

City of Hartford
FY2017 Recommended Budget
Components of the \$48.5 Million Gap

The FY2016 Budget was adopted based on revenues and expenses of \$533.8M. The FY2017 gap, prior to any budget reduction actions, reflected an increase of \$13.4M in revenues offset by \$61.9M in increased expenses, the net of which is \$48.5M. The components thereof are detailed below:

	FY2016 Adopted	FY2017 Base	FY2017 Recommended
Total Revenue	533,814,785	547,235,832	545,777,780
Total Expenditure	533,814,785	595,749,026	557,277,780
Use of Fund Balance	0	0	(11,500,000)
Surplus / Deficit	0	(48,513,194)	0

2017 Additional State Revenue	\$13.4 million
<ul style="list-style-type: none"> • Municipal Revenue Sharing Select PILOT 	
Removal of 2016 One-time Deficit Mitigation Strategies	\$(16.0) million
<ul style="list-style-type: none"> • Health and technology reserves • Healthcare savings 	
2017 Continuation of 2016 Unfavorable Expense Trends	\$(19.0) million
<ul style="list-style-type: none"> • Police and fire overtime, related pension impact • Healthcare expenses • Grant reimbursements on fringe benefits • Benefits and insurance 	
2017 Projected Increases in Expenses	\$(20.6) million
<ul style="list-style-type: none"> • Debt service • Healthcare escalation • Pension contributions and retirement payouts • Vehicle and equipment leases • Labor salary increases 	
2017 Required Investments in Police, Safety and Technology	\$(6.3) million
Total	\$(48.5) million

City of Hartford
FY2017 Recommended Budget
Closing the \$48.5 Million Gap

Service Reductions and Department Budget cuts	\$15.5 million
<ul style="list-style-type: none"> • Eliminated 96 positions, including 42 layoffs • Reduced services in Health & Human Services and Department of Family, Children, Youth & Recreation • Streamlined and consolidated administrative functions • Restructured customer service model in revenue collections and tax assessment • Reduced police overtime by deploying specialty positions to patrol • Reduced community grants • Eliminated City subsidy for special events 	
Employee Concessions	\$16.5 million
<ul style="list-style-type: none"> • Union \$15.5 million, Non-Union \$1 million 	
Transfer Land to Pension Fund	\$5.0 million
<ul style="list-style-type: none"> • Transfer as partial payment of required contribution • Future increased value to benefit pension fund and City 	
Utilize Remaining Fund Balance	\$11.5 million
<ul style="list-style-type: none"> • No operating fund balance available to cover unexpected events 	
Total	\$48.5 million

