

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Monday, April 29, 2019 3:00 PM – 4:30 PM

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

MARB Members Present: Secretary McCaw, Mark Waxenberg, Robert White

MARB Staff Present: Julian Freund

City Staff Present: Mayor Luke Bronin, Jolita Lazauskas, Leigh Ann Ralls, John Philip

- I. Call to Order & Opening Remarks: The meeting was called to order at 3:03 PM
- II. Approval of Minutes: February 21, 2019
Mr. White made a motion, with a second by Mr. Waxenberg, to approve the minutes of the Feb. 21 subcommittee meeting. The motion passed 2-0-1 with Secretary McCaw abstaining.
- III. Presentation and Discussion: Mayor's Recommended FY 2020 Budget

Mayor Bronin presented the Recommended FY 2020 Budget. The budget is largely a status quo budget with some adjustments where staffing cuts in prior years may have been too deep. Overall, the budget is approximately \$2 million less than was contemplated in the recovery plan. The budget holds property taxes constant, uses no one-time revenues or asset sales to achieve balance, and proposes no new bonding. Budgeted expenditures for employee benefits reflect labor agreements that have been achieved over the last year. The committee discussed when a pay-as-you-go approach to retiree benefits was projected to become untenable. That specific analysis has not been conducted, but will be part of a next phase of planning. There was considerable discussion around the role of property values and development in fostering financial stability for the City. The lower than expected October 2018 grand list poses a challenge for subsequent years and meeting the projected tax base figures in the recovery plan.

The committee reviewed assumptions concerning property taxes as built into the recommended budget. The FY 2020 net taxable grand list reflects the decrease on the October 2018 grand list and total adjustments for appeals and abatements that are comparable to what was budgeted for FY 2019. The City is assuming a tax collection rate of 96.05% which is the average of the last three years actual collection rates. Revenue from State Aid is consistent with the amounts presented in the Governor's proposed budget.

Other budget components of particular interest to the MARB were noted:

 - The pension contribution fully funds the ADEC for MERF. The plan valuation also makes the planned reduction on assumed investment return from 7.5% to 7.375%
 - The General Fund includes \$11.4 million to go towards a CIP budget of \$32.5 million. No new borrowing is included.

- The General Fund budget for Education is held flat. Increased funding via the Alliance grant will flow directly to the Board of Education.

After discussion and consideration, a motion was made by Mr. Waxenberg and seconded by Mr. White to recommend to the full MARB approval of the assumptions used in the Recommended FY 2020 Budget.

IV. Other Related Business

The subcommittee discussed adding economic development to future agenda to discuss ways the State can be a partner in helping to foster development in the City

V. Adjourn: A motion was made, seconded and approved to adjourn at 4:32 PM.