

# An Inconvenient Budget

(NHCAN)

New Haven Citizens Action Network

[www.nhcan.org](http://www.nhcan.org)

Who Am I?

What Do I Care About?

# Main Points

- We're not getting acceptable results for the money we spend.
- Our debts and liabilities are becoming a serious threat and not honestly reported.
- The budget must become more transparent so that citizens can understand what's going on.

# Summary

City Finances

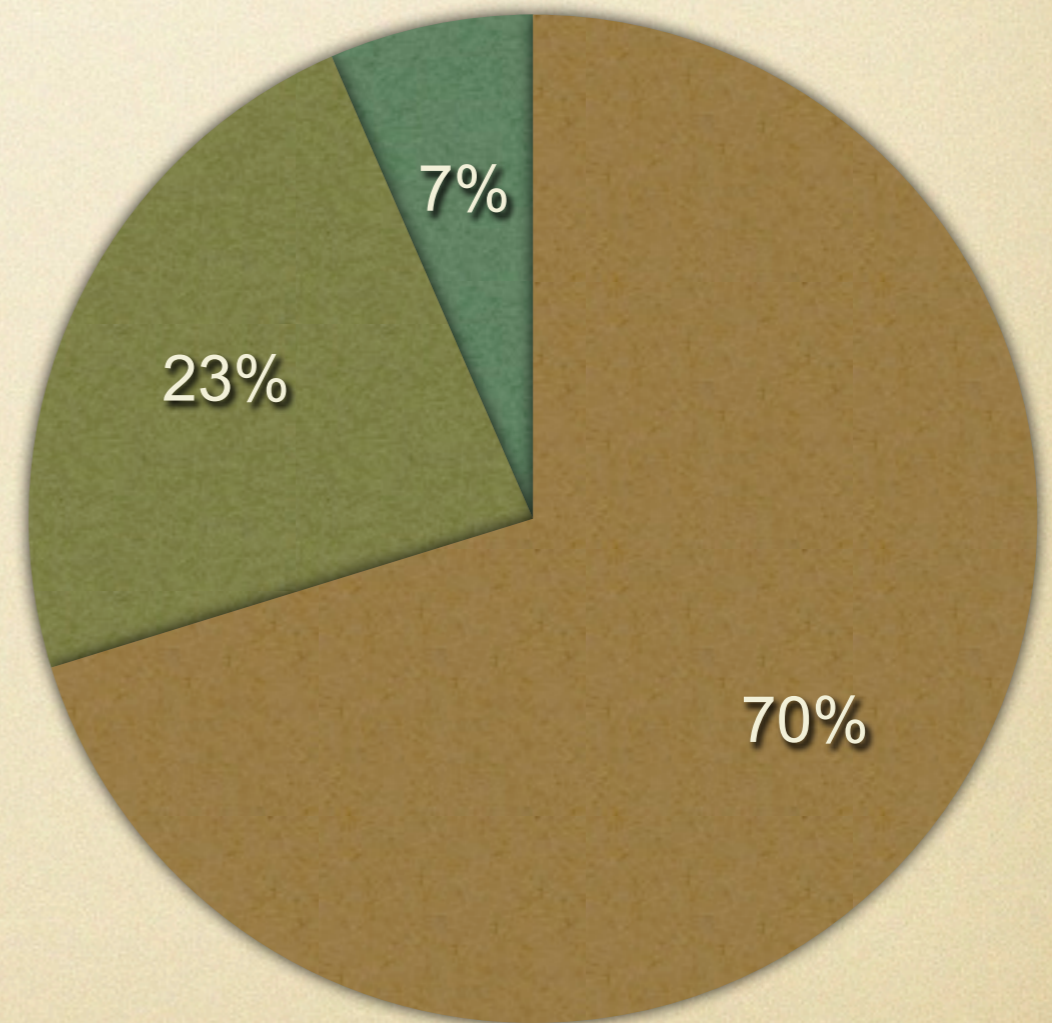
# NH City Budget 11-12

## \$677 Million

- General Fund \$475 MM
- Special Fund \$157 MM
- Capital Projects \$44 MM

**\$14,237 / household**

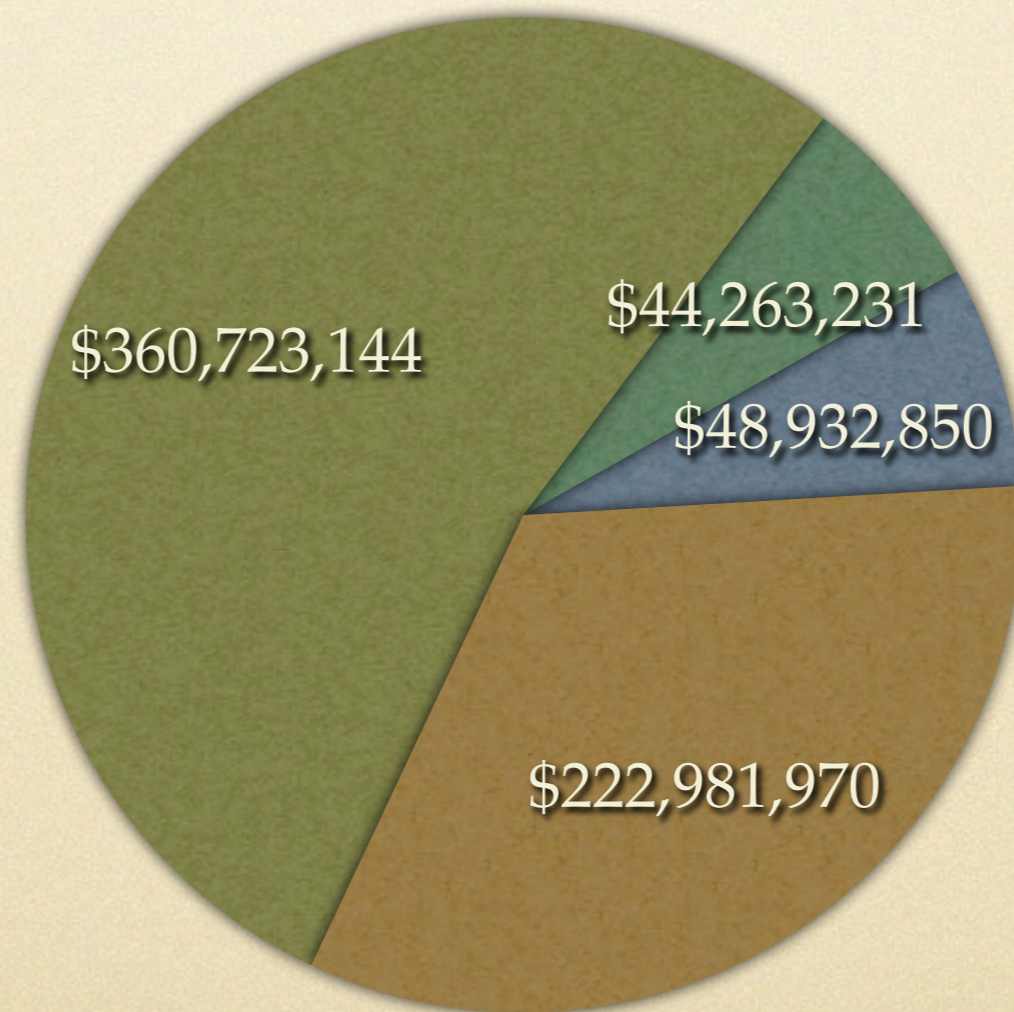
47,545 households



Source: p.2-3 2011-12 Budget

# Where the Money Comes From 11-12

- City Property Taxes
- State & Federal Income Taxes Returned to New Haven
- New Debt
- Other Income



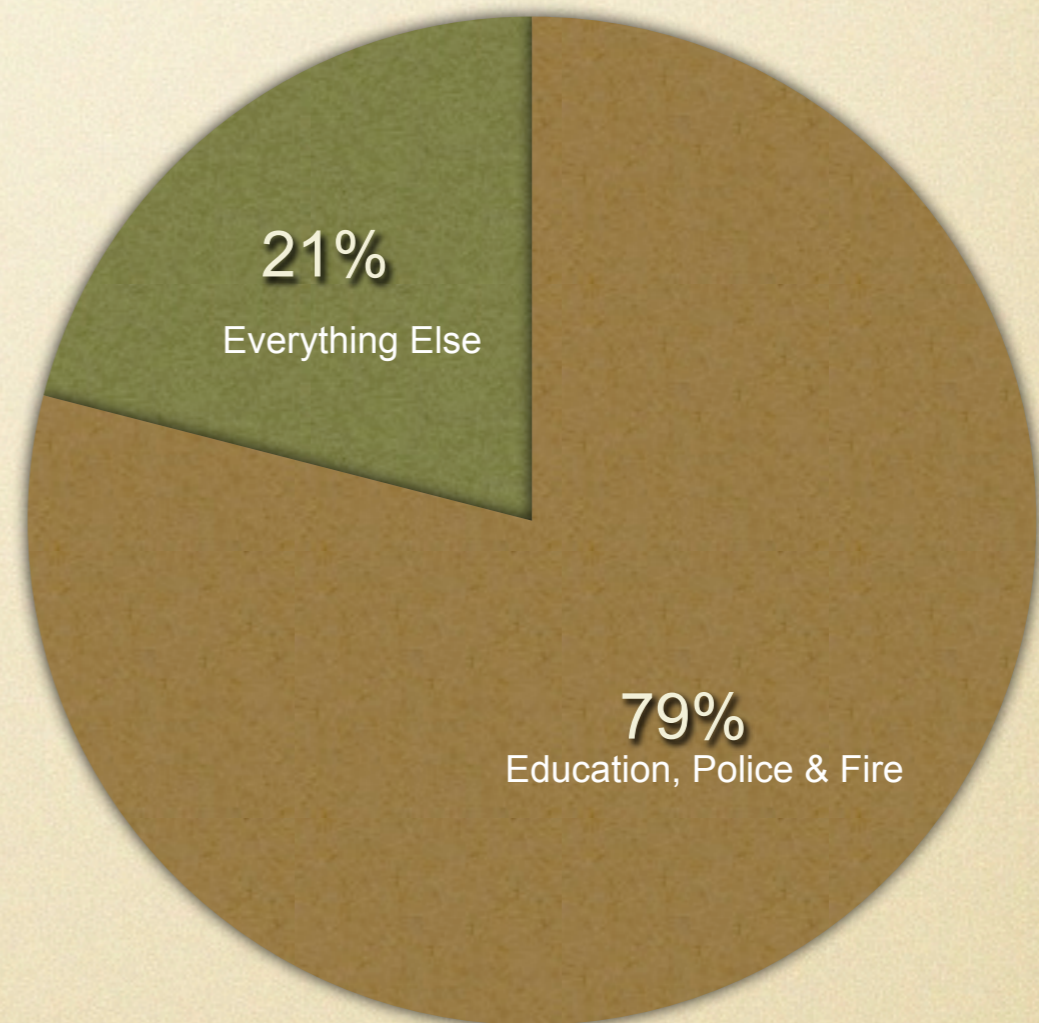
# NH City Budget 11-12

## \$475 Million GF Budget

- Education, Police & Fire
- Everything Else

Ed/Police/Fire 79% -  
\$377,229,655

Everything Else 21% -  
\$98,160,922



\$40 Million for “Contracts & Services”

# CT's Projected Budget Deficits FY2010-2014

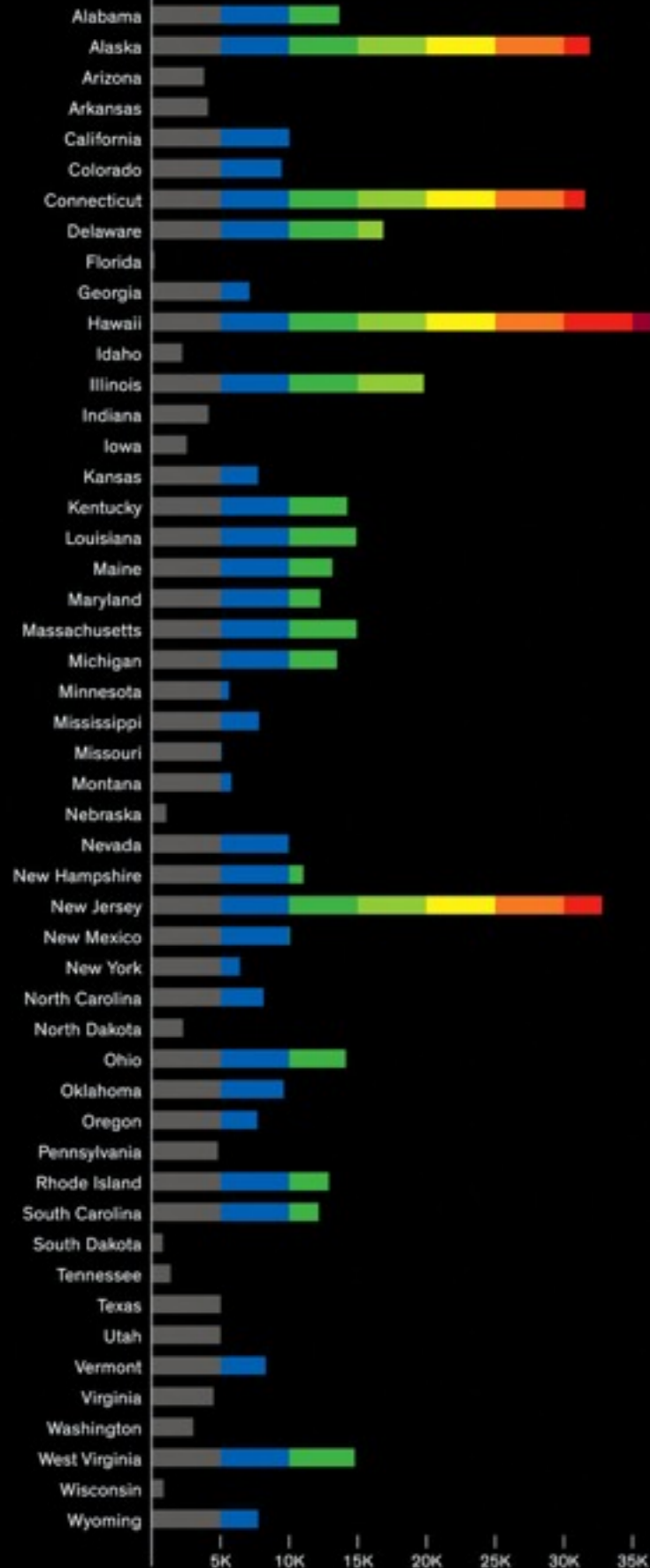


Source: Mayor's 2010 Budget Presentation



## Running a Tab

What each household would owe, by state, in unfunded pension liabilities and health care benefits if states were forced to pay for their promises all at once.



# State Of CT

- \$1.5BB Proposed Tax Increase By Gov. Malloy
- \$1BB increase only a few years ago

# Debt & Liabilities

# City Obligations

## \$2 Billion

\$742 Million of Debt

\$745 Million Estimated Pension Liabilities

\$414 Million GASB 45 (down since 2008?)

**\$200 Million in Other Liabilities** such as unfunded Sick Leave Reserve \$28MM, Self Insurance \$16MM, Conduit Debt \$7.9MM, Enterprise fund liabilities \$43MM, unapproved school construction \$65MM, capital leases \$1.6...

**\$42,000 per Household**

47,545 households

24.4% (11,601 HH) in Poverty

Average NH Household 2009 Income: \$37,000

Sources: Feb 4. 2010 Bond Offering Statement, 2010 City Financial Audit, 2011-12 Mayor's Budget

# Pensions: CERF - P&F Participants

	CERF	P&F	TOTAL	%
Active Participants	1097	780	1877	45.8%
Retirees/Beneficiaries	1104	1104	2208	53.9%
Terminated/Vested	11	3	14	0.3%
	<b>2212</b>	<b>1887</b>	<b>4099</b>	<b>100.0%</b>

# 2/21/2011 Hooker & Holcombe Summary p1

	CERF	P&F	TOTAL	%
Asset Value - Actuarial	\$177,317,347	\$290,172,279	\$467,489,626	Smoothed
Actuarial Accrued Liability (PUC)	\$381,259,371	\$557,015,322	\$938,274,693	
Unfunded actuarial accrued liab PUC	-\$203,942,024	-\$266,843,043	-\$470,785,067	
Funding percent per Hooker	<b>46.5%</b>	<b>52.1%</b>	<b>49.8%</b>	

# Our Best Estimate Of Real Liabilities

	CERF	P&F	TOTAL	%
Asset Value- Market 6/30/2010	\$147,764,456	\$243,402,199	\$391,166,655	AS of 6/30/2010
Actuarial Accrued Liability (PUC)	\$381,259,371	\$557,015,322	\$938,274,693	
PV of Future Funding Payments	\$73,672,541	\$124,334,094	\$198,006,635	City Future contrib.
Actuarial PV of Future Benefits	\$454,931,912	\$681,349,416	\$1,136,281,328	
Real Unfunded liability	-\$307,167,456	-\$437,947,217	<b>-\$745,114,673</b>	
Funding percent -- realistically	<b>32.5%</b>	<b>35.7%</b>	<b>34.4%</b>	

# Changes In Annual City Contributions

	CERF	P&F	TOTAL
City contributions -6/30/2011	\$11,941	\$18,692	<b>\$30,633</b>
City contributions -6/30/2029	\$32,937	\$47,249	<b>\$80,186</b>
Annual compound growth per year	5.70%	5.30%	5.50%
Total percentage -- 18 years	276%	253%	262%

# Spending

2011-2012 Budget

# NH City Budget 2011-12

# Per Household

47,545 households; 19,851 students

- Entire City Budget / HH: \$14,000
- General Fund / HH: \$10,000
- All Education Spending / Student: \$17,995  
(using 2010 numbers)

## 2010 Private School Costs:

Xavier \$10,000  
Notre Dame \$10,200  
Christian Heritage School \$15,050  
Moreland Hill \$19,900

Hamden Hall \$23,000  
Hopkins \$29,400  
Cheshire Academy \$32,000  
Chaote Rosemary Hall \$34,320  
Miss Porter's School \$34,900

# Compensation = Salary + Benefits

\$316 Million or 66% Of 2010-11 General Fund Budget for People  
Pension and Benefits: 51% of Salary According to recent info

Department	Positions	Average per Position
Police	551	\$104,839
Fire	382	\$116,791
Mayor's Office	11	\$100,797
Chief Admin Office	5	\$110,431
Economic Development	11	\$104,280
<b>All Departments - Except BOE</b>	<b>1519</b>	<b>\$105,933</b>
Education	2295	\$71,250

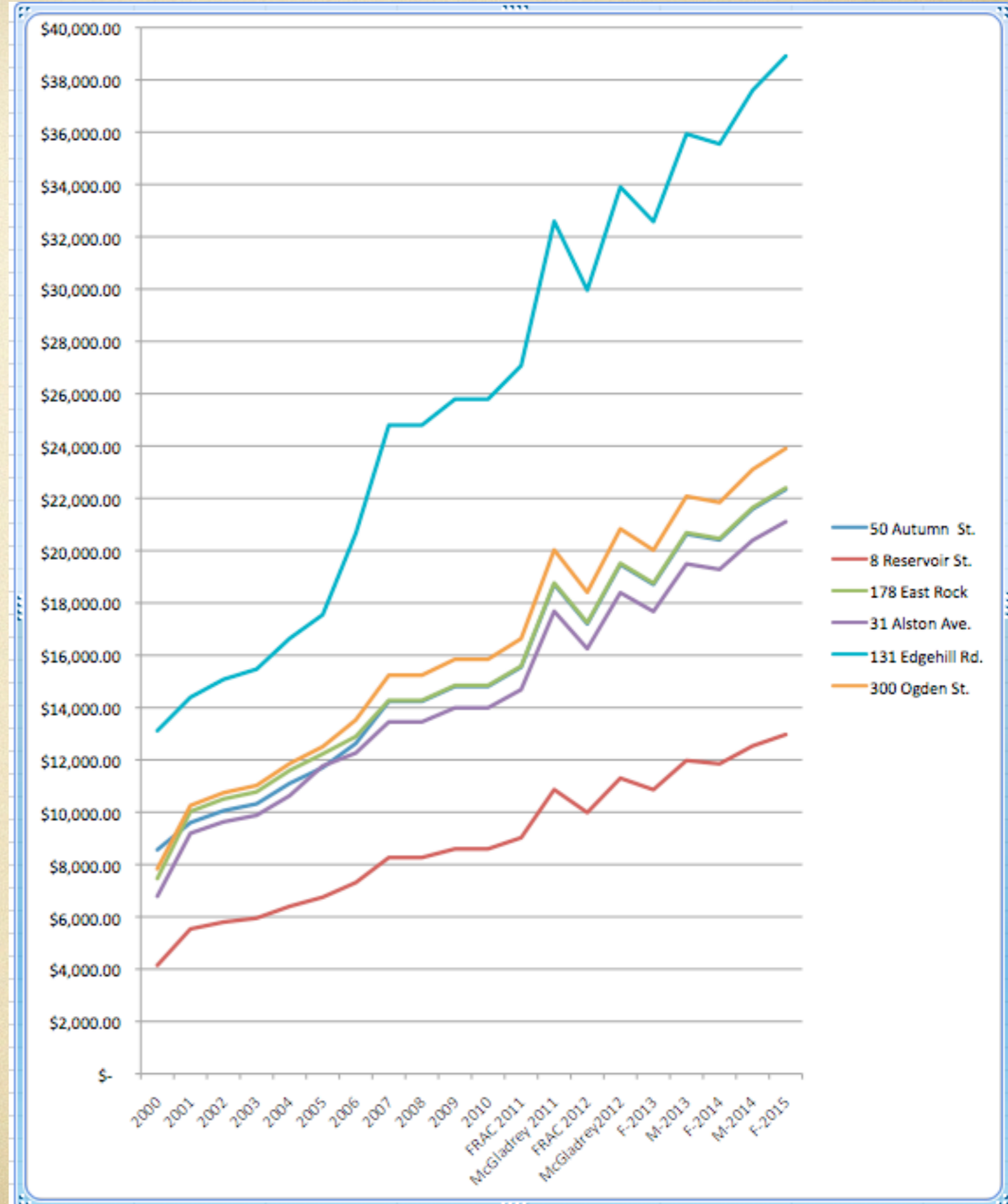
# Gap Analysis

	2010	FRAC 2011	McGladrey 2011	F-2012	M-2012	F-2013	M-2013	F-2014	M-2014	F-2015
Gap		\$11M	\$57M	\$35M	\$68M	\$57 M	\$85 M	\$82 M	\$99 M	\$110 M
Mills (Needed)		2.18	11.57	7.09	13.81	11.6	17.3	16.6	20.1	22.32
Mill Rate	43.9	46.08	55.47	50.99	57.71	55.5	61.2	60.5	64	66.22

1 Mill = \$4.9MM

# Property Taxes

## Selected RENA Homes



# Summary Of Findings

# Summary of Mayor's Budget

- No Big Ideas. No Major Consolidations Or Major Elimination of Departments. This Is Problem Avoidance.
- State aide is declining; state budget is under tremendous stress
- Projected State deficits and problems for the next five years
- City's 2011-12 budget is largely a status quo budget in terms of spending
- Depends on using one time asset sales for current year operational expenses - \$7MM, as well as off balance sheet financial engineering - \$2.6MM Storm Water “savings”, and \$4.7MM Custodial Outsourcing which may not succeed.
- Increases city's general obligation bond debt - now consumes \$63 million annually \$40MM Principal + \$23MM Interest (about 3.6%)
- Builds more schools and increases city debt - **One in West Haven**

Tentative Schedule 2/9/11-Change 1  
New Haven Board of Aldermen  
SCHEDULE OF FINANCE COMMITTEE HEARINGS AND WORKSHOPS, 2011-12 CITY BUDGET

Mar. 10, Thurs	6:00 p.m.	Public Hearing on the City Budget @ Hill House HS-Auditorium (Wards 2,3,4,20,21,22,23, 24,25,26,27,28,29,30)																					
Mar. 24, Thurs	6:00 p.m.	Budget Workshop (Briefing by Management & Budget)																					
Mar. 31, Thurs	6:00 p.m.	<p><u>Workshop #1</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">111-Board of Aldermen</td> <td style="width: 33%;">131-Mayors Office</td> <td style="width: 33%;">162-Registrar of Voters</td> </tr> <tr> <td>161-City/Town Clerk</td> <td>139-Assessor's Office</td> <td>133-Corp Counsel</td> </tr> <tr> <td>305-Persons W/Disabilities</td> <td>302-Fair Rent Commission</td> <td>137-Dept of Finance</td> </tr> <tr> <td>402-Contract Reserves</td> <td>404-Various Organizations</td> <td>405-Non Public Transportation</td> </tr> <tr> <td colspan="3">701-Develop Operating Contributions (Grove Street Garage)</td> </tr> <tr> <td>600-Debt Payments</td> <td>802-Pensions</td> <td>804-Self Insurance</td> </tr> <tr> <td>805-Employee Benefits</td> <td></td> <td></td> </tr> </table>	111-Board of Aldermen	131-Mayors Office	162-Registrar of Voters	161-City/Town Clerk	139-Assessor's Office	133-Corp Counsel	305-Persons W/Disabilities	302-Fair Rent Commission	137-Dept of Finance	402-Contract Reserves	404-Various Organizations	405-Non Public Transportation	701-Develop Operating Contributions (Grove Street Garage)			600-Debt Payments	802-Pensions	804-Self Insurance	805-Employee Benefits		
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April 5, Tues	6:00 p.m.	Public Hearing on the City Budget @ Wilbur Cross HS (Wards 1,7,8,9,10,11,12,19)																					
April 7, Thurs	6:00 p.m.	<p><u>Workshop #2</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">721-Building Insp &amp; Enforce</td> <td colspan="2">724-Economic Development</td> </tr> <tr> <td colspan="3">701- Develop Operating Contributions (Shubert Theater/Tweed-New Haven Airport/Pilot Pen)</td> </tr> <tr> <td>702- City Plan</td> <td>704-Trans, Traffic &amp; Parking</td> <td>705-Comm Equal Opportunity</td> </tr> <tr> <td>747-Livable City Initiative</td> <td>308-Community Services</td> <td>301-Public Health</td> </tr> <tr> <td>303-Elderly Services</td> <td>304-Youth Services</td> <td></td> </tr> </table>	721-Building Insp & Enforce	724-Economic Development		701- Develop Operating Contributions (Shubert Theater/Tweed-New Haven Airport/Pilot Pen)			702- City Plan	704-Trans, Traffic & Parking	705-Comm Equal Opportunity	747-Livable City Initiative	308-Community Services	301-Public Health	303-Elderly Services	304-Youth Services							
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April 12, Tues	6:00 p.m.	Public Hearing on the City Budget @ Fair Haven MS-Cafeteria (Wards 5,6,12,14,15, 16,17,18)																					
April 14, Thurs	6:00 p.m.	<p><u>Workshop #3</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">132-Chief Administrator Office</td> <td style="width: 33%;">135-Labor Relations</td> <td style="width: 33%;">136-Human Resources</td> </tr> <tr> <td>152-Public Library</td> <td>160-Parks &amp; Recreation</td> <td>Alling Memorial Fund</td> </tr> <tr> <td>Lighthouse Carousel Fund</td> <td>Walker Skating Fund</td> <td>200-Public Safety Commun</td> </tr> <tr> <td>201-Police Service</td> <td>202-Fire Service</td> <td>East Rock Tower Fund</td> </tr> <tr> <td>501-Public Works</td> <td>502-Engineering</td> <td></td> </tr> </table>	132-Chief Administrator Office	135-Labor Relations	136-Human Resources	152-Public Library	160-Parks & Recreation	Alling Memorial Fund	Lighthouse Carousel Fund	Walker Skating Fund	200-Public Safety Commun	201-Police Service	202-Fire Service	East Rock Tower Fund	501-Public Works	502-Engineering							
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Apr. 26, Tues	6:30 p.m.	<p><u>Workshop #4</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">900-Education</td> <td style="width: 33%;">Chapel West SSD</td> <td style="width: 33%;">Whalley Ave SSD</td> </tr> <tr> <td>Town Green SSD</td> <td>Grand Ave SSD</td> <td>User Fees</td> </tr> </table>	900-Education	Chapel West SSD	Whalley Ave SSD	Town Green SSD	Grand Ave SSD	User Fees															
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May 3, Tues	6:00 p.m.	Public Hearing on the City Budget @ City Hall For all Wards																					
May 10, Tues	6:00 p.m.	Deliberations Workshop #1																					
May 12, Thurs	6:00 p.m.	Deliberations Workshop #2																					
May 23, Mon	7:00 p.m.	Board of Aldermen: Special Budget Meeting																					
<b>All meetings are open to the public.</b>																							
<b>Workshops:</b> The Committee reviews budgetary matters with officials of the agencies scheduled. Public attendance is encouraged, but public testimony is not allowed.																							
<b>Public Hearings:</b> The Committee solicits testimony from members of the general public regarding the City Budget and Special Service District Levies listed in the schedule above.																							
<b>Location:</b> All meetings will be held in the Aldermanic Chamber, 2nd Floor, City Hall, 165 Church Street, New Haven., unless stated as meeting elsewhere.																							
<b>Disability-related accommodation:</b> call three business days in advance: 946-8122 (Voice) or 946-8582 (TTY).																							
<b>Schedule:</b> This schedule is tentative and is subject to change. See the official Aldermanic Notice/Finance Committee agenda published prior to each of the Finance Committee meetings.																							
<b>Additional information:</b> Donald Hayden, Office of Legislative Services, 165 Church Street, New Haven, CT 06510-2010. (Tel. 203-946-6045; Fax 203-946-7476; E-mail: dhayden@newhavenct.net).																							

# Make A Difference

## Bring Some Friends

**Attend At Least One  
Public Hearing On The Budget.**

Get up-to-date at [www.nhcan.org](http://www.nhcan.org)

Jeffrey Kerekes: m:

