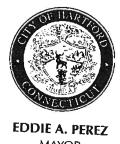
July 22, 2009

Hon. Pedro Segarra Councilman Hartford City Council 550 Main Street Hartford, CT 06103



MAYOR

Dear Councilman Segarra:

I am in receipt of your letter addressed to the Council President dated to July 20, 2009 concerning the FY'08-'09 budget. After reviewing your letter, I am genuinely puzzled by what appears to be fundamental misunderstanding of the city budget process and the copious data we have provided

I would like to correct a few points in your letter so that there is no confusion by your colleagues

- 1. Contrary to your assertion, the city is not running a deficit and has not done so since I have been Mayor. As you know, the city's unallocated fund balance is part of the calculation in determining the existence of deficit. Even after operational shortfalls are factored in, if the city still has cash reserves there is no deficit.
- 2. As you well know, I have attempted during my tenure to steadily and responsibly increase the fund balance. In contrast, the council has recently supported efforts to expend the fund balance on operations as part of the budget process. Though I have opposed these efforts, it is clear you and some of your colleagues have felt very comfortable in attempting raid "the rainy day fund" instead of making either tough decisions on taxes or cuts in services.
- 3. The council has been kept up to date in regular reports on the status of the budget with monthly and quarterly reports that have outlined the financial situation of the city in detail. As you well know like every other governmental entity in the country, we will have to us our fund balance to reach a balanced budget. Additionally, we have outlined a number of strategies to address both revenue and expense that would mitigate the use of the fund balance to balance the budget. The final closeout numbers for the fiscal year will be forwarded to you shortly.

I do urge you to proceed with the items before your committee. These items are important to the residents of the city and have been explained to the committee in some detail. They deserve the

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