



PEDRO E. SEGARRA  
MAYOR

**Testimony by Mayor Pedro E. Segarra  
City of Hartford  
House Bill 5316**

**An Act Requiring a Two-Thirds Vote of the General Assembly to Enlarge Municipal Mandates and Authorizing a Review of Certain Municipal Budgets**

**March 2, 2012, 10:30AM in Hearing Room 2B**

Chairmen Cassano and Gentile, Ranking Members Fasano and Aman, Vice-Chairmen Coleman and Grogins and Members of the Planning & Development Committee:

Thank you for the opportunity to submit written testimony on House Bill 5316. This bill, while certainly well intentioned, accomplishes one terrific thing by adding an additional hurdle to the decision-making process related to unfunded municipal mandates, but also has a terrific consequence for municipalities like Hartford – Connecticut’s Capital City.

There is no question that this committee intends to look at, inspect, review and consider very difficult issues this session and municipal mandate reform is certainly one of them. With the economy being as it is, there is an ever increasing demand for services and other forms of support, many of which are being or have been transferred from the state to municipalities for administration and delivery. However, while this has happened, funding has remained, even in the best of circumstances, static. For example, in the City of Hartford, despite overall funding increases, when you account for inflation, Connecticut’s Capital City has received almost \$500,000 less in 2011-2012 than it did in 2007-2008. When you consider just education funding (i.e. ECS dollars), Hartford would have required an additional \$1.2 million dollars in 2011-2012 to equal the amount received in 2007-2008. In a community such as Hartford, where the unemployment rate hovers around 15% (albeit down from 17.1% just a year ago; demonstrating significant progress), 52% of all property is tax-exempt, and nearly 33% of residents do not have a high school diploma, a slight fluctuation in funding, or an additional requirement, can have a significantly disproportionate impact to the negative.

Conversely, while the City of Hartford appreciates the concept of mandate relief, Section (d) is very problematic. Since taking office in June 2010, I have dedicated most of my time to controlling the budget and making strategic cuts where appropriate. From 2000-2009 the City’s budget increased by approximately \$100 million dollars. While some of this was due to collective bargaining, inflation and other structural increases, a significant portion was avoidable. As Mayor, I have made a commitment to both the residents and corporate community that fiscal responsibility and prudent management will be hallmarks of my administration. In fact, last year we were able to reduce the mil rate – a first in more than 10 years – and in the last 2 years we have added almost \$6 million dollars to the Reserve Fund. I have also instituted weekly Personnel and Finance meetings in order to monitor (in real time) all changes in revenue, spending and staffing.

At present the City of Hartford receives almost 46% of its revenue from intergovernmental sources and our population is about 125,000, which would automatically trigger a review by the State Auditors. This

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despite the fact that a majority of all property is tax exempt; spending has held static during my tenure; our debt as a percentage of total expenditures (55%) is lower than Waterbury, New Britain, Bridgeport and New Haven; and our debt service as a percentage of total expenditures (6.7%) is substantially lower than New Britain, New Haven and Bridgeport. This is in addition to the previous reference to reducing the mil rate last year – a first in over 10 years. We also have a very active and highly effective Internal Audit department that has been embraced by City leadership and department heads in helping to develop and foster greater efficiency and accountability throughout all departments. To now create another level of unnecessary and undeserved oversight – whether intended or not – is unfair to your Capital City and will no doubt divert critical staff and resources from the most important task at hand: strong and responsible management and effective and timely delivery of essential services.

Again, while the City of Hartford very much appreciates the intent of this bill, it is our hope that the Planning and Development Committee seriously considers the unintended consequences that this bill – and in particular Section (d) – will produce in its present form. Should you chose to move this bill forward, I would respectfully suggest that language be amended so as to not cast a net so large that it captures communities that are working diligently and responsibly to properly manage their budgets – and taxpayers' dollars – in the most effective way(s) possible.

Thank you for the opportunity to present testimony on this important bill and we hope that you will consider the changes suggested above before taking further action on HB 5316.