

Perez Presents \$552 Million Hartford Budget Proposed increase of 9.9 %, for schools, police, debt service

By DANIEL E. GOREN, Courant Staff Writer, April 23, 2008

Hartford Mayor Eddie A. Perez has recommended a \$552 million city budget for fiscal year 2008-09, an increase of \$26.3 million, or 5 percent, over current spending.

The budget document, delivered to the city council Monday, includes extra money allocated for the school system, an increase of 30 new recruits for the police department and continued debt service payments for the construction of schools, libraries and a new public safety complex.

The city also anticipates some cost savings over last year by hiring 50 new firefighters and more than offsetting that cost by a projected reduction in overtime for the department.

Lee Erdmann, the city's chief operating officer, said that the loss of several one-time revenue streams — such as a \$3.8 million payment from the Connecticut Resources Recovery Authority for the settlement of a lawsuit — meant the city will have to increase its tax levy by 9.9 percent, nearly double the actual percentage increase of the budget. That means the average tax bills will be going up, he said.

The mayor's proposed spending plan would raise the average annual residential tax bill for a single-family home by \$327, according to the city assessor's office. ***The plan represents a tax increase of 6.32 mills, and if approved would bring the city's tax rate to 69.71 mills.*** One mill equals \$1 in property taxes per \$1,000 of assessed valuation.

In a press release, Perez said he felt the city had made progress, but still faced many fiscal challenges.

"Just like families sitting down at the kitchen table or at their computer, the city, too, must prioritize expenditures and balance the check book," Perez said. "Our priorities are public safety and education, but we must also take into account increased construction costs, increased energy costs, and increased health care costs."

In a written message to the council, Perez noted that one major source of financial insecurity came from the state, which he said "continues to under fund the payment in lieu of taxes," or PILOT, program. The money is meant to pay the city for state-owned and tax-exempt land in Hartford .

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The budget must be adopted by the end of May.

The state and city need "meaningful property tax reform," he said.

"Hartford's residents do not want us to cut the cost of government by cutting greatly needed services," Perez said. "They want improved services at a price they are willing to pay. That is our day-to-day challenge."

According to Erdmann, the \$26.3 million increase in the budget is driven largely by fixed costs faced by the city, such as debt service payments and employee benefits, which will increase over this year by \$6.7 million and \$3.6 million respectively.

The city will also pay \$1.3 million for a new recruit class of 30 police officers and give an additional \$5 million to the city's schools, an amount to be added to the additional \$7.9 million in educational cost sharing grant money from the state. All other city departments combined will see a net increase of only about \$1 million, he said.

The city is also seeing a \$340,000 increase for insurance coverage. And it will pay a total of \$2.7 million in increases to convert the city's computer accounting system to a new program; to pay for increased utility costs; and to cover costs associated higher tipping fees paid to the Connecticut Resources Recovery Authority.

The mayor's plan incorporates the school's \$284 million general fund budget, of which the city is responsible for \$93 million. That is a \$5 million increase from this year's spending. The balance comes from the state.

A public hearing on the mayor's recommended budget is scheduled for April 29 at 6 p.m. at Bulkeley High School, Erdmann said. The city council will also be holding budget hearings in the coming weeks, as it decides what — if anything — it wants to change in the mayor's plan. The budget must be adopted by the end of May.

Contact Daniel E. Goren at dgoren@courant.com.

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