

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: FY 2010-2011 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, 2010 through June 30, 2011.
- b) Tax levy and revenue appropriating ordinance for fiscal year 2010-2011.
- c) Appropriating Ordinance #3, an ordinance authorizing issuance of General Obligation Bonds, fiscal year 2010-2011.
- d) Appropriating Ordinance #4, an ordinance making appropriations for certain school projects (HSC Magnet and Hyde Leadership Academy) in the five-year capital plan and authorizing issuance of general obligation bonds, fiscal year 2010-2011.
- e) Appropriating Ordinance #5, an ordinance amending appropriations for certain school projects in various capital budgets and authorizing the issuance of general obligation bonds, fiscal year 2010-2011.
- f) Order approving Alling Memorial Golf Course Enterprise Fund Budget, fiscal year 2010-2011.
- g) Order approving Lighthouse Park Carousel Enterprise Fund Budget, Fiscal Year 2010-2011.
- h) Order approving Walker Skating Rink Enterprise Fund Budget, Fiscal Year 2010-2011.
- i) Order approving East Rock Park Communications Tower Enterprise Fund Budget, Fiscal Year 2010-2011.

REPORT: 1438-25

ADVICE: Approval

BACKGROUND

On March 1, as required by the City Charter, Mayor DeStefano submitted the recommended municipal budget for FY 2010-11 to the Board of Aldermen. The budget includes the General Fund, Special Fund and Capital Budget for the fiscal year beginning on July 1, 2010. The FY 2010-11 budget proposal is for approximately **\$670.4 million** in total spending, including **\$ 476.2 million** in general fund spending, **\$ 45.9 million** in capital fund spending (City bonds) and **\$148.1 million** in special funds received by the City. The general fund budget shows an increase of **2.64 % (\$ 12.3 million)** over last year's budget (\$ 464 million), the lowest increase in a number of years.

The FY 2010-11 budget recognizes that the United States, Connecticut, and New Haven will have to make compromises in these tough economic times and therefore starts that effort. The Mayor's goals for the City are school reform, a safer city, and more jobs and wealth creation. Despite a dismal global economy, approximately 418 new businesses were registered in the City in 2008-09, which have a total assessed value of approximately \$29,306,104; a nationally acclaimed school reform campaign has been launched; and homicides decreased by 43.5%. The goal of the proposed budget is to preserve these gains and accomplish other aggressive goals through long-term structural changes.

The Mayor proposes the mil rate be held at 41.21, as opposed to 42.21 established last year due to the growth observed in the City's grand list of taxable properties (Year 3 of the phase-in of the real estate), which generates additional an \$16 million in revenue to the City. The City's grand list grew 2.8% in the State (before phase-in) in 2009-2010, leading the State for non revaluation property growth. The exempt portion of the grand list grew an impressive 15%. The budget shows a General Fund budget that continues to provide for core city services with no projected general fund layoffs; an increase in the sworn officer strength of the Police Department by 35 positions, while undertaking promotions in the ranks of Lieutenants and Detectives to continue the violence reduction plan; and an increased focus on youth programs and neighborhood improvements.

In FY 2011, the City will initiate Innovation Based Budgeting (IBB) and engage managers of City agencies and authorities in identifying productivity, cost savings, and revenue gains through a results based accounting approach. IBB must produce \$8 million in FY 2011, an additional value of 1.7% of base budget proposed to be reduced over the course of each of the next five fiscal years. Unyielding attention to what City government does,

why it does it, is it still necessary, is there a better way to do it, can someone else do it better, are key to a robust IBB initiative.

Since there are structural imbalances in the City budget that cannot be resolved under existing State-local tax structure and employee bargaining unit agreements, the proposed budget for FY 2010-11 proposes fixing the structural framework for revenue and expenditure choices made. This budget also proposes the creation, funding, and utilization of a four year Property Tax Stabilization Trust Fund (PTSTF) that will supplement tax revenue to support essential activities. Funded from the proceeds of the revenue generated by the City's parking meters, the transaction will provide funding in the current year and over the next four years to bring property taxes down.

In order to fully and successfully execute the School Change Initiative, the FY 2011 budget provides the support and resources necessary to increase student performance levels. This effort requires a financial investment and therefore contributes to the 1.7% increase in the education budget for FY 2011. In an effort to balance the investment needed to achieve school change with the challenges of the financial climate, the budget will include the elimination of \$1.6 million in school positions, which will be accomplished through attrition. School based budgeting, which provides accountability and transparency to policy makers, will be adopted in FY 2011.

The FY 2011 budget initiates a commitment to plant 10,000 trees by 2015 to increase City's tree canopy for reasons related to health, air quality, and quality of life. Recognizing that the social determinants of health (economics, city planning, and access to health care and civic engagement) drive the statistics related to chronic disease in New Haven, the City will adopt a Healthy New Haven initiative to work with various partners and ensure success to this effort.

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, will promote the Downtown Crossing project, which will abandon the Route 34 East highway 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 FY 2011 budget provides no increase in wages for non-union personnel. At the same time, several filled positions that are currently funded by Special or Capital funds will be moved to General fund.

The Mayor with the approval of the Bond Sale Committee and on authorization by the Board of Aldermen will issue \$12,493,119 in twenty-year general obligation bonds; \$7,120,000 in ten-year general obligation bonds; and \$7,340,000 for various public improvement projects in the City.

FY 2008-09 was the first year of the five year Capital Improvement Program 2009-2013. Annually this five-year program is revised and appropriations are made to the City's Capital budget. A total of \$64,000,000 has been appropriated in the FY 2010-11 budget for New Haven HSC Magnet School and \$ 51,000,000 for Hyde Leadership Academy (total \$115,000,000) to meet the total estimated costs of these school construction projects. Bonds of the City, in one or more series, are proposed to be authorized and issued in the amounts of \$ 4,422,676 for New Haven HSC Magnet School and \$ 7,175,204 for Hyde Leadership Academy (total \$ 11,597,880) to meet the City's estimated share of the cost of these school construction projects. Section 1 of the appropriating ordinance #4 for making appropriations to New Haven HSC Magnet School and Hyde Leadership Academy is proposed to be amended and accordingly appropriations are proposed to be increased, decreased, or newly added for various other school construction projects in the City in appropriating ordinance # 5.

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.

The Commission notes that it previously reviewed the Community Development Block Grant, Emergency Shelter and HOPWA budgets in February 2010 (CPC Report No. 1437-18).

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 initiate planning for the projects in the Route 34 corridor, to propose amendments to various regulations of the zoning ordinance, and to prepare the next update to the City's Comprehensive Plan, which is due for adoption in 2013.

Due to the economic melt down, the applications for zoning appeals and site plan review have been considerably reduced in the recent past thus cutting down revenues for the City Plan Department. The City's match for various Federal and State grants to prepare long range plans that promote economic development and improve quality of life of the city's residents 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.

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 17, 2010
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director