



# City of Hartford

## "Financial Snapshot"

### 1) Financial Condition

- Independent Assessment by Worcester Regional Research Bureau

### 2) 3<sup>rd</sup> Qtr. to 4<sup>th</sup> Qtr. Variance

### 3) Year End Overview for FY 08-09 (preview)

- Submission to Council, Sept. 9<sup>th</sup> as per charter for 1<sup>st</sup> Meeting in Sept

### 4) Year End Requested Transfers for FY08-09 (preview)

- Submission to Council, Sept. 9<sup>th</sup>

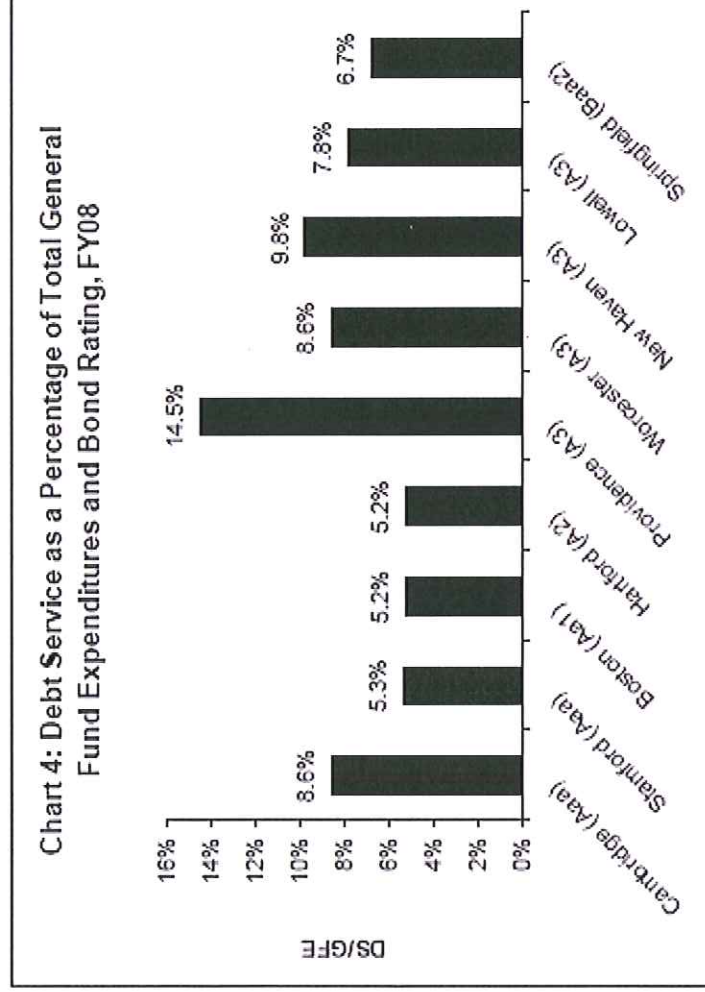
### 5) Current Concerns for FY 09-10

### 6) Management Initiatives for FY 09-10



# WRRB Metric: Debt Service

**Finding:** Hartford (A2 Rating) ranks with Boston as lowest debt service as percent of General Fund

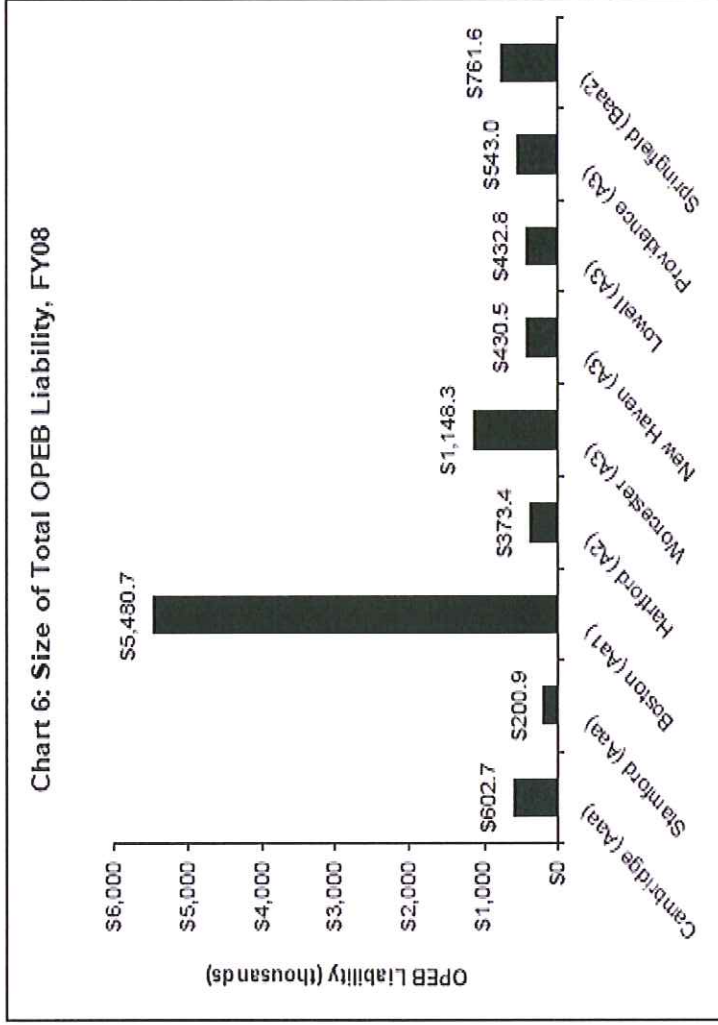


Source:  
*Benchmarking Municipal Finance July 27, 2009*  
Worcester Regional Research Bureau



# WRRB Metric: OPED Liability

**Finding:** Hartford (A2Rating) has second smallest OPED Liability

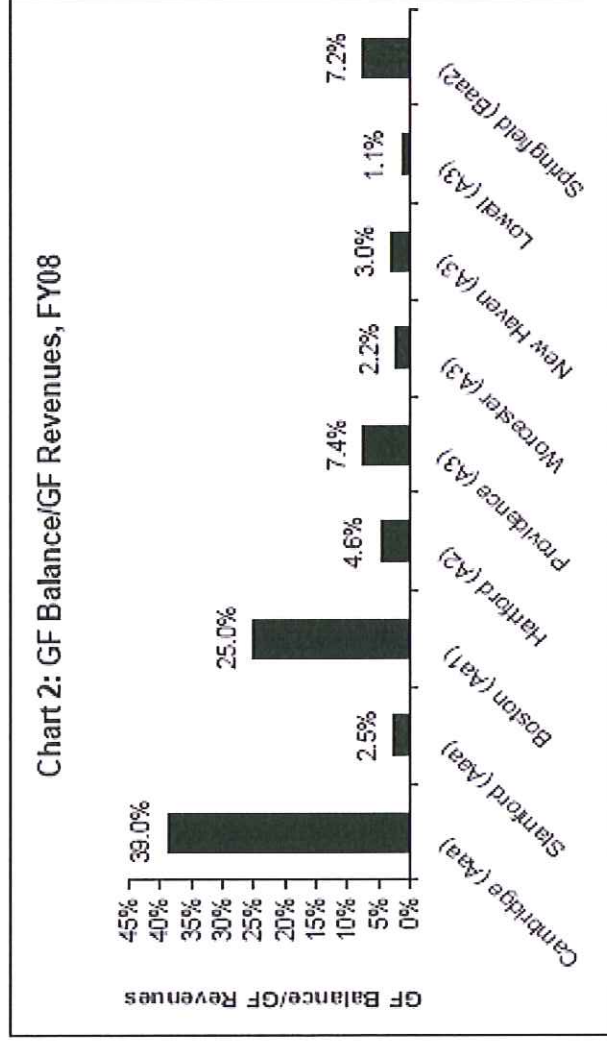


Source:  
Benchmarking Municipal Finance July 27, 2009  
Worcester Regional Research Bureau



# Metric: General Fund Balance vs. General Fund Revenue

**Finding:** Hartford has highest ratio of Connecticut peer cities. Springfield still benefits from results of a \$52M no interest state loan.

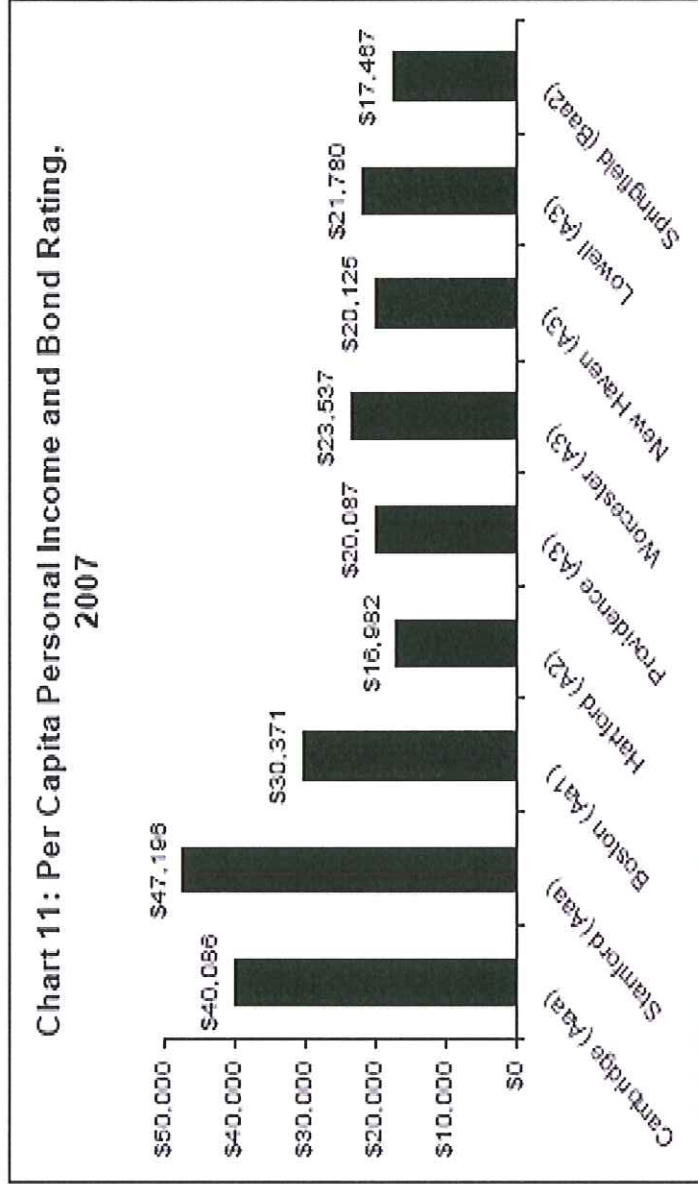


Source:  
Benchmarking Municipal Finance July 27, 2009  
Worcester Regional Research Bureau



# Metric: Capita Personal Income & Bond Rating

**Finding:** Hartford has lowest per capita income relative to A2 ranked bond rating.

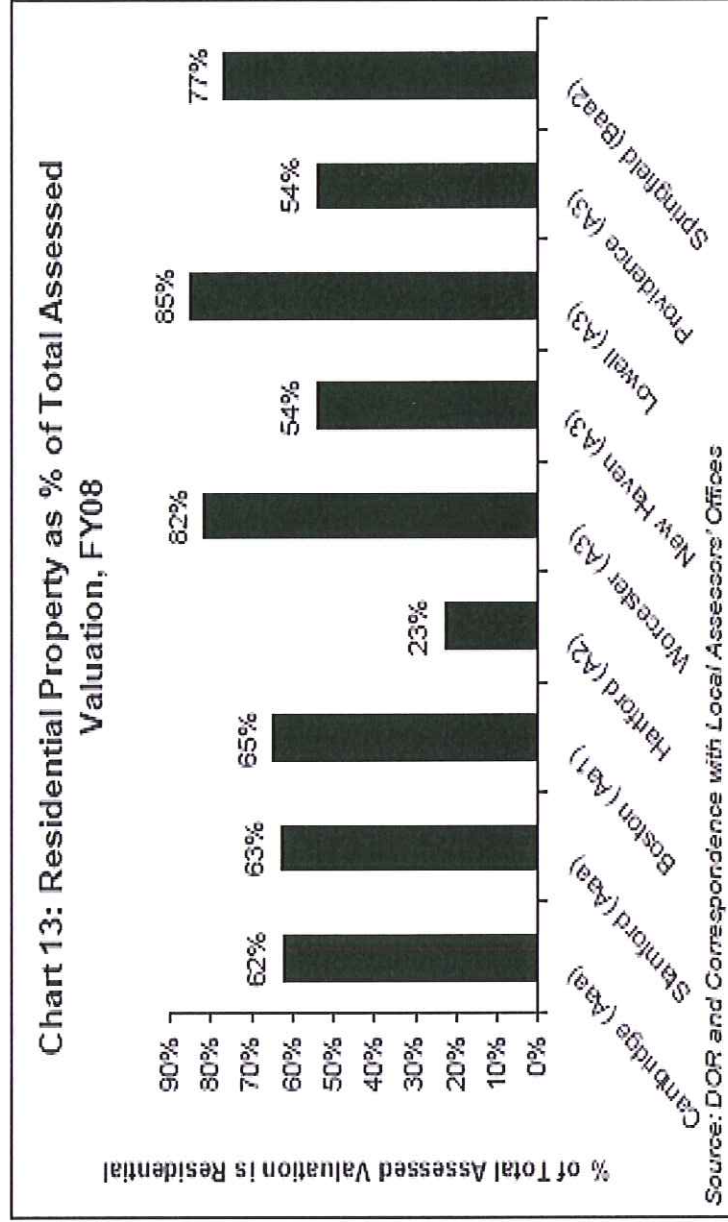


Source:  
*Benchmarking Municipal Finance July 27, 2009*  
Worcester Regional Research Bureau



# Metric: Residential Property as % of Total Valuation, FY08

**Finding:** Hartford (A2 rated) has smallest residential burden.



Source:  
*Benchmarking Municipal Finance July 27, 2009*  
Worcester Regional Research Bureau



## 3rd Qtr to 4th Qtr Variance - General Fund

	<u>3rd QTR</u>		<u>4th QTR</u>		<u>Actual Variance</u>
	<u>Revenues</u>	<u>Expenditures</u>	<u>Projected Variance</u>	<u>Revenues</u>	
(Dollars in Millions)					
Adopted Budget for FY 2008-09	547.6	547.6	0.0		
Projected Year-End Per 3rd Qtr Report (March 09)	517.1	544.3	(27.2)	517.1	544.3
Revenue Management Strategies					
Property tax initiatives - Lien sale	12.1		12.1	10.1	(2.0)
Tax Revenue				1.1	1.1
Other Revenue				1.4	1.3
Sale of City -owned properties				0.0	(5.7)
Expenditure Management Strategies		(0.6)			(2.8)
<b>Net</b>	<b>534.9</b>	<b>543.7</b>	<b>(8.8)</b>	<b>529.6</b>	<b>541.5</b>

**Variance 3rd Qtr to 4th Qtr Report**  
**(3.1)**



# Material Reasons for Variance

- **Decreased Revenues**
  - **Sale of City Owned Property**
    - Did not conclude , various negotiations continue
    - Transactions will be brought before Council
  - **Tax Lien sales**
    - available liens less than anticipated
- **Expenditure Controls Mitigation**
  - Payroll Savings/Retirement Incentive Strategy 2.7 M (Net)
  - Employee Pension and Benefits Savings 1.8 M (Net)
  - Postpone Spring 09 Police Class 0.2 M (Net)
  - MDC - Expenditure Credit 1.2 M (Net)
  - Vehicle Replacement Fund 0.2 M (Net)





## Executive Summary 3<sup>rd</sup> Qtr to 4<sup>th</sup> Qtr Variance Summary

Dollars in Millions	3 <sup>rd</sup> Qtr	4Qtr	Variance
Fund Balance	27,900,000	27,900,000	0
Net Deficit	8,798,999	11,813,885	(3,014,886)
Fund Balance	19,101,001	16,086,115	(3,014,886)

Subject to external auditors review





# Preview FY 08-09 Year End Close-out

\*Departments that will require a 4th Qtr. Transfer for Fiscal Year FY 08-09

Status	Department	T0	From	Explanation
1)	Mayor's Office	\$ 102,942		Capital Improvement Program (CIP) employees and the Energy Manager expenditures is offset by CIP revenue
	Property and Casualty Insurance		\$ 102,942	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
2) Passed by OMB committee on 8/13/09	Registrars of Voters	\$ 114,627		General Elections costs
	Property and Casualty Insurance		\$ 114,627	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
3)	Town Clerk	\$ 21,652		Payment to the State of CT for marriage license surcharge this expenditure is offset by the revenue generated
	Property and Casualty Insurance		\$ 21,652	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
4)	Office for Youth Services	\$ 76,757		8K union retroactive payments - 19K HPS collaboration for grant monitoring - 50K from HHS for Summer Youth Initiative
	Property and Casualty Insurance		\$ 76,757	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account



# Preview FY 08-09 Year End Close-out

5)	Public Works	\$ 213,361		Snow Overtime
	Property and Casualty Insurance		\$ 213,361	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
6)	Library	\$ 50,000		Budget appropriation increase approved by City Council
			\$ 50,000	Reduction to the City Council's Civic and Cultural contribution account.
7)	Settlements	\$ 560,587		Outside Counsel Services
	Property and Casualty Insurance		\$ 560,587	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
8)	Other Sundry Items	\$ 122,554		Net=Fuel, Utilities and Tipping Fees
	Property and Casualty Insurance		\$ 122,554	Savings realized due to less actual claims paid-out in the Property and Casualty Insurance account
	<b>Grand Total</b>	<b>\$ 1,262,480</b>	<b>\$ 1,262,480</b>	
*Subject to external auditor review				

# Estimated Impact of State Budget

## State Budget vs. City's FY09-10 Revenue Budget

State Revenue	State Budget	City Budget	Variance
Education Cost Sharing - ECS	187,974,890	187,974,890	0
Public School Transportation	3,170,337	3,170,337	0
Non-Public School Transportation	37,966	37,966	0
Town Aid Road	550,207	551,286	(1,079)
Mashantucket Pequot	8,685,851	8,919,623	(233,772)
PILOT - colleges and hospitals	23,481,481	23,481,481	0
PILOT - state owned properties	11,488,639	11,488,639	0



# FY09-10 Budget Risk Factors

- Energy Budget                      \$1,250,000
  - Electricity
- Employee Incentives              \$3,200,000
- Overtime Accounts
- Snow Removal
- Settlements
- Employee Benefits
- Tax Lien Sales



# FY09-10 Initiatives

- Full Implementation of MUNIS
- Sale of Surplus Property
- Utilization of City Owned/Leased Property
- HartStat Program Improvements
- Personnel Review Committee
- Legislative Initiatives
- Tax Collections