



Pedro E. Segarra
Mayor

July 1, 2011

Dear Hartford Residents and Friends:

In accordance with the Charter of the City of Hartford, this document represents the Fiscal Year 2011-12 Adopted Budget as approved by the Court of Common Council. This budget is the result of all City of Hartford stakeholders' contributions as well as our commitment to ensure that the City of Hartford is fiscally responsible and accountable, achieves results that are aligned with my mayoral *Vision* and my administration's *Four Key Goals*, and, most importantly, advances the interests of the city. Throughout the budget process, it became clear that a concentrated focus on several priorities - safeguarding the health, cleanliness and safety of the community in ways that reflect the wants and needs of the people who live, work, and visit Hartford - is essential to moving Connecticut's Capital City forward. The Fiscal Year 11-12 budget is designed to encourage job creation, maintain a high quality-of-life, and improve the quality of education for Hartford's children and adults. Last, though certainly not least, this budget was carefully crafted to provide opportunities to accelerate and expand the economic vitality of Hartford's business community and neighborhoods.

In accordance with all legal requirements and current administrative practice, this budget contains:

- A General Fund Budget appropriation ordinance for Fiscal Year 11-12 of \$545,944,221, which equals an increase of \$1,502,066 or 0.3% over the current year's budget. The Adopted Budget provides a projected balanced relationship between total anticipated revenues and total estimated expenditures.
- A tax ordinance requiring a 72.29 mill rate on all taxable property, which represents a 0.5% decrease in the mill rate as compared to the Fiscal Year 10-11 mill rate.
- A contribution of \$23,382,107 to the Municipal Employees' Retirement Fund (MERF), including Local 1716, for active and retired municipal employees. This contribution is an increase of \$6,861,568, or 41.5%, over the current year adopted budget.
- A ten-year Capital Improvement Program for Fiscal Years 2011-2012 through 2021-2022 totaling \$811,060,109. The first year program costs total \$25,420,000. A Capital Improvement Fund Appropriation Ordinance for Fiscal Year 11-12 to approve funding for these projects was acted upon by the City Council on June 27, 2011. Sustaining our City construction projects is critical to retaining and creating needed jobs for Hartford residents, as well as providing opportunities for women and minority owned businesses.
- A parking strategy to enhance the competitive position of the Hartford Parking Authority (HPA), attract downtown office users, eliminate duplicative reserves, and return the HPA to profitability.

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- A consolidation of all of our public service requests under one management structure. 3-1-1 and 9-1-1 are now both part of the Emergency Services & Telecommunications Department, thereby enhancing accountability and responsiveness.
- The alignment of our development and Capital Improvement Programs with *One City, One Plan* thereby providing a focus on marketing Hartford as the cultural, arts and sports hub.
- An increase in the Summer Youth Employment Program in the amount of \$500,000, for a total program allocation of \$1,500,000.
- Creation of a grants management division under the Office of Management & Budget in order to maximize grant opportunities, ensure full allowable offsets to the operating budget, and diversify the revenue sources for the City of Hartford, while also ensuring full compliance with Federal, State and grantor requirements. The addition to the Operating Budget for the Office of Management and Budget is \$220,790. The corresponding fringe benefits cost is included in Benefits and Insurances.
- Creation of a new Department of Families, Children, Youth and Recreation, which integrates the Office for Young Children, the Office for Youth Services, and the recreation program in the Health and Human Services Department under one umbrella. The net cost of this new department is \$269,080 plus fringe benefits. The total cost for these three major programs is \$5,986,142.
- Creation of an Office of Communications and New Media to serve all departments and improve our community outreach.
- A Police recruit class of 30 starting at the beginning of March, 2012 to ensure that our Police department maintains the level of staffing that has produced dramatic and sustained crime reduction since the adoption of the Community Policing Plan. This recruit class positions the department to continue its high level of effectiveness for Fiscal Year 11-12 and beyond. This new recruit class is in addition to the Fiscal Year 10-11 class.
- A Fire recruit class of 25 starting at the beginning of Fiscal Year 11-12 to maintain the Fire Department's fire suppression and emergency medical response capability, as well as to ensure the Department's adherence to its contractual obligations. These new classes will also assist us in managing overtime costs in a time of increasing attrition, as more police officers and firefighters reach retirement age.
- A General Fund appropriation for the Hartford Public Schools in the amount of \$283,365,643, which includes employee fringe benefit costs. An indirect appropriation for educational debt and in-kind services totaling \$20,349,751 is also included in the Municipal Operating Budget. In addition, the Hartford Public Schools receive funding from state and federal grants, private foundations and other sources. These funds, categorized as the Special Funds Budget, are projected at \$112,429,186. The combined preliminary amount from all sources brings the total budget for the Hartford Public Schools to \$416,144,580.
- A General Fund appropriation of \$7,915,000 to the Hartford Public Library, which represents no increase to the Fiscal Year 10-11 appropriation and includes employee fringe benefit costs.
- A Debt Service payment of \$36,500,545 to meet the City's obligation to repay bond holders for the construction and renovation of schools, libraries, streets, public facilities

and fleet replacements. This represents an increase of \$2,124,545, or 6.2%, over the Fiscal Year 10-11 Adopted Budget.

- Funds that were highlighted in the Mayor's Recommended Budget for a comprehensive, long-term parks, recreation, and cultural strategy.

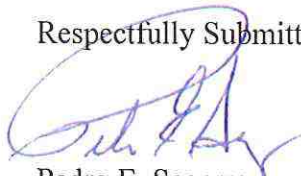
Even though total projected revenues for Fiscal Year 11-12 in the Operating Budget are expected to increase to \$545,944,221, or \$1,502,066 over the current year adopted revenues of \$544,442,155, the City continues to face substantial increases in the fringe benefits line items, which include medical claims and pension contributions, as well as increases in the debt service payments. As instructed, my administration has already begun the process of identifying cost savings in the areas of insurance, benefits, procurement and other operating areas.

The Fiscal Year 11-12 Adopted Budget presents a balanced relationship between total anticipated revenues and total estimated expenditures as a result of mitigation strategies that include operating efficiencies, pension review, workers' compensation, and medical benefits requests for proposals, and employee concessions.

This budget accomplishes a great deal and corrects many glaring problems that have been ignored for many years, while moving us substantially forward on several important fronts, i.e. economic development and job creation, public safety, and streamlining City government. While it is not a perfect budget, it was finalized only after much collaboration and input from Hartford residents. In addition to the town meeting that I convened to listen to and understand issues and priorities, the mayor-council workshop model that was employed last year was again instituted this year and helped identify and emphasize the issues that were most important to Council members, City departments, and the community-at large.

I am proud of the respectful and collaborative effort that engaged stakeholders from the beginning and, as the process unfolded, regularly sought feedback and constructive comments. It is because of this model and philosophy that we were able to reduce spending to Fiscal Year 08-09 levels, reduce the mill rate, and protect essential services.

Respectfully Submitted,



Pedro E. Segarra
Mayor

