

## NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

**RE: FY2013-2014 GENERAL, CAPITAL, AND SPECIAL BUDGETS** (Mayor DeStefano):

- a. Appropriating Ordinance #1, an ordinance making appropriations for operating departments of the city for the fiscal year July 1, 2013 through June 30, 2014.
- b. Tax levy and revenue appropriating ordinance for fiscal year 2013-2014.
- c. Appropriating Ordinance #3, an ordinance authorizing issuance of General Obligation Bonds, fiscal year 2013-2014.
- d. Appropriating Ordinance #4, an ordinance making appropriations for certain school projects in the five-year capital plan and authorizing issuance of general obligation bonds, fiscal year 2013-2014.
- e. Appropriating Ordinance #5, an ordinance authorizing issuance of General Obligation Bonds, fiscal year 2013-2014, to finance judgments paid from the city's self insurance fund.
- f. Order approving Alling Memorial Golf Course Enterprise Fund Budget, fiscal year 2013-2014.
- g. Order approving Lighthouse Park Carousel Enterprise Fund Budget, Fiscal Year 2013-2014.
- h. Order approving Walker Skating Rink Enterprise Fund Budget, Fiscal Year 2013-2014.
- i. Order approving East Rock Park Communications Tower Enterprise Fund Budget, Fiscal Year 2013-2014.

**REPORT:**1475-08

**ADVICE:** Approval

### BACKGROUND

On March 1, 2013 as required by the City Charter, Mayor DeStefano submitted the recommended municipal budget for FY 2013-2014 to the Board of Aldermen. The budget includes the General Fund, Special Fund and Capital Budgets for the fiscal year beginning on July 1, 2013. This budget proposal is substantially affected by the proposed State budget cuts and restrictions as they affect municipalities. The FY 2013-14 Budgets recognize that the United States, the State of Connecticut, and New Haven will have to continue to make significant compromises on services and investments in these tough economic times and yet continue those efforts.

Impacts on this year's Budget due to proposed State Budget changes

- Elimination of grants in public school transportation (\$3.5 million) and \$1.2 million in Manufacturing payment-in-lieu-of-taxes (PILOT).
- Pequot Grant (\$6.8 million) moved from General Fund to Capital Fund and can be used only for hardware (equipment and "brick and mortar").
- Elimination of Motor Vehicle Tax on first \$20,000 of vehicle value; loss of tax revenue of \$14.2 million; lost revenue in Budget \$27.72 million.

The Mayor has therefore identified three following mill rate options and revenue schedules for this 2013-2014 Budget, depending upon the outcome of the final State budget:

- **Option 1** assumes no change in state aid to New Haven from 2013-2014, and a corresponding mill rate adjustment to **40.97**, resulting in a Budget of **\$499.3** million;

- **Option 2** assumes the Governor's proposed grant cuts and restrictions will pass, resulting in a \$13.4 million decrease in the City's general fund; and a corresponding mill rate adjustment to **43.31**, resulting in a Budget of **\$503.2** million;
- **Option 3** assumes that the Governor's proposed grant cuts and restrictions will pass (-\$13.4 million) and the loss of \$14.2 million through the elimination of the motor vehicle tax, resulting in a \$27.7 million decrease in the general fund, and a corresponding mill rate adjustment to **46.23**, resulting in a Budget of **\$503.2** million.

Municipal expenditures are identical in the three Options, except that Options 2 and 3 reflect an equal increase attributable to the Board of Education budget deriving from the Education Alliance Program. For the purpose of satisfying Charter requirements, the Mayor is transmitting Option 2 (\$503.2 million) as the legally stipulated tax levy.

The proposed Capital Budget is **\$62.9 million** (City Bonds and other sources).

Special Funds Budget is **\$139.1 million** (City and Board of Education)

The **Enterprise Fund budgets** (items f, g, h, and i. above) are as follows:

Alling Memorial Golf Course Balance for the 2013 season = **\$156,000**

Lighthouse Park Carousel Balance for 2014 Season = **\$145,822**

Ralph Walker Skating Rink Balance for 2014 Season = **\$28,000**

East Rock Communications Tower 2014 Fund Total = **\$473,333**

The Mayor with the approval of the Bond Sale Committee and on authorization by the Board of Aldermen will issue **\$14.68** million in twenty-year general obligation bonds; **\$10.2** million in ten-year general obligation bonds; **\$5.2** million in 5 year bonds and **\$10.7 million** for various public improvement projects which have state and federal matching requirements(see Appropriating Ordinance #3).

The Commission notes that it concurrently reviewed the Consolidated Plan Community Development Block Grant, Emergency Shelter and HOPWA budgets in March 2013 (see CPC Report No.1475-06).

A public hearing was held on Wednesday March 13 at Hillhouse High School, and the Board of Aldermen will continue with workshops and hearings through March, April and May, with the mill rate determined by the end of May.

## **PLANNING CONSIDERATIONS**

The Fiscal Year 2013-2014 Budget features significant savings and cost avoidances that are a result of labor contract settlements made this year as well as from past years. No new programs or initiatives are introduced or funded in this budget. However, the City remains committed to the core values that are essential to the health of our community, such values as education, public safety and economic development. While the Commission does not prepare a line-by-line review of the budget for every department, the Commission does note matters pertaining to city planning and supports the proposed budgets for the City Plan Commission, the Board of Zoning Appeals and the Historic District Commission. In addition, the Commission supports the Department's proposed capital budget requests which serve to match other government funding to proceed with the fourth phase of the Farmington Canal Greenway, and to continue planning for the projects in the Route 34 corridor. The City's modest Capital spending for the Economic Development group of departments is critical to keeping the momentum on projects which increase the Grand List and the employment base. These capital funds are also used to match various Federal and State grants

to prepare long range plans that promote further economic development and improve quality of life of the city's residents. These funds have also been limited during the past year. Nonetheless, this is a crucial time to plan for long range projects that create jobs and increase tax revenues for the City in the near future. This way the City will not lose out on opportunities to attract developers, improve the quality of life for residents and to help fund infrastructure needed for development projects and for City services such as parks, education and roads and bridges. Having planned improvements ready to go allows the City to move expeditiously to implementation should federal or state funding become available and/or when the economy picks up.

**ADVICE**

The Commission supports the proposed budgets for the City Plan Department and Commission, the Board of Zoning Appeals and the Historic District Commission as part of the Order submitted by the Mayor regarding the City of New Haven's FY 2013-14 Annual Budget for General Fund, Special Funds and Capital Projects, and recommends approval of the Budget.

**ADOPTED:** March 20, 2013  
Edward Mattison  
Chair

**ATTEST:**   
Karyn M. Gilvarg, AIA  
Executive Director