

## NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

**RE: FY2011-2012 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, 2011 through June 30, 2012.
- b. Tax levy and revenue appropriating ordinance for fiscal year 2011-2012.
- c. Appropriating Ordinance #3, an ordinance authorizing issuance of General Obligation Bonds, fiscal year 2011-2012.
- 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 2011-2012.
- e. Order approving Alling Memorial Golf Course Enterprise Fund Budget, fiscal year 2011-2012.
- f. Order approving Lighthouse Park Carousel Enterprise Fund Budget, Fiscal Year 2011-2012.
- g. Order approving Walker Skating Rink Enterprise Fund Budget, Fiscal Year 2011-2012.
- h. Order approving East Rock Park Communications Tower Enterprise Fund Budget, Fiscal Year 2011-2012.
- i. Order approving New Haven Stormwater Enterprise Fund Budget, Fiscal Year 2011-2012

**REPORT:** 1450-08

**ADVICE:** Approval

### BACKGROUND

On March 1, as required by the City Charter, Mayor DeStefano submitted the recommended municipal budget for FY 2011-12 to the Board of Aldermen. The budget includes the General Fund, Special Fund and Capital Budget for the fiscal year beginning on July 1, 2011. The FY 2011-12 budget proposal is for approximately **\$676.9 million** in total spending, including **\$475.4 million** (a) in general fund spending, **\$44.3 million** (c&d) in capital fund spending (City bonds) and **\$157.2** in special funds to be received by the City. The FY2010 budget presents virtually no spending increase over the FY 2011 budget, as it is only 0.81% more than the prior year budget.

The FY 2011-12 budget recognizes 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. The Mayor's goals for the City include: 1) Academic success for children in our public schools, 2) increasing growth of new jobs and taxes in our city center, 3) Continued strengthening of our neighborhoods.

On the revenue side of the budget the Mayor proposes no tax increase; the mil rate is proposed to be frozen at last year's level of 43.9 mills (46.9% of revenue). Despite a poor global and national economy last year, the Grand List grew by 2.9%, or \$149 million dollars. Another 42.8% of revenue comes from the state of Connecticut. New revenue proposed in the governor's budget includes 0.1% sales tax increase, and a 1.0% Hotel & Motel tax increase that will be passed through to municipalities.

The Board of Education Budget has been re-formatted to reflect Site- Based budgets for each school, and is presented as a separate document. The revenue sources and expenses for each school are listed separately and compared to the prior budget year. This last year marked the announcement and initiation of the New Haven Promise program, a college scholarship program for New Haven students. The program is funded outside the City budget but will have a significant positive impact on resident students and their future.

The Capital Budget provides for implementation of multiple economic development projects in the city in the new fiscal year including commercial/industrial site development, neighborhood commercial public improvements and facades, West Rock redevelopment (in partnership with HANH), and support of a land and building bank to allow strategic acquisition of property needed for redevelopment. Funding in this year's budget, in collaboration with private investments as well as Federal/State grants, including the recently awarded TGIER II grant of 16.0 million, will develop and implement the Downtown Crossing project, which will abandon the Route 34 East highway stub and create development sites in its place, connecting the central

downtown area with the medical district and Union Station areas. Approximately 3,216 construction jobs and 1,195 permanent jobs for all education and skill levels are anticipated through this development.

The Mayor with the approval of the Bond Sale Committee and on authorization by the Board of Aldermen will issue **\$15.32** million in twenty-year general obligation bonds; **\$6.86** million in ten-year general obligation bonds; **\$4.05** million in 5 year bonds and **\$8.37** for various public improvement projects which have state and federal matching requirements.

FY 2012 is the first year of the five year Capital Improvement Program 2012-2016. Annually this five-year program is revised and appropriations for a single year are made in the City's Capital budget.

The budgets for the Alling Memorial Golf Course, the Light House Park Carousel, the Ralph Water Skating Rink, and East Rock Park Communications Tower are separated out and covered under individual Enterprise Fund budgets. Enterprise funds receive income from leases or fees which are then held in the enterprise fund and used in the operations and maintenance of the particular facility.

A new fund is proposed this year for A Storm Water Management Authority; should the enabling legislation be enacted by the Board of Aldermen. The Commission saw the enabling legislation and recommended approval on January 19, 2011 (CPC 1448-07)

The Commission notes that it previously reviewed the Community Development Block Grant, Emergency Shelter and HOPWA budgets in February 2011 (CPC Report No.1449-10, February 16, 2011).

#### **PLANNING CONSIDERATIONS**

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 construct the fourth phase of the Farmington Canal Greenway, 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 for 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, and to help fund infrastructure needed for development projects; and will be able to move to implementation swiftly, once the economy picks up.

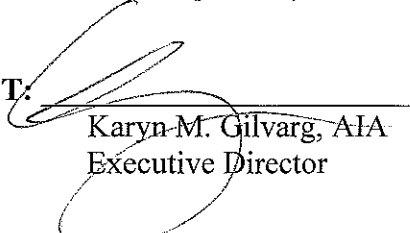
The need to control pension benefit and health care costs, which represent the largest increments of spending increase, remains a paramount concern. The Mayor, the Aldermen, and City staff have been engaged in numerous public forums on the need to control spending, limit tax burden and yet maintain services. This discussion is also happening at the state and national budget levels at the same time.

#### **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 2010-11 Annual Budget for General Fund, Special Funds and Capital Projects, and recommends approval of the Budget.

**ADOPTED:** March 16, 2011  
Edward Mattison  
Chair

**ATTEST:**

  
Karyn M. Gilvarg, AIA  
Executive Director