

Councilman Matthew D. Ritter
550 Main Street
Hartford, CT 06103

June 2, 2009

VIA EMAIL

Mr. Richard F. Wareing, Chairman Hartford Charter Revision Commission
c/o Pepe & Hazard LLP
225 Asylum Street
Hartford, CT 06103

Re: Proposed Change to Charter of City of Hartford

Dear Chairman Wareing:

Let me start by thanking the entire Charter Revision Commission (the "Commission") for the many nights you have spent making proposed revisions to the Charter of the City of Hartford. I look forward to working with my colleagues on the Court of Common Council (the "City Council") to review your proposed changes and to offer our feedback.

One issue that I would like to call to your attention is "Chapter X, Section 5(c)" of the Charter entitled "Adoption of the Budget." Section 5(c) provides that, if the City Council fails to adopt a budget by May 31 in any given fiscal year, "the budget as adopted in the preceding fiscal year, as adjusted by the amount necessary to meet the funding requirement of the Pension Commission and legally and contractually required increase, as certified by the Finance Director, shall be deemed the budget of the City for the ensuing fiscal year and expenditures shall be made in accordance therewith."

During the budget deliberations for this year, Section 5(c) became known as the "Armageddon provision" because if the City Council had failed to adopt a budget, the mill rate would have increased by at least two times the final adopted number. The problem with this provision is that it provides an unlevel negotiating standpoint for the City Council and it does not account for situations in which the City is facing a budget deficit due to revenue shortfalls. Although I disagree with the Mayor's position that the City would be forced to spend money that it does not have, the more relevant point is that he interpreted the provision in a way in which taxes would have increased

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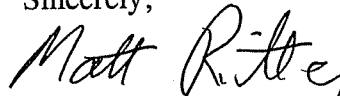
dramatically. Therefore, a change in the charter is necessary to prevent this interpretation from doing harm to the taxpayers of the City.

To clarify, consider the adopted budget for Fiscal Year 2009-10. The City Council sought to limit the tax increase. Section 5(c) of the Charter is dangerous in times of declining revenue because it could be interpreted as requiring the City to potentially spend money it does not have. In other words, the City spent \$547 million in 2008-09 and there was a revenue shortfall of approximately \$12 million. However, the charter as it currently stands could arguably have required the City to spend \$547 million again in 2009-10 if a budget was not adopted. No City should be forced into this situation.

Fortunately, there is a fix to this dilemma and it will ensure that future budget processes are more taxpayer friendly. It is my hope that the City Council and Commission can amend this charter provision to account for years in which the City has declining revenues and gives the City Council the ability to keep taxes as low as possible.

Thank you for your consideration and again, I look forward to working with you and the Commission in the coming weeks and months.

Sincerely,

A handwritten signature in black ink that reads "Matt Ritter". The signature is written in a cursive, slightly slanted style.

Matthew D. Ritter