

Hartford \$8M In Hole, Perez Says

City Needs To Cut Costs, Mayor Says

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HARTFORD, Conn. -- The economic downturn and a slowed growth in state and federal aid will require a reduction of at least \$8 million in the city's \$547,589,282 budget for the fiscal year ending June 30, 2009, Mayor Eddie Perez said Thursday.

Reduced revenues from taxes, fees and other sources are key indicators of the impact the economic downturn is having on the main sources of city government revenue, he said.

Less-than-expected revenue from the recently completed 2007-2008 fiscal year will require the city to draw down approximately \$6 million from its fund balance to balance the 2007-2008 budget, he added.

"These difficult economic times are going to require further belt-tightening by city government," Perez said. "Though we have kept the growth rate of city government significantly below the growth rate of state government and made important new investments in housing, public safety and our schools, we are challenged with great needs and limited resources.

"In a city where nearly half the property-tax base is non-taxable -- more and more of the cost of government services are being transferred from the state to city taxpayers -- there is only so much more our homeowners can pay in taxes," he said. "In order to keep our core services of education, public safety and economic development sound, we need to reduce in other areas and get the most out of every taxpayer dollar.

"Today, I have sent a letter to the Hartford City Council, updating them on our financial situation and outlining the serious choices before us, which may include layoffs and reductions in city services," said Perez. "I look forward to working with them in a responsible and prudent fashion to reduce spending while maintaining our core city services."

The city will be implementing a number of cost-saving measures, including reducing vehicle use, travel restrictions, energy-saving measures, a hiring freeze and asking municipal unions for concessions.