

Budget Message

Section





PEDRO E. SEGARRA
MAYOR

July 1, 2014

Dear Hartford Residents and Friends:

In accordance with the Charter of the City of Hartford, this document represents the Fiscal Year 2014/2015 Budget as approved by the Court of Common Council. Like in years past, this budget is fiscally prudent and accountable to all city stakeholders. This budget keeps us on a path for a financially sustainable future while putting resources in critical areas: keeping our communities safe, educating our young people, growing jobs and economic opportunities and improving the quality of life for our residents.

We have worked very hard to come to a realistic consensus on a budget that does not place additional burden on taxpayers, keeps our neighborhoods safe, does not strip core public services and protects the quality of life of all Hartford residents.

We have proven time and again that we can hold the line on our spending while still making the necessary investments to strengthen and preserve economic growth and protect our most vulnerable citizens.

Like all budget seasons we were faced with some real challenges and tough decisions but in the end we did what was necessary to protect Hartford families and to keep the positive momentum we have seen in the capital city over the last few years. This was a very difficult budget and I'm proud of what we accomplished.

The budget contains no mill rate increase, funds an additional 30 police officers, along with an additional 10 cadets, and contains no reduction in essential city services. A new police class is scheduled to start in January of 2015. There is no draw down to the Rainy Day Fund Balance and no transfer of city assets to the pension fund.

As you will see in the following pages, this budget also mitigates a \$44 million dollar deficit driven primarily by rising costs in pension, medical and contractual salary increases, primarily by:

- Cutting spending by \$23.2 million
- Sale of the Church Street Parking Garage to the state for not less than \$14.4 million

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

- No reduction in essential city services.
- A General Fund Revenue Budget of \$552.0 million representing an increase of \$21.6 million, or 3.9%, over the Fiscal Year 13-14 adopted budget, driven primarily by the sale of city assets managed by the Hartford Parking Authority.



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- A General Fund Expense Appropriation totaling \$552.0 million representing an increase of \$13.2 million, or 2.4%, over the Fiscal Year 13-14 adopted budget, driven primarily by significant increases to pension and benefit costs.
- A decrease in appropriations for 12 city departments.
- A reduction of 52 positions, representing a reduction of 3.5% of the General Fund Full-Time workforce.
- A new class of 20 Police Officers from the General Fund, plus 10 additional Grant Funded Police Officers, and 10 Police Cadets.
- A restructuring of the Police Department to include civilianizing 19 Police positions – increasing the number of Police Officers on the street to enhance our already successful Community Policing effort.
- An increase of \$830 thousand dollars to the Fire Department driven primarily by contractual cost of living salary increases.
- The full required city contribution of \$38.8 million to the Municipal Employees' Retirement Fund, after adjustments, without the need for a Memorandum of Understanding.
- A five-year Capital Improvement Program (CIP) totaling \$476.1 million gross and \$254.5 million net after reimbursements. The CIP has been tailored to continue to make those repairs and investments that are essential to improve the quality of life of our residents but in alignment with our economic reality. The CIP ordinance approved by City Council is included in this approved budget. These items include:
 - Additional allocation for the paving and improvement of our streets; and
 - A more dedicated focus on improving our parks, sidewalks, playgrounds, anti-blight efforts, residential property façades, and overall infrastructure.
- A consistent focus on enhancing our public safety efforts including, construction of an additional police sub-station.
- No layoffs for sworn police officers.
- An annual Grants Budget for Fiscal Year 14-15 of \$100.6 million.
- A General Fund appropriation of \$284.0 million to Hartford Public Schools representing a flat City contribution and in line with the State of Connecticut mandated "Minimum Budget Requirements" for Education.
- A General Fund appropriation of \$8.2 million to the Hartford Public Library representing no reduction from the Fiscal Year 13-14 adopted budget.

We cannot change the reality of rising pension and benefit costs but I will be working with the Pension Commission and the Treasurer to review our pension assumptions, including the recommendations recently submitted by the Pension Task Force. We will continue to explore ways to fund our obligation in a manner that addresses our fiscal reality but is also aligned with our overall objectives.

This year we will focus on making City Government more efficient and effective and work with City Council on a major effort to restructure our operations.



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This budget represents a responsible solution to the financial moment we face without jeopardizing our future growth and prosperity. This budget reflects the tough choices necessary to preserve the overall health of our City and continues our course to becoming one of America's Best Capital Cities.

Sincerely,

A handwritten signature in black ink, appearing to read "Pedro E. Segarra".

Pedro E. Segarra
Mayor

