

Mayor's Recommended Budget

Fiscal Year 2017



City of Hartford, Connecticut
Mayor Luke A. Bronin



FY2017 Challenge:

\$48.5 Million



Why are we in this position?

- Past mistakes and unsustainable promises
- Debt restructuring
- Repeated reliance on one-time revenues
- Underestimating actual costs
- Delayed end-of-lifecycle equipment replacements
- Inadequate tax base



General Principles

- We cannot raise the mill rate
- We must use realistic projections
- We must find sustainable savings
- We should not sell assets that generate recurring revenue
- We must continue to deliver essential services and invest in our future



Sustainable Savings: Tough Choices

- Reductions in nearly every department
- Elimination of nearly 100 positions or 15% of non-uniformed personnel, resulting in approximately 40 layoffs
- Business District Service Officers and other special duty police officers will return to patrol and the number of Community Service Officers will be reduced
- Drastic reductions in funding for external agencies and organizations
- Elimination of City subsidy for parades and festivals



Sustainable Savings: Labor Concessions

The FY2017 Recommended Budget assumes:

- \$15.5 million in savings resulting from union negotiations
- \$1 million in comparable non-union employee compensation changes

Without these savings, we must make even deeper cuts in services and personnel – or fail to balance the budget



Continuing to invest in our future

- Despite the broad-based reductions, this budget:
 - Makes necessary investment to protect public safety
 - Does not reduce funding for education
 - Should not require the closing of any neighborhood library branches
 - Maintains funding for summer youth employment
 - Prioritizes funding for the most vulnerable citizens



This is not a sustainable budget

- While past budgets' relied on one-time fixes for 70% to 100% of deficit mitigation, this budget as recommended would address two-thirds of the gap with sustainable savings
- We will not sell off assets that produce recurring revenue
- However, this budget still relies on “one-time” revenue
 - Draws down every last dollar of available reserves (\$11.5M)
 - Transfers Batterson Park to Hartford's pension fund (\$5M offset)

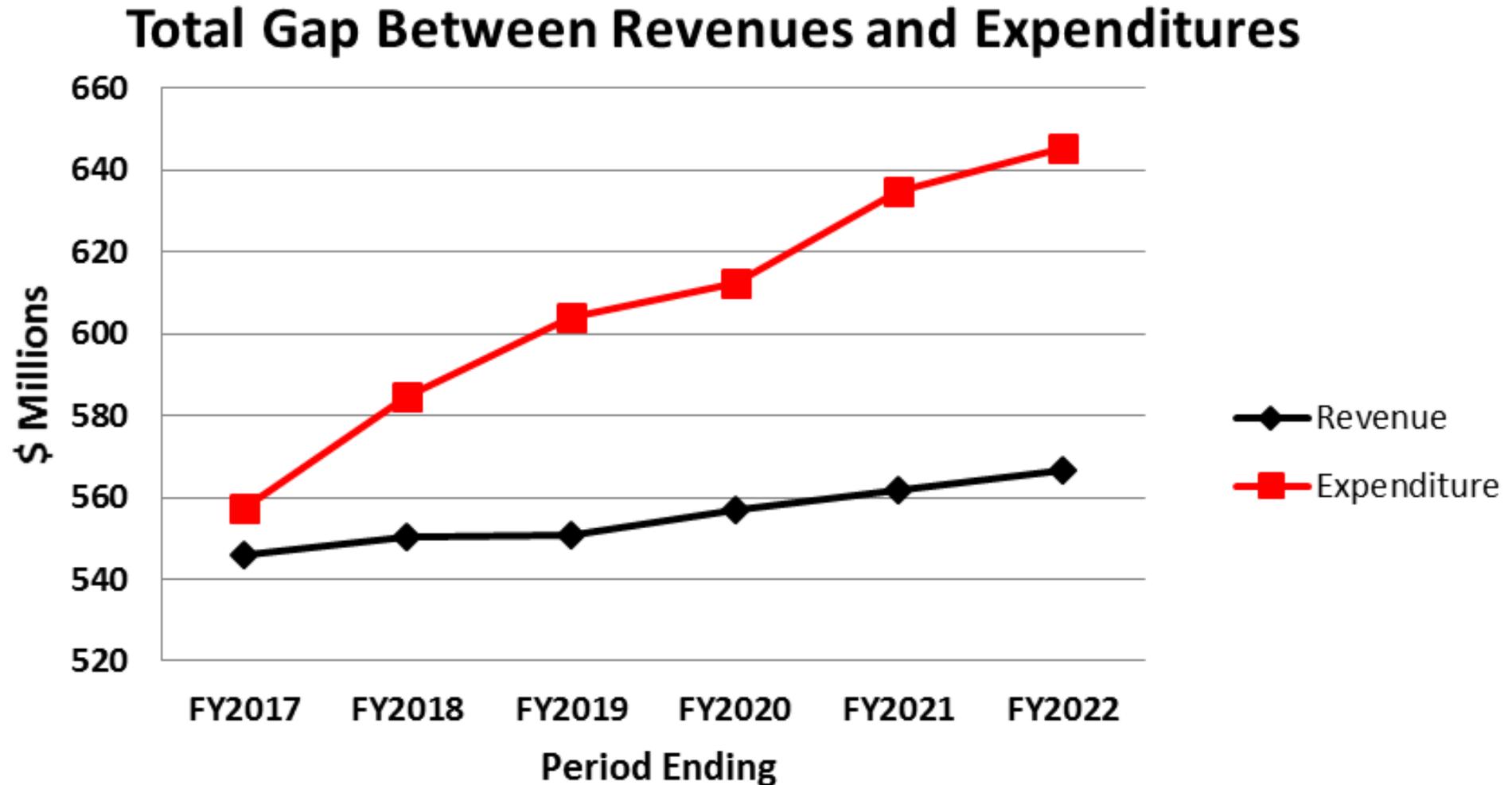


What happens next year?

- Even with the deep cuts and substantial labor concessions required in this recommended budget, Hartford faces large deficits in the years ahead
- Next year, we will face a deficit of at least \$30 million



Looking ahead





How do we address the problem in the years ahead?

- There is a limit to the cuts that can be made, if we wish to be a healthy city that is delivering basic city services and investing in our future.
- There is a limit to the tax revenue our small city can support, and our mill rate is already the highest in the state – by far.
- The role of the Greater Hartford region and the State must change, including:
 - Increasing Payments in Lieu of Taxes (PILOT)
 - Regional revenue sharing
 - Increasing options for local revenue generation



Next steps?

- Council budget process
- Continued negotiation with municipal unions
- Building statewide and regional consensus for change