



City of Hartford FY2027 Recommended Budget MARB Hartford Subcommittee

April 30, 2026

INTRODUCTION



General Fund:	FY2026 Adopted Budget	FY2027 Recommended Budget	\$ Change FY27 vs FY26	% Change FY27 vs FY26
Total Revenues	\$626,320,988	\$633,212,669	\$6,891,681	1.10%
Total Expenditures	\$626,320,988	\$633,212,669	\$6,891,681	1.10%
Surplus / (Deficit)	\$0	\$0	\$0	

Overview

- Maintains property tax rate at 68.95 mills
- Holds spending increase to just over 1%
- Continues to fund negotiated wage increases necessary to retain and recruit employees
- Continues to invest in the City's capital assets with General Fund contributions and other available resources



- **Targeted investments in high priority initiatives**
 - Recreation Programming
 - Reopening of Blue Hills Recreation Center
 - Expanded programming (Winter & Spring Break camps, Saturday Hoopsters, outdoor pool season, Saturday recreation center hours)
 - Fire Department
 - Fully funds new contract with Firefighters
 - Augments Overtime funding
 - Public Works
 - Augmented Overtime funding to support streets and parks maintenance
 - Additional funding to address impact of inflation
 - Continues to invest in the City's capital assets with General Fund contributions and other available resources



**Overview of the
FY2027
Recommended Budget**

REVENUE SUMMARY



Revenue Category	FY2026 Adopted	FY2027 Recommended	\$ Change FY27 vs FY26	% Change FY27 vs FY26
Taxes	303,256,569	309,066,918	5,810,349	1.9%
Licenses and Permits	7,281,648	7,862,794	581,146	8.0%
Fines, Forfeits and Penalties	113,840	113,978	138	0.1%
Interest and Rental Income	7,859,659	6,872,895	(986,764)	-12.6%
Intergovernmental	297,942,749	300,045,944	2,103,195	0.7%
Charges for Services	3,725,602	3,757,062	31,460	0.8%
Reimbursements	111,448	512,563	401,115	359.9%
Other Revenues	164,273	165,915	1,642	1.0%
Other Financing Sources	5,865,200	4,814,600	(1,050,600)	-17.9%
Total Revenues	626,320,988	633,212,669	6,891,681	1.1%

- Grand List flat: Modest increase in taxes generated by Prior Years Taxes and Interest and Liens
- Interest income: Lower interest rates causing decline in revenues
- Intergovernmental: Increases in Town Aid Roads grant and PILOT funding
- Parking Authority: reduction in net income to General Fund
- Reimbursements: New revenue source from medical service billing

ASSUMPTIONS REGARDING PROPERTY TAX REVENUES AND STATE REVENUES



- Property Tax Revenue and Mill Rate
 - October 2025 Grand List: Net Taxable G.L. of \$4.817 billion
 - increase of approximately one quarter of percent
 - RE/PP Mill Rate of 68.95; MV Mill Rate of 32.46
 - Tax collection rate of 95.67% per calculation in City Ordinance

ASSUMPTIONS REGARDING PROPERTY TAX REVENUES AND STATE REVENUES



- State Aid to City of Hartford
 - Based on Governor’s FY2027 budget adjustments

State Aid Source	City FY2027 Recommended Budget	Governor Proposed FY2027
ECS*	187,974,890	226,674,245
Pequot-Mohegan	6,136,523	6,136,523
PILOT	61,840,790	61,840,790
Town Aid Road	1,535,289	1,535,289
Municipal Grants-in-Aid **	1,419,161	9,419,161
Motor Vehicle Reimbursement	21,610,644	21,610,644
Municipal Revenue Sharing	15,792,632	15,792,632
Municipal Stabilization	-	-
Total	296,309,929	343,009,284

* ECS difference between City budget and Governor Proposed reflects Alliance Grant provided directly to BOE

** Grants-in-Aid difference reflects \$8 million non-recurring supplemental. Allocated by City for one-time capital projects

EXPENSE SUMMARY



Revenue Category	FY2026 Adopted	FY2027 Recommended	\$ Change FY27 vs FY26	% Change FY27 vs FY26
Payroll	141,809,901	150,346,878	8,536,977	6.0%
Benefits	106,820,091	103,783,571	(3,036,520)	-2.8%
Debt & Other Capital	7,902,012	10,076,706	2,174,694	27.5%
Library	9,997,627	10,426,903	429,276	4.3%
Metro Hartford Innovation Services	5,956,521	6,013,394	56,873	1.0%
Utilities	31,702,849	30,306,187	(1,396,662)	-4.4%
Other Non-Personnel	38,118,713	38,245,756	127,043	0.3%
Education	284,013,274	284,013,274	-	0.0%
Total Expenditures	626,320,988	633,212,669	6,891,681	1.1%

- Increase in payroll generated by contractual increases and shifts in grant allocations
- Reduction in Benefits driven by significant increase in attrition factor
- Debt & Capital: \$2.5 million included as debt service on bond issue partially offset by reduction in CapEx contribution
- Utilities decrease driven by lower MDC (sewer) and reassessed impact of higher electricity rates

FISCAL STABILITY

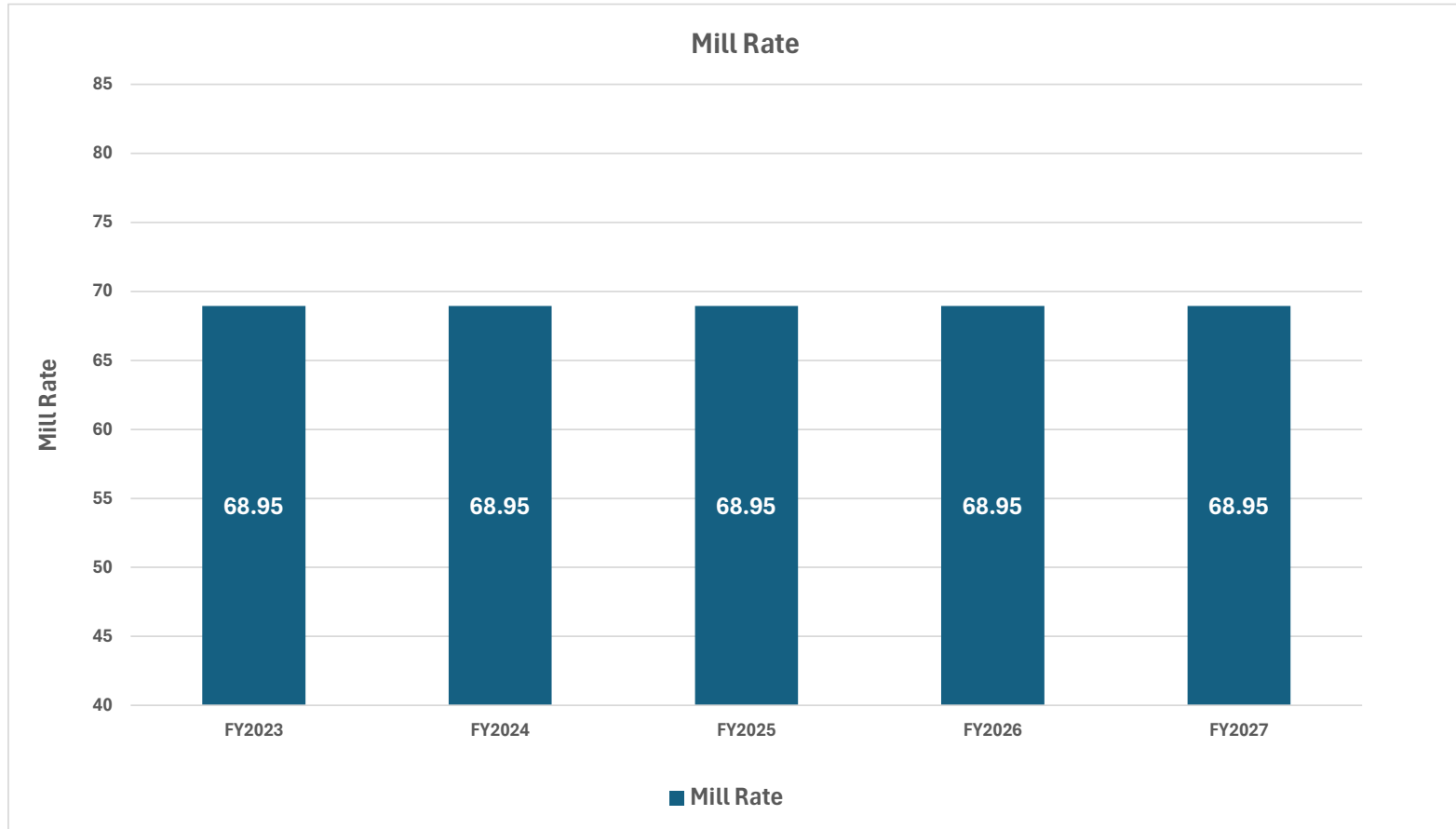
CREDIT RATING UPGRADES



- November 2021
 - Standard & Poor’s upgrades City credit rating to investment grade: BBB
- August 2023
 - Moody’s upgrades City credit rating to investment grade: Baa3
- December 2025
 - Standard & Poor’s upgrades City credit rating to A-

MILL RATE

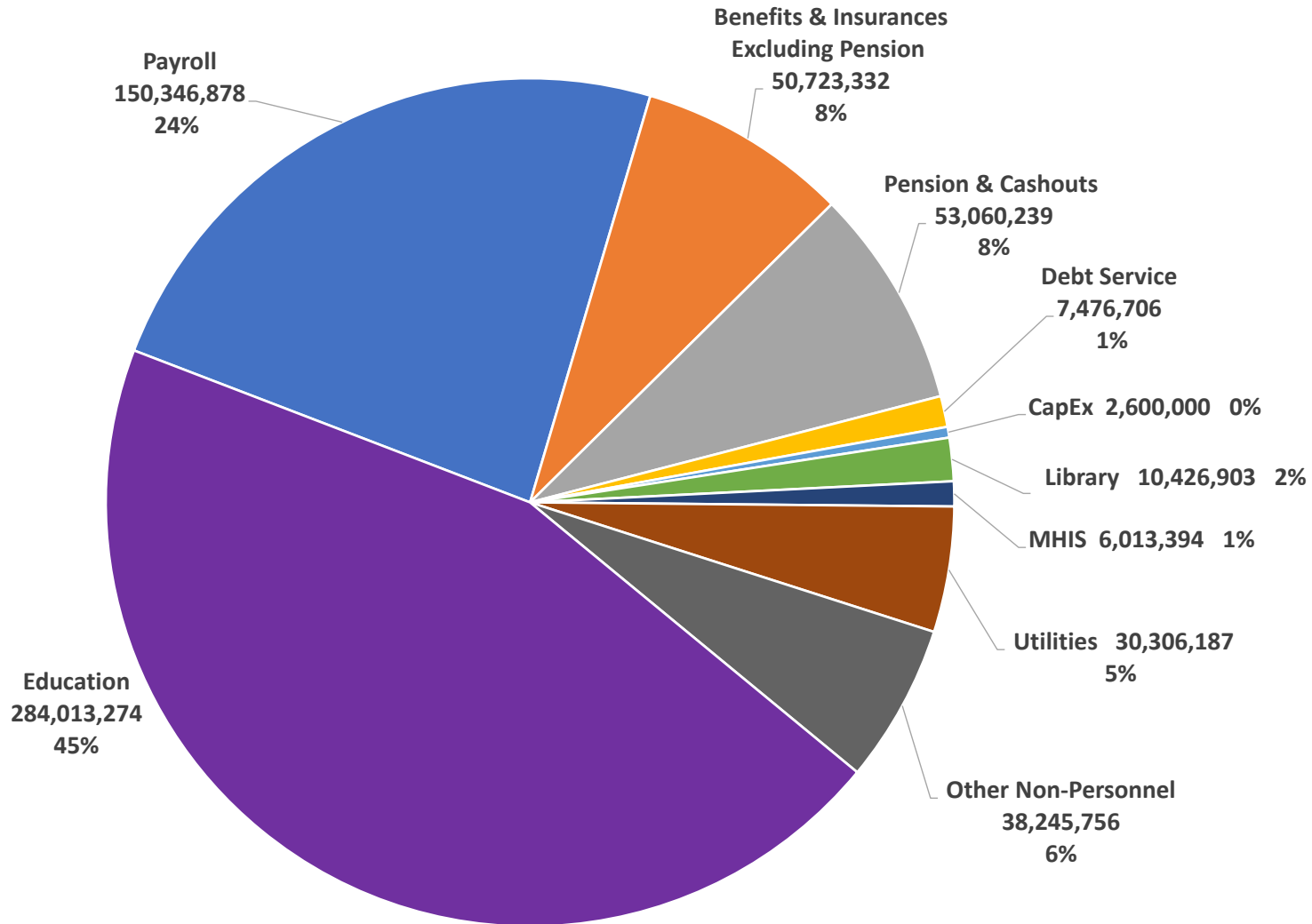
5 Years No Change in Mill Rate



During this period, cumulative inflation has increased by 9.78% according to Bureau of Labor Statistics

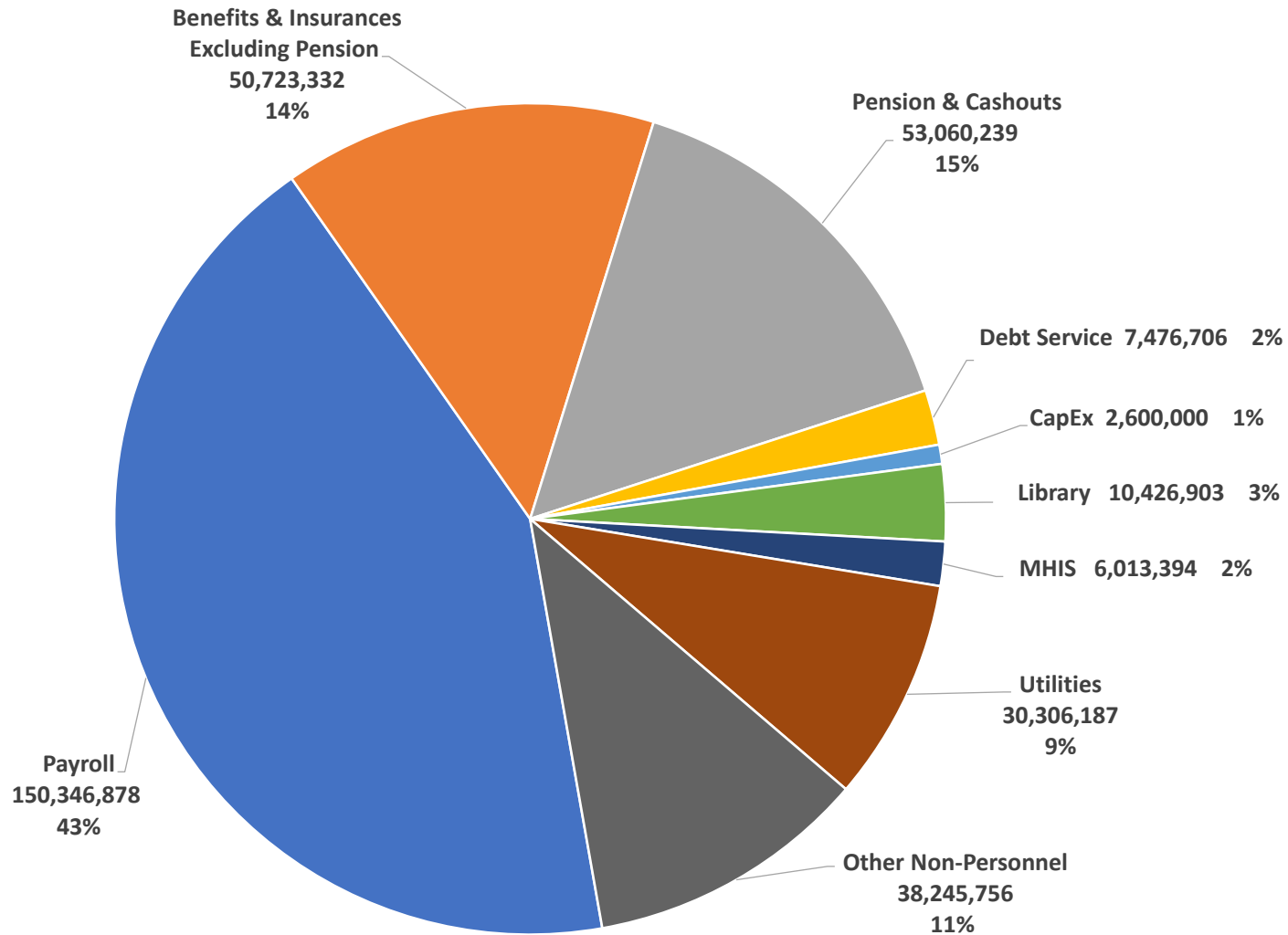
COMPONENTS OF THE EXPENDITURE BASE

\$633.21 Million General Fund Budget



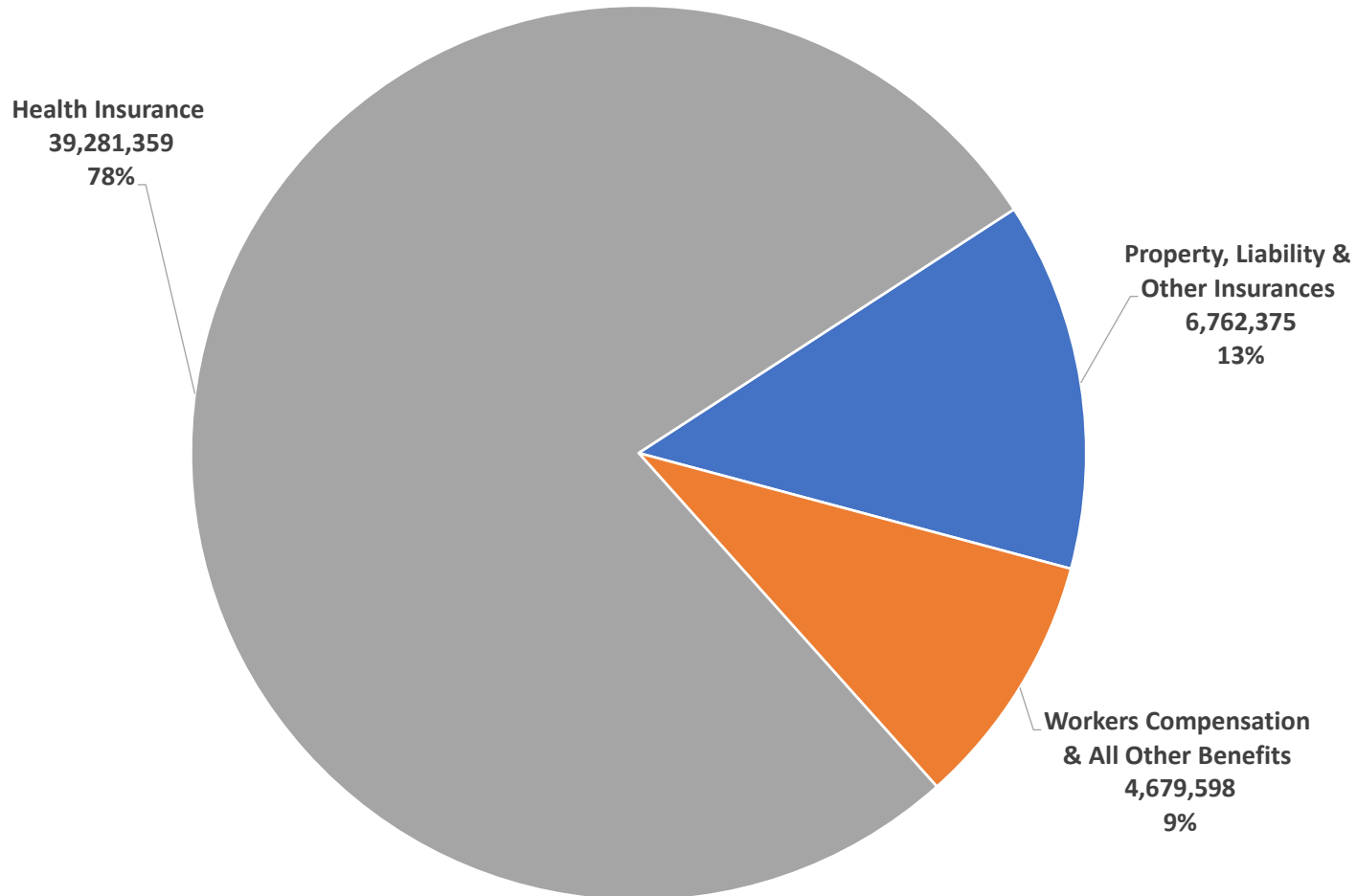
COMPONENTS OF THE EXPENDITURE BASE

\$349.2 Million Municipal Budget



BENEFITS AND INSURANCES

Excluding Pensions (Total \$50.7 million)





- Long-Term Sustainability Depends Upon:
 - Aggressively attracting investment and growth
 - Protecting the sustainability of large commercial tax base through continued focus on downtown residential density
 - Staying disciplined in spending
 - Working to improve quality of life for residents in every neighborhood
 - Continuing to invest in critical infrastructure and other capital assets and managing their budgetary impact

FY2027 RECOMMENDED BUDGET

CAPITAL IMPROVEMENT PROGRAM



Capital Budget makes investments in:

- **Flood control and drainage improvements: \$5,250,000**
- **Parks and recreational facilities: \$1,840,000**
- **Fire and Police facilities: \$1,380,000**
- **Other municipal facilities: \$1,500,000**
- **School building deferred maintenance: \$1,000,000**
- **Transportation safety: \$1,150,000**
- **Environmental compliance: \$250,000**

A nighttime photograph of a cityscape. In the foreground, a modern cable-stayed bridge with two large, illuminated, A-shaped pylons spans across the frame. The bridge deck is paved and has a person walking in the distance. To the left, the illuminated, classical-style Connecticut State Capitol building is visible. To the right, several modern skyscrapers with lit windows rise against a dark, twilight sky. The overall scene is a mix of historical and contemporary architecture.

Public Comment