

## MUNICIPAL ACCOUNTABILITY REVIEW BOARD

### MEMORANDUM

TO: Members of the Municipality Review Board (MARB)

FROM: Robert Dakers, OPM

SUBJECT: Status of October 4, 2018 MARB Motions Regarding Hartford Public Schools

DATE: November 30, 2018

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Included below are the motions approved by the MARB at its October 4, 2018 meeting as well as the status of MARB staff action on these motions. The motions are in *italics* followed by the **status report**.

#### *October 4, 2018 Approved Motions & Status*

- 1. Recommend that the MARB, with the assistance of the State Office of Policy and Management (OPM), work with the Hartford Board of Education and State Department of Education to analyze and make recommendations, with the assistance of outside experts as needed, to do a programmatic and fiscal examination of the services and costs associated with education of the special education students in the Hartford school district. Such examination shall include but shall not be limited to outplacements of student identification, and related agreements for services, program recommendations, IEP structure, etc.*

*Recommend further that the MARB Committee and the Staff report back to the full MARB by December 31, 2018 as to the scope, status and potential cost of such study.*

**Current Status:** MARB staff has met with and has also been exchanging information and questions with staff with the Hartford Public School System (HPS) and the State Department of Education (SDE) regarding these issues. In regard to information from HPS, it largely involves the number of special education students, costs and placements by HPS, magnet, charter and choice schools. The information from the State Department of Education includes school profile data regarding student counts and costs and performance reporting required by the federal government regarding special education services. This information will be used to analyze issues for Hartford and to further benchmark Hartford with other urban school systems. This information should help to gain a clearer understanding of areas for further study and possible improvements. MARB staff is working to complete a report, in continued consultation with HPS and SDE, on the preliminary findings and suggested next steps by **December 31, 2018**

2. *Recommend to the MARB that the Superintendent of the Hartford Public Schools be requested to provide to it any analysis done by Segal Consulting (Segal) with respect to a cost analysis of the existing Board of Education health insurance benefit program(s) including any comparison of the benefits and cost with other options (partnership program, new carrier, etc.) and further that OPM, on behalf of the MARB and its Hartford Committee, retain Segal for any additional analysis needed for Segal to submit a report to the MARB in this regard. Such report will be given to MARB by its February meeting.*

**Current Status:** MARB staff has met with and has had discussions with HPS Finance and Human Resources staff to determine the cost information that HPS has already developed, including cost analysis, including comparisons with any other options, already done by HPS' outside health consultant, Segal Consulting. Board staff is reviewing the available information and, based on the work being done in West Haven, has shared with the City the type of additional analysis that will be needed. MARB staff feels confident that it can provide the report requested in the motion by the MARB's February meeting.

3. *Recommend that the MARB seek legal guidance, perhaps in conjunction with legal counsel of the City and/or BOE, from an attorney having the necessary knowledge and expertise to do an examination of all agreements between the Hartford BOE and the AF charter school to determine whether all the sections and provisions such agreements conform, or not, with existing State statutes or other legal requirements, to determine if any of the terms and conditions of said agreements are currently valid and applicable, and to outline the action or options that may be needed or available in regard to any legal concerns or issues that may be identified.*

**Current Status:** Once again, MARB staff has met with and discussed this issue with HPS staff. One of the questions at the October 4, 2018 meeting was what are the potential operational and financial issues associated with this agreement. HPS staff has provided additional financial information regarding this contractual arrangement which MARB staff is reviewing. MARB staff will also be reviewing overall financial and performance indicators with HPS staff. The Superintendent has had initial discussions in regard to the requested review with the outside legal firm already retained by the City, which firm has expertise in these matters. In January, MARB staff should be in a position to report back on the result of its review and the status or progress of the requested legal review.

MARB staff looks forward to discussing these matters with you further. Please contact us with any questions you may have in this regard.

Cc: Superintendent Leslie Torres-Rodriguez, HPS  
David Fleig, CFO, HPS  
Julian Freund  
Alison Fisher

# City of Hartford

FY2019

## Monthly Financial Report to the Municipal Accountability Review Board



December 6, 2018

**City of Hartford**  
**Budget and Financial Report**  
**to the Municipal Accountability Review Board**

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City of Hartford - FY2019 General Fund Financial Report & Projection

MARB 12/6

Revenue Category	FY2018 UNAUDITED ACTUAL	FY2019 ADOPTED BUDGET	FY2019 REVISED BUDGET	FY2018 ACTUAL (OCT)	FY2019 ACTUAL (OCT)	FY2019 PROJECTION	VARIANCE	% COLL.
41 General Property Taxes <sup>1</sup>	(282,456,413)	(284,111,323)	(284,111,323)	(143,965,908)	(145,155,703)	(283,111,323)	1,000,000	51%
42 Licenses & Permits <sup>2</sup>	(6,065,824)	(5,671,406)	(5,671,406)	(2,177,803)	(2,571,860)	(5,671,406)	-	45%
43 Fines Forfeits & Penalties <sup>3</sup>	(149,601)	(190,000)	(190,000)	(59,785)	(87,381)	(190,000)	-	46%
44 Revenue from Money & Property <sup>4</sup>	(2,382,396)	(1,313,149)	(1,313,149)	(635,368)	(1,254,165)	(4,063,149)	(2,750,000)	96%
45 Intergovernmental Revenues <sup>5 16</sup>	(292,903,825)	(258,950,890)	(258,950,890)	(51,901,934)	(105,686,544)	(259,548,586)	(597,696)	41%
46 Charges For Services <sup>6</sup>	(3,647,518)	(2,929,483)	(2,929,483)	(1,333,748)	(1,279,973)	(2,854,483)	75,000	44%
47 Reimbursements <sup>7</sup>	(134,317)	(152,840)	(152,840)	(41,879)	(43,527)	(132,840)	20,000	28%
48 Other Revenues <sup>8</sup>	(1,312,263)	(238,650)	(238,650)	(370,486)	(227,853)	(238,650)	-	95%
53 Other Financing Sources <sup>9</sup>	(5,826,481)	(16,483,365)	(16,483,365)	(1,402,468)	(1,316,158)	(8,816,698)	7,666,667	8%
<b>Total Revenues<sup>17</sup></b>	<b>(594,878,639)</b>	<b>(570,041,106)</b>	<b>(570,041,106)</b>	<b>(201,889,378)</b>	<b>(257,623,165)</b>	<b>(564,627,135)</b>	<b>5,413,971</b>	<b>45%</b>

MARB 12/6

Expenditure Category	FY2018 UNAUDITED ACTUAL	FY2019 ADOPTED BUDGET	FY2019 REVISED BUDGET	FY2018 ACTUAL (OCT)	FY2019 ACTUAL (OCT)	FY2019 PROJECTION	VARIANCE	% EXP.
Payroll <sup>10</sup>	102,278,275	108,197,525	108,376,391	31,812,354	29,268,454	102,423,167	5,953,224	27%
Benefits <sup>11</sup>	90,391,231	93,793,869	93,793,869	31,321,368	26,641,412	93,519,369	274,500	28%
Debt & Other Capital <sup>12 16</sup>	58,448,433	17,423,430	17,423,430	19,652,128	1,597,525	18,923,430	(1,500,000)	9%
Library <sup>13</sup>	8,100,000	8,150,000	8,150,000	2,700,000	496,111	1,483,333	6,666,667	6%
Metro Hartford Innovation Services	2,996,431	3,174,113	3,174,113	998,810	1,058,038	3,174,113	-	33%
Utilities	22,008,714	23,964,607	23,964,607	8,754,820	8,124,345	23,964,607	-	34%
Other Non-Personnel <sup>15</sup>	26,463,473	31,329,374	31,150,508	9,189,927	6,593,763	34,150,508	(3,000,000)	21%
Education <sup>14</sup>	284,008,188	284,008,188	284,008,188	82,140,660	79,154,246	284,605,884	(597,696)	28%
<b>Total Expenditures<sup>17</sup></b>	<b>594,694,744</b>	<b>570,041,106</b>	<b>570,041,106</b>	<b>186,570,068</b>	<b>152,933,893</b>	<b>562,244,411</b>	<b>7,796,695</b>	<b>27%</b>
<b>Revenues and Expenditures, Net</b>	<b>(183,895)</b>	<b>-</b>	<b>-</b>	<b>(15,319,310)</b>	<b>(104,689,271)</b>	<b>(2,382,724)</b>		
Council Approved Use of Fund Balance	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>183,895</b>	<b>-</b>	<b>-</b>	<b>15,319,310</b>	<b>104,689,271</b>	<b>2,382,724</b>		

<sup>1</sup> The General Property Tax revenue category is comprised of Current Year Levy, Prior Year Levy, Interest & Liens and Subsequent Lien Sales.

- Cumulative through October current year tax levy revenues are 2.23% higher than FY2018 and are projected to exceed budget assumptions.

- Prior year levy revenues, however, are projected to be potentially unfavorable by \$1.5 million, which is expected to be offset by favorability in Current Year Tax levy revenues. Prior year levy revenues include adjustments for any appeals settled through the Board of Assessment or the court process. Total adjustments to prior year levy tax collections year to date are consistent with budget projections. However there are 311 parcels that are still being adjudicated through the court process. Based on historical experience, it is estimated that a 20% adjustment on assessment/taxes may occur. This is a critical area that is being monitored for budget impact and may be impacted by timing.

- Interest and liens collections through October are significantly more favorable than FY2018 by approximately \$537K.

- Revenues from subsequent tax lien sales are not recorded until the 4th quarter of the fiscal year.

Overall a shortfall of \$1 million is projecting for General Property Taxes and will continue to be monitored through the second quarter of the fiscal year.

<sup>2</sup> The Licenses and Permits revenue category is primarily comprised of building, electrical, mechanical and plumbing permits, food and milk dealer licenses. The budget was established with conservatism as compared to the historical trend/actuals of \$6.0M in FY2018, \$7.4M in FY2017, \$7.6M in FY2016 and \$6.4M in FY2015. A number of License and Permits fees were updated effective as of 08/06/18. FY2019 revenue is trending favorable to FY2018 through October and will be adjusted after 6 months of activity.

<sup>3</sup> The Fines, Forfeits and Penalties revenue line item is primarily comprised of false alarms fines and is trending favorable to prior year.

<sup>4</sup> Revenue from Money and Property contains lease/rental and short-term investment income. Revenue is projected to exceed the Adopted Budget due to a more favorable interest rate environment.

<sup>5</sup> The FY2019 Intergovernmental Revenues YTD primarily reflect the receipts of the \$105M in Municipal Aid revenues. FY2019 projections were revised by \$579K to reflect additional ECS funds from the State of CT for costs associated with increased enrollment due to displaced families from Puerto Rico.

<sup>6</sup> Charges for Services contains revenues associated with the conveyance tax, transcript/filing of records and special events. This revenue line item varies each year with historical actuals ranging from \$2.8M to \$3.6M. This revenue line item is trending lower than prior year actuals and will continue to be monitored.

<sup>7</sup> Reimbursements (primarily Section 8) primarily occur at fiscal year end. This revenue line item is trending relatively in line with FY2018 actuals.

<sup>8</sup> Other Revenues will vary from year to year based on unanticipated items such as settlements. Due to an unbudgeted one-time settlement in FY2019, this revenue line item could potentially exceed the Adopted Budget and will continue to be monitored.

<sup>9</sup> The FY2019 projection for Other Financing Sources has been adjusted to reflect the following: 1) reduction in Special Police Private Duty job income of \$800K consistent with prior year actuals; 2) Stadium naming rights revenue was received in August, however there is a delay in DoNo PILOT revenues (\$200K) during the planning and development of the parcels surrounding the stadium and 3) Corporate contribution of \$10M, of which \$3.333M will be provided directly to the City of Hartford General Fund and \$6.667M has been provided directly to the Hartford Public Library. A corresponding appropriation reduction has been noted to reflect this arrangement.

<sup>10</sup> Payroll (FT, PT, OT and Holiday) is projected to be net favorable by \$5.95M through October. The methodology of the full-time payroll projection (detailed in the appendix) reflects 15 weeks of actual payroll expenses with 37.2 weeks remaining. Vacancies are assumed to be refilled with 33.2 weeks remaining in the fiscal year. Police classes of approximately 22 Officers for November and 32 Officers for March are projected. Vacancy and attrition savings of \$6.9M are offset by a projected shortfall of \$616K in OT and \$262K in Part-time salary expenses. Payroll will continue to be monitored throughout the fiscal year.

<sup>11</sup> The primary driver of favorability in Benefits is fringe reimbursements for Police and Fire grants.

<sup>12</sup> The FY2019 Adopted Budget for Debt & Other Capital is comprised of \$12.6M towards the City's CapEx plan, \$4.6M for Downtown North principal and interest, and \$180,436 for a Grant in Lieu of Taxes payment, for a total of \$17.423M. Debt is projected to be \$18.923M due to additional capital needs.

<sup>13</sup> Due to \$6.667M of the Corporate contribution being provided directly to the Hartford Public Library, the annual Library appropriation has been adjusted accordingly.

<sup>14</sup> Education YTD actuals reflect 4 months of the City's tax supported payment of \$96.0M. The \$188.0M ECS is recorded as the State allocation is received. The Education projection has increased by \$598K due to the State Department of Education providing additional funding for the educational support of displaced students from Puerto Rico.

<sup>15</sup> Additional settlement expenses of \$3 million associated with stadium litigation are projected within Other Non-Personnel.

<sup>16</sup> Under the executed Contract Assistance agreement, \$48.57M of General Obligation debt service payments will be made on the City's behalf by the State of Connecticut. Consistent with GAAP rules, the contract assistance payments will be recorded as donated capital revenue. The debt service expenditures will also be recorded in the ledger in the Debt Service line item to properly reflect the retirement of debt. This unbudgeted debt expense will be offset by contract assistance revenue, together of which will net to zero. The financial report at fiscal year end will be adjusted to reflect these entries that have occurred in the ledger. The total YTD revenue and expense recorded through October is approximately \$27.4M.

<sup>17</sup> The City's financial system (Munis) reflects revenues as negative values (credits) and expenditures as positive values. A negative variance for revenues is favorable. A positive variance for revenue is unfavorable.

Revenue Summary - Major Category

	FY2018 UNAUDITED ACTUAL	FY2019 ADOPTED BUDGET	FY2018 ACTUAL (OCT)	FY2019 ACTUAL (OCT)
<b>41-TAXES</b>	<b>(282,456,413)</b>	<b>(284,111,323)</b>	<b>(143,965,908)</b>	<b>(145,155,703)</b>
CURRENT YEAR TAX LEVY	(270,362,368)	(273,861,323)	(140,484,180)	(143,616,144)
INTEREST AND LIENS	(3,709,011)	(3,900,000)	(1,066,196)	(1,603,559)
PRIOR YEAR LEVIES	(6,748,683)	(5,500,000)	(2,398,473)	77,686
TAX LIEN SALES	(1,576,115)	(750,000)	-	-
OTHER	(60,237)	(100,000)	(17,058)	(13,685)
<b>42-LICENSES AND PERMITS</b>	<b>(6,065,824)</b>	<b>(5,671,406)</b>	<b>(2,177,803)</b>	<b>(2,571,860)</b>
BUILDING PERMITS	(3,669,844)	(3,442,000)	(1,269,493)	(1,376,095)
ELECTRICAL PERMITS	(795,555)	(627,000)	(314,305)	(388,700)
FOOD & MILK DEALER LICENSES	(440,293)	(312,000)	(208,150)	(80,625)
MECHANICAL PERMITS	(385,025)	(639,000)	(119,900)	(380,608)
PLUMBING PERMITS	(328,075)	(265,000)	(110,875)	(157,625)
OTHER	(447,032)	(386,406)	(155,080)	(188,206)
<b>43-FINES FORFEITS AND PENALTIES</b>	<b>(149,601)</b>	<b>(190,000)</b>	<b>(59,785)</b>	<b>(87,381)</b>
FALSE ALARM CITATIONS-POL&FIRE	(138,718)	(185,000)	(53,685)	(85,081)
LAPSED LICENSE/LATE FEE	(9,200)	(5,000)	(6,100)	(2,300)
OTHER	(1,683)	-	-	-
<b>44-INTEREST AND RENTAL INCOME</b>	<b>(2,382,396)</b>	<b>(1,313,149)</b>	<b>(635,368)</b>	<b>(1,254,165)</b>
BILLINGS FORGE	(19,784)	(20,000)	(9,741)	(9,904)
CT CENTER FOR PERFORM ART	(82,193)	(50,000)	(16,667)	(16,667)
DELTA PRO - LANDFILL GAS	(79,146)	(90,294)	(18,884)	(10,202)
INTEREST	(1,403,467)	(252,000)	(290,667)	(903,976)
MIRA SOLAR REVENUE	(23,787)	(50,000)	(23,123)	-
RENT OF PROP-ALL OTHER	(112,839)	(79,600)	(30,759)	(36,880)
RENTAL OF PARK PROPERTY	(70,869)	(54,000)	(25,130)	(23,420)
RENTAL OF PARKING LOTS	(7,800)	(600)	(7,000)	(300)
RENTAL OF PROP-FLOOD COMM	(147,320)	(148,560)	(49,520)	(49,920)
RENTAL-525 MAIN STREET	(27,009)	(17,694)	(7,452)	(7,552)
RENTS FROM TENANTS	(151,060)	(161,257)	(41,336)	(43,451)
SHEPHERD PARK	-	(118,000)	-	-
THE RICHARDSON BUILDING	(220,979)	(235,000)	(97,017)	(133,471)
UNDERWOOD TOWER PILOT	(36,144)	(36,144)	(18,072)	(18,072)
OTHER	-	-	-	(350)
<b>45-INTERGOVERNMENTAL</b>	<b>(292,903,825)</b>	<b>(258,950,890)</b>	<b>(51,901,934)</b>	<b>(105,686,544)</b>
<b>MUNICIPAL AID</b>	<b>(254,258,371)</b>	<b>(253,763,984)</b>	<b>(50,129,561)</b>	<b>(104,783,121)</b>
CAR TAX SUPPL MRSF REV SHARING	(12,177,213)	(11,078,328)	-	(11,078,328)
EDUCATION COST SHARING	(186,667,434)	(187,969,804)	(50,129,561)	(47,143,147)
HIGHWAY GRANT	(1,194,825)	(1,194,825)	-	(596,303)
MASHANTUCKET PEQUOT FUND	(6,263,314)	(6,136,523)	-	-
MRSA BONDED DISTRIBUTION GRANT	(1,443,052)	(1,419,161)	-	-
MRSF SELECT PILOT	(11,883,205)	(12,422,113)	-	(12,422,113)
MUNICIPAL STABILIZATION GRANT	(4,456,568)	(3,370,519)	-	(3,370,519)
PRIV TAX EXEMPT PROPERTY	(20,009,758)	(20,009,758)	-	(20,009,758)
STATE OWNED PROPERTY	(10,163,003)	(10,162,953)	-	(10,162,953)
<b>OTHER MUNICIPAL AID</b>	<b>(31,888,917)</b>	<b>-</b>	<b>-</b>	<b>-</b>
MUNICIPAL RESTRUCTURING FUNDS	(20,000,000)	-	-	-
STATE CONTRACT ASSISTANCE	(11,888,917)	-	-	-
<b>OTHER STATE REVENUES</b>	<b>(2,515,219)</b>	<b>(879,617)</b>	<b>(947,882)</b>	<b>(31,558)</b>
BOND INT SUB ON SCH PROJ	(46,620)	(46,613)	(29,456)	-
EDUCATION OTHER	(1,307,456)	-	-	-
JUDICIAL BRANCH REV DISTRIB.	(44,931)	(76,000)	(33,370)	(31,558)
MANUFACTURERS' FACILITIES	-	(48,843)	-	-
SCH BUILD GRT-SERIAL	(1,077,079)	(661,445)	(885,056)	-
VETERANS EXEMPTIONS	(39,133)	(46,716)	-	-
<b>PILOTS, MIRA &amp; OTHER INTERGOVERNMENTAL</b>	<b>(4,238,518)</b>	<b>(4,302,289)</b>	<b>(823,374)</b>	<b>(869,926)</b>
DISABIL EXEMPT-SOC SEC	(6,813)	(7,755)	-	-
GR REC TAX-PARI MUTUEL	(215,473)	(250,000)	(72,881)	(77,905)
HEALTH&WELFARE-PRIV SCH	(48,772)	(61,366)	-	-
MATERIALS INNOVATION RECYCLING	(1,500,000)	(1,500,000)	-	-
PHONE ACCESS LN TAX SH	(447,477)	(550,000)	-	-
PILOT CHURCH HOMES INC	(131,112)	(131,112)	(65,556)	(65,556)
PILOT FOR CT CTR FOR PERF	(361,859)	(357,056)	-	-
PILOT FOR HARTFORD 21	(500,000)	(500,000)	(250,000)	(250,000)
PILOT HARTFORD HILTON	(522,483)	(525,000)	(174,161)	(180,082)
PILOT HARTFORD MARRIOTT	(484,529)	(400,000)	(240,776)	(276,382)
PILOT TRINITY COLLEGE	(20,000)	(20,000)	(20,000)	(20,000)
<b>OTHER</b>	<b>(2,800)</b>	<b>(5,000)</b>	<b>(1,117)</b>	<b>(1,940)</b>
CONS NETWORK TRANSP	-	-	-	(40)
STATE REIMBURSEMENTS	(2,800)	(5,000)	(1,117)	(1,900)
<b>46-CHARGES FOR SERVICES</b>	<b>(3,647,518)</b>	<b>(2,929,483)</b>	<b>(1,333,748)</b>	<b>(1,279,973)</b>
CONVEYANCE TAX	(1,301,512)	(1,155,519)	(479,821)	(429,863)
FILING RECORD-CERTIF FEES	(327,904)	(300,000)	(108,040)	(89,412)
TRANSCRIPT OF RECORDS	(811,703)	(839,250)	(256,661)	(289,604)
OTHER	(1,206,399)	(634,714)	(489,225)	(471,094)
<b>47-REIMBURSEMENTS</b>	<b>(134,317)</b>	<b>(152,840)</b>	<b>(41,879)</b>	<b>(43,527)</b>
ADVERTISING LOST DOGS	(155)	(220)	(27)	(120)
ATM REIMBURSEMENT	(527)	(1,475)	(186)	(399)
DOG ACCT-SALARY OF WARDEN	(1,992)	(2,600)	-	-
OTHER REIMBURSEMENTS	(7,274)	(17,900)	(5,275)	(1,558)
PRIOR YEAR EXPEND REFUNDS	(10,796)	(17,000)	-	-
REIMB FOR MEDICAID SERVICES	(20,933)	(22,000)	(7,319)	(6,237)
SECTION 8 MONITORING	(78,778)	(85,545)	(16,141)	(19,264)
OTHER	(13,863)	(6,100)	(12,931)	(15,950)
<b>48-OTHER REVENUES</b>	<b>(1,312,263)</b>	<b>(238,650)</b>	<b>(370,486)</b>	<b>(227,853)</b>
MISCELLANEOUS REVENUE	(139,112)	(169,150)	(13,460)	(11,713)
OVER & SHORT ACCOUNT	(375)	(1,500)	(201)	62
SALE CITY SURPLUS EQUIP	(22)	(60,000)	(86)	(32)
SALE OF DOGS	(3,609)	(5,000)	(910)	(2,103)
SETTLEMENTS - OTHER	(870,008)	(3,000)	(355,920)	(213,300)
OTHER	(299,136)	-	91	(767)
<b>53-OTHER FINANCING SOURCES</b>	<b>(5,826,481)</b>	<b>(16,483,365)</b>	<b>(1,402,468)</b>	<b>(1,316,158)</b>
CORPORATE CONTRIBUTION	-	(10,000,000)	-	-
DOWNTOWN NORTH (DONO)	(933,953)	(1,193,500)	(330,553)	(300,064)
REVENUE FROM HTFD PKG AUTHY	(2,652,352)	(2,424,865)	38,000	-
SPECIAL POLICE SERVICES	(2,153,090)	(2,750,000)	(1,032,686)	(1,006,163)
OTHER	(87,086)	(115,000)	(77,229)	(9,931)
<b>Grand Total</b>	<b>(594,878,639)</b>	<b>(570,041,106)</b>	<b>(201,889,378)</b>	<b>(257,623,165)</b>

**CITY OF HARTFORD**  
**PROPERTY TAX COLLECTIONS REPORT FOR FY18 AND FY19**  
**PROPERTY TAX COLLECTION REPORT THROUGH OCTOBER 31, 2018**

Month	Current Year Taxes		Prior Year Taxes		Interest		Liens Sales		Total Collections	
	Actual FY 18 <sup>1</sup>	Actual FY 19	Actual FY 18	Actual FY 19	Actual FY 18	Actual FY 19	Actual FY 18	Actual FY 19	FY 18	FY 19
July	72,052,947	96,451,948	563,438	(342,432) <sup>2</sup>	164,879	251,077	-	-	72,781,264	96,360,592
August	63,826,289	42,246,468	840,437	525,224	345,654	387,653	-	-	65,012,380	43,159,346
September	2,808,259	2,271,622	561,471	17,906 <sup>4</sup>	298,264	718,507 <sup>5</sup>	-	-	3,667,993	3,008,035
October	1,796,685	2,646,106	433,128	(278,383) <sup>6</sup>	257,399	246,322	-	-	2,487,212	2,614,045
November	1,178,908		431,214		250,517		-	-	1,860,639	-
December	12,652,433		607,524		328,728		-	-	13,588,686	-
January	81,413,149		335,485		180,300		-	-	81,928,934	-
February	27,186,117		611,128		405,089		-	-	28,202,334	-
March	2,598,384		406,746		437,264		-	-	3,442,395	-
April	1,928,088		409,219		333,732		-	-	2,671,040	-
May	1,905,402		273,259		369,281		379,002	-	2,926,943	-
June	1,015,705		253,766		337,902		1,197,113	-	2,804,487	-
<b>Total Collections</b>	<b>270,362,368</b>	<b>143,616,144</b>	<b>5,726,813</b>	<b>(77,686)</b>	<b>3,709,011</b>	<b>1,603,559</b>	<b>1,576,115</b>	<b>-</b>	<b>281,374,307</b>	<b>145,142,017</b>
<b>60 Day Collections (Year End entry)</b>			<b>1,021,870</b>						<b>1,021,870</b>	<b>-</b>
<b>Adjusted Total Collections</b>	<b>270,362,368</b>	<b>143,616,144</b>	<b>6,748,683</b>	<b>(77,686)</b>	<b>3,709,011</b>	<b>1,603,559</b>	<b>1,576,115</b>	<b>-</b>	<b>282,396,177</b>	<b>145,142,017</b>

  

	Current Year Taxes		Prior Year Taxes		Interest		Liens Sales		Total Collections	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
<b>Total Budget</b>	266,698,436	273,861,323	7,416,725	5,500,000	4,450,000	3,900,000	1,500,000	750,000	280,065,161	284,011,323
<b>Total Adjusted Levy at July 1st<sup>3</sup></b>	292,142,980	289,991,265	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Collections through October</b>	140,484,180	143,616,144	2,398,473	(77,686)	1,066,196	1,603,559	-	-	143,948,850	145,142,017
<b>Outstanding Receivable at 10/31/18</b>	142,455,269	137,223,270	46,880,222	50,328,192	n/a	n/a	n/a	n/a	n/a	n/a
<b>% of Budget Collected</b>	52.68%	52.44%	32.34%	-1.41%	23.96%	41.12%	0.00%	0.00%	51.40%	51.10%
<b>% of Adjusted Levy Collected</b>	48.09%	49.52%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Mill Rate Real Estate</b>	74.29	74.29								
<b>Mill Rate Personal Property</b>	74.29	74.29								
<b>Mill Rate Motor Vehicle</b>	39	45								

<sup>1</sup> FY18 is not finalized until we complete the annual audit as there may be reconciliation and audit adjustments.

<sup>2</sup> July's negative balance is due to adjustments as a result of tax appeal settlements and PY overpayments.

<sup>3</sup> The final adjusted levy at 6/30 for FY2018 totaled \$291,086,166. Changes from the levy at 7/1 to 6/30 are mainly due to tax appeals and abatements finalized throughout the fiscal year.

<sup>4</sup> September's reduced collections is due to a large adjustment from tax appeal settlements.

<sup>5</sup> September- \$470K interest paid in 09/2018 for PY tax 2009 from New Talcott Plaza LLC/Shelbourne Group.

<sup>6</sup> October's PY negative balance is due to adjustments & transferred payments upon Corp Council & Assessment's agreements. (\$666K of SGS Pearl, LLC || \$242K of RP Asylum LLC || \$42K of Newgate Corp)

Expenditure Summary - Departments

	FY2018 UNAUDITED ACTUAL	FY2019 ADOPTED BUDGET	FY2019 REVISED BUDGET	FY2018 ACTUAL (OCT)	FY2019 ACTUAL (OCT)	FY2019 PROJECTION	VARIANCE
00111 MAYOR'S OFFICE	690,350	797,134	797,134	205,757	218,638	777,013	20,121
00112 COURT OF COMMON COUNCIL	481,167	506,800	506,800	148,261	140,663	506,538	262
00113 TREASURER	409,328	558,509	558,509	111,649	129,800	555,418	3,091
00114 REGISTRARS OF VOTERS	457,848	377,365	627,694	101,697	209,815	624,874	2,820
00116 CORPORATION COUNSEL	1,439,903	1,544,801	1,544,801	416,921	414,105	1,504,690	40,111
00117 TOWN & CITY CLERK	707,994	794,739	794,739	189,606	226,687	786,622	8,117
00118 INTERNAL AUDIT	464,197	507,132	507,132	147,273	145,179	504,779	2,353
00119 CHIEF OPERATING OFFICER	774,567	811,006	811,006	189,162	227,585	745,137	65,869
00122 METRO HARTFORD INNOVATION SERV	2,996,431	3,174,113	3,174,113	998,810	1,058,038	3,174,113	0
00123 FINANCE	3,283,736	3,866,529	3,866,529	944,439	917,521	3,724,330	142,199
00125 HUMAN RESOURCES	1,008,374	1,246,526	1,246,526	250,541	310,569	1,231,060	15,466
00128 OFFICE OF MANAGEMENT & BUDGET	666,029	1,013,945	1,013,945	171,954	243,579	921,904	92,041
00132 CHILDREN FAMILY RECREATION <sup>1</sup>	3,079,173	3,392,778	3,392,778	1,698,998	1,540,122	3,416,177	(23,399)
00211 FIRE	38,443,976	33,267,580	33,267,580	11,578,570	9,374,083	33,045,705	221,875
00212 POLICE	39,178,236	46,473,493	46,473,493	12,213,998	12,148,974	41,779,110	4,694,383
00213 EMERGENCY SERVICES & TELECOMM. <sup>2</sup>	3,614,141	3,824,904	3,824,904	1,228,627	1,228,459	4,042,833	(217,929)
00311 PUBLIC WORKS	12,500,049	13,922,330	13,922,330	3,643,979	3,602,587	13,468,272	454,058
00420 DEVELOPMENT SERVICES	3,379,450	4,157,700	4,157,700	987,940	942,040	3,876,439	281,261
00520 HEALTH AND HUMAN SERVICES	4,103,079	5,028,529	5,028,529	980,167	632,198	4,878,003	150,526
00711 EDUCATION <sup>3</sup>	284,008,188	284,008,188	284,008,188	82,140,660	79,154,246	284,605,884	(597,696)
00721 HARTFORD PUBLIC LIBRARY <sup>4</sup>	8,100,000	8,150,000	8,150,000	2,700,000	496,111	1,483,333	6,666,667
00820 BENEFITS & INSURANCES	90,391,231	93,793,869	93,793,869	31,321,368	26,641,412	93,519,369	274,500
00821 DEBT SERVICE <sup>5</sup>	58,448,433	17,423,430	17,423,430	19,652,128	1,597,525	18,923,430	(1,500,000)
00822 NON OP DEPT EXPENDITURES <sup>6</sup>	36,068,864	41,399,706	41,149,377	14,515,592	11,333,958	44,149,377	(3,000,000)
<b>Grand Total</b>	<b>594,694,744</b>	<b>570,041,106</b>	<b>570,041,106</b>	<b>186,570,068</b>	<b>152,933,893</b>	<b>562,244,411</b>	<b>7,796,695</b>

<sup>1</sup> The projected deficit of \$23K in Children Family Recreation is attributable to overtime costs for Recreation services.

<sup>2</sup> The projected deficit of \$218K in Emergency Services and Telecommunications is attributable to overtime costs net of vacancy savings. Vacancies are under recruitment.

<sup>3</sup> The Education projection has increased by \$598K due to the State Department of Education providing additional funding for the educational support of displaced students from Puerto Rico.

<sup>4</sup> Library is favorable due to a Corporate contribution of \$10M, of which \$6.667M has been provided directly to the Hartford Public Library.

<sup>5</sup> Under the executed Contract Assistance agreement, \$48.57M of General Obligation debt service payments will be made on the City's behalf by the State of Connecticut. Consistent with GAAP rules, the contract assistance payments will be recorded as donated capital revenue. The debt service expenditures will also be recorded in the ledger in the Debt Service line item to properly reflect the retirement of debt. This unbudgeted debt expense will be offset by contract assistance revenue, together of which will net to zero. The financial report at fiscal year end will be adjusted to reflect these entries that have occurred in the ledger. The total YTD revenue and expense recorded through October is approximately \$27.4M. Debt is projected to be \$18.923M due to additional capital needs.

<sup>6</sup> Projection includes potential Stadium related settlement expenses.



Expenditure Summary - Major Expenditure Category

	FY2018 UNAUDITED ACTUAL	FY2019 ADOPTED BUDGET	FY2019 REVISED BUDGET	FY2018 ACTUAL (OCT)	FY2019 ACTUAL (OCT)	FY2019 PROJECTION	VARIANCE
<b>PAYROLL</b>	<b>102,278,275</b>	<b>108,197,525</b>	<b>108,376,391</b>	<b>31,812,354</b>	<b>29,268,454</b>	<b>102,423,167</b>	<b>5,953,224</b>
FT <sup>1</sup>	78,892,839	92,203,755	92,199,581	23,849,058	23,721,344	85,335,241	6,864,340
HOL <sup>1</sup>	2,519,149	2,445,733	2,445,733	587,207	561,789	2,478,929	(33,196)
OT <sup>1</sup>	19,235,576	12,132,529	12,132,529	6,674,827	4,121,174	12,748,620	(616,091)
PT <sup>1</sup>	1,630,712	1,415,508	1,598,548	701,261	864,146	1,860,377	(261,829)
<b>BENEFITS</b>	<b>90,391,231</b>	<b>93,793,869</b>	<b>93,793,869</b>	<b>31,321,368</b>	<b>26,641,412</b>	<b>93,519,369</b>	<b>274,500</b>
HEALTH	34,536,346	35,882,979	35,882,979	12,749,303	6,923,456	35,882,979	0
MITIGATION <sup>2</sup>	0	(500,000)	(500,000)	0	0	0	(500,000)
PENSION <sup>3</sup>	45,565,981	45,755,045	45,755,045	12,893,688	14,751,851	45,730,045	25,000
INSURANCE	4,538,075	4,890,000	4,890,000	2,871,806	2,909,140	4,890,000	0
CONCESSIONS <sup>4</sup>	464,076	(1,000,000)	(1,000,000)	0	0	(800,000)	(200,000)
FRINGE REIMBURSEMENTS <sup>5</sup>	(4,020,980)	(2,750,000)	(2,750,000)	(662,414)	(1,227,185)	(3,600,000)	850,000
LIFE INSURANCE	252,536	315,652	315,652	83,362	85,677	315,652	0
OTHER BENEFITS <sup>6</sup>	4,254,156	4,900,193	4,900,193	1,362,122	1,348,472	4,850,193	50,000
WAGE <sup>7</sup>	0	900,000	900,000	0	0	800,000	100,000
WORKERS COMP <sup>8</sup>	4,801,040	5,400,000	5,400,000	2,023,500	1,850,000	5,450,500	(50,500)
<b>DEBT</b>	<b>58,448,433</b>	<b>17,423,430</b>	<b>17,423,430</b>	<b>19,652,128</b>	<b>1,597,525</b>	<b>18,923,430</b>	<b>(1,500,000)</b>
DEBT <sup>9</sup>	58,448,433	17,423,430	17,423,430	19,652,128	1,597,525	18,923,430	(1,500,000)
<b>LIBRARY</b>	<b>8,100,000</b>	<b>8,150,000</b>	<b>8,150,000</b>	<b>2,700,000</b>	<b>496,111</b>	<b>1,483,333</b>	<b>6,666,667</b>
LIBRARY <sup>10</sup>	8,100,000	8,150,000	8,150,000	2,700,000	496,111	1,483,333	6,666,667
<b>MHIS</b>	<b>2,996,431</b>	<b>3,174,113</b>	<b>3,174,113</b>	<b>998,810</b>	<b>1,058,038</b>	<b>3,174,113</b>	<b>0</b>
MHIS	2,996,431	3,174,113	3,174,113	998,810	1,058,038	3,174,113	0
<b>UTILITY</b>	<b>22,008,714</b>	<b>23,964,607</b>	<b>23,964,607</b>	<b>8,754,820</b>	<b>8,124,345</b>	<b>23,964,607</b>	<b>(0)</b>
UTILITY	22,008,714	23,964,607	23,964,607	8,754,820	8,124,345	23,964,607	(0)
<b>OTHER</b>	<b>26,463,473</b>	<b>31,329,374</b>	<b>31,150,508</b>	<b>9,189,927</b>	<b>6,593,763</b>	<b>34,150,508</b>	<b>(3,000,000)</b>
COMMUNITY ACTIVITIES	2,672,623	2,578,776	2,578,776	1,184,262	923,257	2,578,776	0
CONTINGENCY	329,799	4,435,019	4,332,734	4,080	0	4,332,734	0
CONTRACTED SERVICES	3,416,930	3,809,682	3,892,897	587,412	739,066	3,892,897	0
ELECTIONS	71,296	208,044	0	0	0	0	0
GOVT AGENCY & OTHER	750,000	0	0	0	0	0	0
LEASES - OFFICES PARKING COPIER	976,678	1,942,984	1,942,984	1,203,723	504,310	1,942,984	0
LEGAL EXPENSES & SETTLEMENTS <sup>11</sup>	6,488,146	2,616,500	2,616,500	623,563	500,925	5,616,500	(3,000,000)
OTHER	3,139,075	4,319,822	4,319,387	1,028,266	769,357	4,319,387	0
OUT AGENCY	0	0	0	0	0	0	0
POSTAGE	193,625	231,419	231,419	60,000	75,000	231,419	0
SUPPLY	3,532,268	4,236,320	4,264,755	631,158	994,059	4,264,755	0
TECH, PROF & COMM BASED SERVICES	1,425,354	1,976,350	1,996,598	399,785	414,685	1,996,598	0
VEHICLE & EQUIP	3,467,680	4,974,458	4,974,458	3,467,680	1,673,103	4,974,458	0
<b>EDUCATION</b>	<b>284,008,188</b>	<b>284,008,188</b>	<b>284,008,188</b>	<b>82,140,660</b>	<b>79,154,246</b>	<b>284,605,884</b>	<b>(597,696)</b>
EDUCATION <sup>12</sup>	284,008,188	284,008,188	284,008,188	82,140,660	79,154,246	284,605,884	(597,696)
<b>Grand Total</b>	<b>594,694,744</b>	<b>570,041,106</b>	<b>570,041,106</b>	<b>186,570,068</b>	<b>152,933,893</b>	<b>562,244,411</b>	<b>7,796,695</b>

<sup>1</sup> Payroll (FT, PT, OT and Holiday) is projected to be net favorable by \$5.95M through October. The methodology of the full-time payroll projection (detailed in the appendix) reflects 15 weeks of actual payroll expenses with 37.2 weeks remaining. Vacancies are assumed to be refilled with 33.2 weeks remaining in the fiscal year. Police classes of approximately 22 Officers for November and 32 Officers for March are projected. Vacancy and attrition savings of \$6.9M are offset by a projected shortfall of \$616K in OT and \$262K in Part-time salary expenses. Payroll will continue to be monitored throughout the fiscal year.

<sup>2</sup> Mitigation of \$500K reflects non-Public Safety budgeted attrition and vacancy savings. The Police and Fire departments respectively include \$1.17M and \$1.56M in budgeted attrition and vacancy savings. In total, \$3.23M is budgeted for attrition city-wide.

<sup>3</sup> The total MERF Pension Actuarial Defined Employer Contribution (ADEC) for the City of Hartford is \$44.22M. This includes the BOE and Library ADEC of \$4.78M and \$925K respectively, which are separately budgeted in the BOE and Library line items. The City's total ADEC for Police, Fire and Municipal workers of \$38.50M is fully budgeted and will be incurred in full compliance with the contract assistance agreement. In addition, a small closed plan for Firefighters is projected to be \$25K favorable.

<sup>4</sup> The outcome of the arbitration award for HMEA is anticipated no earlier than March/April 2019. The MLA (Lawyers) contract is currently in mediation. Concessions savings have been adjusted accordingly.

<sup>5</sup> Fringe reimbursements for grant funded employees are projected to be favorable due to Police and Fire grants.

<sup>6</sup> Other Benefits is projected to be favorable due to the trend in unemployment compensation.

<sup>7</sup> Wage reserve has been adjusted to reflect maximum exposure in FY2019.

<sup>8</sup> Workers' Compensation is net unfavorable due to the trend in claims.

<sup>9</sup> Debt is projected to be \$18.923M due to additional capital needs.

<sup>10</sup> Library is favorable due to a Corporate contribution of \$10M, of which \$6.667M has been provided directly to the Hartford Public Library.

<sup>11</sup> Additional settlement expenses of \$3 million associated with stadium litigation are projected within Other Non-Personnel.

<sup>12</sup> The Education projection has increased by \$598K due to the State Department of Education providing additional funding for the educational support of displaced students from Puerto Rico.

# Appendix

**FY2019 Full-time Payroll Projection (through October)**

Row Labels	Budgeted HC	Budgeted Annual Amount	YTD thru check issue 10/19 (15 weeks)	Projection (37.2 weeks)	YTD thru 10/19 plus Projection (37.2 weeks)	Remaining Estimated Steps	Total Projection	Variance (Budgeted to Projected)
111-Mayor	11	721,078	198,740	487,219	685,958	999	686,957	34,121
112-CCC	7	351,504	100,745	250,498	351,242	0	351,242	262
113- Treas	9	478,697	129,622	343,165	472,787	2,819	475,606	3,091
114- ROV	6	285,985	83,211	199,189	282,400	0	282,400	3,585
116-Corp Counsel	17	1,486,746	398,686	1,035,449	1,434,135	0	1,434,135	52,611
117- Clerk	11	675,645	179,586	478,080	657,666	1,343	659,010	16,635
118-Audit	5	503,254	144,620	356,281	500,901	0	500,901	2,353
119-COO	6	470,676	95,074	307,872	402,947	1,860	404,807	65,869
123- FIN	46	3,500,910	897,623	2,446,188	3,343,811	14,900	3,358,711	142,199
125- HR	13	925,781	221,345	646,778	868,123	1,666	869,789	55,992
128-OMBG	11	905,375	185,911	624,756	810,667	2,667	813,334	92,041
132-FCYR	11	821,271	232,519	575,491	808,010	3,477	811,487	9,784
211- Fire	362	26,982,318	7,040,964	17,888,382	24,929,346	247,044	25,176,390	1,805,928
212- Police	540	38,005,529	8,561,651	23,272,377	31,834,028	202,766	32,036,794	5,968,735
213- EST	49	3,030,454	691,756	2,051,160	2,742,917	12,810	2,755,727	274,727
311- DPW	185	9,632,739	2,234,247	6,698,283	8,932,530	68,188	9,000,717	632,022
420- Devel Serv	54	4,001,061	892,661	2,786,138	3,678,798	22,418	3,701,216	299,845
520- HHS	31	2,085,679	446,927	1,469,491	1,916,418	17,536	1,933,953	151,726
<b>Grand Total</b>	<b>1,374</b>	<b>94,864,702</b>	<b>22,735,887</b>	<b>61,916,798</b>	<b>84,652,685</b>	<b>600,492</b>	<b>85,253,177</b>	<b>9,611,525</b>

FT- Fire and Police Attrition	(2,731,271)
FT- Development Services Attrition	(20,000)
FT- Net other payroll (stand-by & longevity)	86,150
<b>FT- Total Revised Budget</b>	<b>92,199,581</b>

FT- Fire and Police Attrition	(2,731,271)
FT- Development Services Attrition	(20,000)
FT- Subtotal Variance	6,860,254
Non-Sworn Attrition (within Benefits)	(500,000)
<b>Total Variance (favorable)</b>	<b>6,360,254</b>

Assumptions

- 1) Analysis is based on year-to-date actuals from check date 10/19/18, which includes 15 pay periods, and projects filled positions for 37.2 future weeks
- 2) Non-sworn vacancies are projected for late November or 33.2 future weeks (Projection includes 2.9 million of planned vacancies)
- 3) Assumes two Police classes (22 in November and 32 in March)
- 4) Includes 9 new filled Firefighters in P4; no future FY2019 classes planned
- 5) Adopted head count is 1388 with 14 MHIS positions funded in the MHIS internal service fund