is no reliance on one-time revenues and does not include any new borrowing. The budget also funds projected ADEC's for pension obligations. It does not use ARPA funding to balance the budget.

The Capital Improvement Program includes investments in school construction, traffic safety improvements and items for public health and public safety.

Mr. White made a motion, seconded by Ms. Comer, to recommend to the MARB approval of the Mayor's FY 2024 Recommended Budget. The motion passed unanimously.

V. Review, Discussion and Possible Action: Hartford's 5-Year Plan

Mr. Freund provided an overview of City's 5-year Plan. He stated that the City's baseline forecast is conservative. Baseline forecast is very conservative. As in prior years the city shows budget gaps and deficits in the five-year plan along with a mitigations plan. There is projected to be a 1.5 % increase in the grand list and is fully staffed. The deficits are a function of the tax base slowly growing and no increases in revenue sources along with fully loading staffing levels. It also incorporates fulling funding the ADEC's. Mr. Freund also presented a FY 2024 – FY 2028 Mitigation Plan. Mitigating factors include property tax allowances for revenues not collected as the result of Board of Appeals and real-estate activity since the last revaluation due to market appreciation since October 2021. Short and long-term measures include an increased effort in tax collections, energy efficiency projects, workers compensation strategies and pension programs.

Mr. White made a motion, seconded by Mr. Waxenberg, to recommend to the MARB approval of Hartford's 5-Year Plan. The motion passed unanimously.

VI. Update: Budget Mitigation Measures

City's Budget Mitigation Measures was discussed with the 5-Year Plan.

VII. Other Related Business

Ms. Kennison provided an update to the Board that the Board of Education and Milliman held a follow-up meeting last week. Milliman received the data to begin their review and analysis work. She also noted that the Full MARB Board meeting scheduled for May 11th has been rescheduled to May 18th.

VIII. Adjourn

Mr. Falcigno made a motion, seconded by Mr. Waxenberg to adjourn. The meeting adjourned at 11:20 AM.