

# NEW HAVEN INDEPENDENT

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## No Thanks

BY **Thomas MacMillan** | MAY 6, 2010 7:00 AM

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Mayor John DeStefano turned down a chance to sign a citizens' no-tax-hike petition, but then invited lawmakers to help him find ways to cut the city budget. Meanwhile, Board of Aldermen President Carl Goldfield took aim at a controversial parking meter "monetization" deal, parsing the legalese and asking whether it makes sense to plug a budget hole with what's basically a 7.65 percent mortgage that gives potential control of city assets to a private company.

That action took place Wednesday night as the Board of Aldermen's Finance Committee

continued the discussion of the mayor's proposed \$476 million budget for the next fiscal year. Mayor DeStefano made a rare appearance at the meeting, to extend an olive branch to critics of his budget and its accompanying tax hike.

Later, aldermen grilled city staff and advisers on a proposed [parking meter monetization plan](#). The deal would sell off 25 years of parking meter revenue and pay \$120 million in exchange for \$50 million up front in cash over the next five years from Gates Group Capital Partners, a private investment firm.

Aldermen—led by Goldfield, an attorney who said he battled drowsiness to plow through a legal document so complicated it could "cross a rabbi's eyes"—asked pointed questions about the long-term implications of the parking meter deal. Their chief concern was what happens if the city is unable to make its payments to Gates. Will the city lose control over its parking meters? Also of concern is whether the city is paying high interest in order to find a way basically to borrow money long-term for short-term operating expenses.

It also emerged that Gates may have potential veto power over the city's ability to alter its parking policies, pitting the company's financial interests against the interests of public policy.

East Rock Alderman Justin Elicker sought to ensure that the city will have the ability to adjust parking fees, to allow for [on-street parking systems like "Dynamic Parking."](#) Aldermen also tried to make sure that the city will be able to add more parking meters as it sees fit, without having to ask Gates' permission.

City Corporation Counsel Victor Bolden said the city will go back and work on the contract with Gates, to make sure it's explicit that the city retains control of its meters.

After the meeting, Goldfield said he will feel "more comfortable" with the deal after it's renegotiated to address

the questions raised. But he said he's still not sure if the plan is a good idea in general. "I still wonder if it makes sense to borrow to meet operating costs," he said.

If aldermen vote not to include the monetization plan in the budget, they'll need to find the \$6 million that the plan would have brought in in the first year.

Answering the question of whether or not the deal is a good idea in general was not the subject of the Finance Committee meeting. That debate is yet to come, Goldfield said.

The parking plan is one piece of what has proved to be a controversial budget. Another contentious proposal: A phase-in of property revaluations would raise residential property taxes by an average of 8.8 percent. The proposed tax increase brought [hundreds of neighbors to City Hall last week to protest](#).

On Tuesday, seven aldermen responded to that protest by [calling upon the Finance Committee not to raise taxes](#). Budget watchdog organization New Haven Citizens Action Network announced that 1,000 people have signed a petition asking the city to trim the budget and avoid a tax hike.

The Finance Committee meeting Wednesday began with a conversation with Mayor DeStefano, who offered six broad areas to look for ways to improve the budget: Public schools. General expenditures. Capital expenditures. Securitization. Freezing the tax phase-in. Revenues.

After the meeting Goldfield explained that the mayor met with Board of Aldermen leadership last week, and aldermen decided to create six working groups to discuss the areas suggested by the mayor. The working groups will discuss possible budget improvements in their respective areas and present ideas soon to the Finance Committee, Goldfield said.

The *Independent* continued its live-blogging coverage of the budget battle on Wednesday night. Scroll down to read the blow-by-blow coverage.

Live-blogging commences below. (Note: only text inside quotation marks is directly quoted; the rest is paraphrasing. Observations and comments are generally in brackets.) To get to the parking meter deal grilling, scroll down to 7:58 p.m.

**7:00 p.m.:** The meeting is about to start. The mayor is seated at the table facing the committee.

On his way into the chamber, budget watchdogs Jeffrey Kerekes and Rebecca Turcio were waiting with a copy of the NHCAN anti-tax-hike petition to ask him to sign it. DeStefano was [quoted in the Register](#) saying that he would sign it. Tonight he laughed, put his arm around Kerekes, and said, "I appreciate the offer," but declined to sign. Click at the top of the story to see video of the exchange.

**7:03 p.m.:** Chairman Yusuf Shah calls the meeting to order. He's reading the [agenda](#). Shah is joined by Aldermen Maureen O'Sullivan-Best, Jorge Perez, Migdalia Castro, Bitsie Clark, Carl Goldfield, Stephanie Bauer, Justin Elicker, Roland Lemar, and Andrea-Jackson Brooks. There are 50 or 60 people here in the chamber, including a half dozen aldermen who are not on the Finance Committee.

**7:06 p.m.:** The meeting starts as a workshop, before the public hearing on the parking meter deal.

The mayor states his name and address for the record.

Mayor: "I thought it'd be good to come by and touch base" to give a sense of where the city and state are and share some thoughts about "directions going forward."

First, the current year's budget. We made some service cuts: senior centers, schools, layoffs. Cut in state aid. But, good news: in four hours and 50 minutes, the state General Assembly will be out of session and its new budget will not affect any of our revenues for the current year. The state is running a deficit. Next year: a reduction of \$3.5 million in [state PILOT](#). Bargaining strategy with AFSCME: broad goals remain around health care and pension.

I have two concerns about future:

1. An anticipated rewrite of a state education cost-sharing grant. Suburban towns are going to push for more money. Magnet school funding will be controversial.
2. Gov. Christie of New Jersey took office two months ago. The government pursued dramatic reductions in state aid to schools. That could happen in 2011 here.

Now, the city budget. There are a couple areas of concern:

1. Education is that last thing we want to see compromised. We could save money in the near term but affect

the future of the city for years to come.

2. Public safety needs to remain a priority.

The budget calls for zero percent wage increases except where required by contract. It calls for \$8 million to be raised through [Innovation Based Budgeting](#) (IBB). That will take a lot of work. There are asset sales in this budget. But tax increases and securitization [parking meter monetization] are still needed.

It would be useful to look at six areas:

1. Education
2. The expenditure budget
3. The capital budget
4. Securitization
5. The property tax phase-in
6. Revenues

It would be useful to put ideas on the table in those areas. Some will require discussion. We're looking for a "solution that balances needs." "I don't think that everybody's needs get satisfied."

Questions? Comments?



THOMAS MACMILLAN PHOTO

Elicker (at left in photo, next to Roland Lemar and facing DeStefano): There's been a lot of concern about fiscal responsibility. Talk about your vision of fiscal responsibility for the city, with regard to debt service and capital projects.

Mayor: Debt service—New Haven is 70 percent rental housing. We have a lot of rental and affordable housing; around us [in the suburbs] people don't have that. That's not going to change. "We're going to have populations that have greater needs."

To Elicker's point, the city has pursued "aggressive schedules of debt retiring." We need to stick to the budget director's goals—they're doable. The longer-term challenge is the cost of pensions and health care. "This is an issue that threatens a great number of states and local governments." There are restrictive statutes covering it.

Back to the first point: the "distribution of populations" across the state is not going to change. So we need to engage the state. The challenge is that suburbs feel they're being treated unfairly. The "concentration of poverty" requires "a political solution." That's the fundamental problem, even more than pensions and health care costs.

**7:22:** Elicker: What kind of check or balance could the Board of Aldermen have over the Board of Education?

Mayor: Elected and hybrid Boards of Ed have problems. I would encourage a move to a BOE budget format that is clearer and more detailed.

On having a Board of Aldermen member of BOE, that's been tried with other bodies. But a better budget document would do more.

Elicker: What would you do if you were us, given the hundreds of people who showed up last week to speak against a tax hike?

Mayor: I would not "shortchange the 20,000 kids in this city." Public schools have to be good and the city has to be safe. If not, you'll be left with rich and poor only. Plus, let's acknowledge the "incredible" economic development we've seen despite the recession. So, the solution is a combination of looking at [the six areas listed above].

**7:28:** Castro brings up "the meter deal." "Do we have to go that route?" What about a loan from Yale? 25 years is a long time to pay off the deal.

Mayor: Good question. Two things: Someone suggested we should use fund balance. ["Fund balance" means "rainy day" surplus money, left over from previous years.] Securitization is to generate revenue to complement fund balance. It will hold off on spending that money.... It's a worthwhile discussion

**7:33:** Lemar speaks up about the Board of Education. "We're very supportive of the reform principles." Is reform possible by making reductions to the Board of Ed that "aren't specific to the classroom"? Administrative or central office positions, for example. What would "less in dollar per hour" mean for reform?

Mayor: Here are the key elements of reform: grading of schools. Katherine Brennan, for example: all adults had to re-apply for their jobs. 17 of 33 teachers have re-applied and over 300 applications have come in. That's an increase in productivity that's not related to costs. Second, the [teacher evaluation and ranking system](#) is an element of reform. That won't cost money either.

Wage increases will cost money. The Board of Ed budget has a \$3 million increase. Superintendent Reggie Mayo has been asked to re-look at that. There is a "legend" of administrative positions [that they are a big waste of money]. The superintendent sees that administrators have "rigorous evaluations" and they have to perform.

The larger question in school finance will be a year from now, in contract negotiations in some of our workforce.

**7:40:** Lemar: Is a zero percent salary increase in union contracts feasible?

Mayor: That's a tactical question that depends on arbitration. Work rules, salary, health care, and pensions are on the table. Salary is a less important factor than health care and pension costs. I would take a wage increase if we could win on health care and pensions.

**7:44:** Lemar: The public says a service reduction is "more accountable in people's lives than a tax increase."

Perez: Double-dipper question: Does [the end of double dipping](#) include employees that have a Board of Ed pension?

Mayor: There are teachers who come back as tutors ... hundreds and hundreds of them. We did not differentiate on the no-double-dipping rule between state and local pensions.

Perez: When will contract negotiations be resolved?

Mayor: We are negotiating in good faith and intend to reach an agreement. Not before Spring 2011.

**7:48:** Carl Goldfield: What was the \$32 million savings you mentioned?

Mayor: 14 million in new taxes, 8 million in IBB, 1 million in [?], 6.5 million in securitization, and 3 million in asset sales.

**7:50:** Castro: They say when the state gets a cold, New Haven gets pneumonia. But when New Haven gets pneumonia, the taxpayers die. Can you relate to the regular needs of a regular taxpayer?

Mayor: "When I relate to people dying it's not from taxes." Two officers died last year when their cruisers crashed together. I held the wife of one of the officers in my arms. In the summer of 2006, two people were killed in drive-by shootings. There have been recent shooting deaths in Dixwell. Public safety is a real concern.

[Mayor's voice is rising slightly; he's got an edge in his voice he didn't have before. He's running with Castro's question, suggesting public safety is a life or death matter. Higher taxes may not be.] We've balanced the budget before; we can do it again.

Mayor puts down the mic and says thank you, like he's done, but Alderwoman Clark has a question

**7:53:** Clark: You outlined 3 or 4 areas that you felt citizens or aldermen should be looking at. And that's basically what you're saying to us tonight: there are areas to be discussed. Tell us what those areas are. Sum up for us.

Mayor: Yes. Six areas: Public schools. General expenditures. Capital expenditures. Securitization. Freezing the tax phase-in. Revenues. Whatever the answers are, we need to make sure we reasonably think they're doable. And we've got to engage in broader public policy questions, like the question of state revenue.

Clark gets applause for saying it's important that people walk out knowing what the next step is. Goldfield: We've started to invite groups of alders to talk about those five areas. [He meant to say six, I'm sure.]

[Goldfield later clarified: The mayor and Board of Aldermen leadership met last week and put together six working groups to discuss the six areas mentioned by the mayor. The working groups will come up with suggestions for the Finance Committee if they determine changes that should be made in the budget.]

**7:58:** The mayor is done, after just under an hour. Budget department staffers are now preparing for a presentation on parking meter monetization.

Budget Director Larry Rusconi takes the mic. He begins presenting an outline of the monetization of meter revenue:

First, the current fiscal environment:

Nearly 50 percent of general fund revenue comes from the state, which is in the top four or five of the "most distressed state governments," according to the Wall Street Journal. Funding the "Property Tax Stabilization Trust Fund" [using meter deal money] will help stabilize New Haven.

Next, solutions to the problem of a gloomy financial outlook:

- Increased state aid. Not likely.
- Increased local property tax. Limited.
- Labor contract changes. Not immediate.
- Local option taxes. Not currently allowed by state.
- That leaves: an increase in non-tax revenue. [i.e. parking meter monetization]

In April 2009, the city issued a call for monetization proposals. Since then, the city has been vetting proposals and has ended up with the proposal from Gates Group Capital Partners. [Read the details [here](#).]

**8:07:** City corporation counsel Victor Bolden explains the structure of the agreement: A master lease and a sublease. [Bolden is talking fast about how the city leases to Gates and Gates leases back to the city. It's hard to follow.] Basically: the city has payment obligations to Gates, but can take revenue beyond that. The advantages: the city maintains day-to-day control of meters and takes in revenue after lease payments.





**8:07:** Rusconi (at center in photo): The interest rate for the deal has been computed at 7.65 percent. ... Given the state and local financial outlook, the city needs to do the deal in order to maintain core services and control tax increases. "I would strongly recommend it."

**8:12:** Shah has a question. They've done this in Chicago. How is our deal different? Chicago lost control of its meters and wasn't able to control parking fee rates. We don't want to give away that authority.

Bolden: We did look at the Chicago deal. "There really is no comparison between the two deals." This is a lease-leaseback deal. Chicago's was for 75 years and sold the rights to run parking completely.

**8:16:** Shah: So we're not giving away our control.

Bolden: This is just about meters, not parking garages.

**8:17:** Goldfield: I actually read the contract. "I fell asleep in the middle of it." Fundamentally, "We're borrowing money here." We're calling it a lease. So the economic case being made is that we're going to see a reduction of state aid and now is the time to create a pool of money because interest rates are low. Is that right?

Rusconi: Yes. The city is not authorized to borrow money for tax reasons.

Goldfield: "We don't have to do this. But it's a choice we have to make." It's cheaper if we can bond directly. We get a lower rate of interest. [One person applauds briefly.]

Frank D'Ercole (at right in photo), a lawyer for the city, steps up. To Goldfield: You are correct that this is a borrowing, but not in the traditional sense. We're monetizing the value of the parking revenue stream. We aren't able to bond for non-capital needs.

Goldfield: I understand the reasons, but the bottom line is no different than a bond. We need to pay the lease payments [pay back what we borrow].

D'Ercole: "Generally you are correct." However, the enforcements for not paying are different.

Goldfield: We're giving a security interest to Gates. "We're giving them a mortgage in this thing." If something goes wrong and we can't pay, would they be able to come in—Gates is going to sell this off, by they way—"could they foreclose on this thing"?

D'Ercole: They would take control of operations of the revenue stream in the case of a default.

Goldfield jokes: Could we tell people "Don't put that money in the meter, give it to us"?

**8:26:** Goldfield: Why doesn't the agreement say no one can come in and take control of the meters?

Bolden: We could clarify that in the contract.

**8:28:** James Redd (at left in photo) a representative of Gates takes a seat to speak. He says: The city has negotiated a good deal. [This draws some cynical chuckles from the peanut gallery.] The city is well-protected from any kind of outside control. We don't intend to sell it off. It's a long-term investment for us.





Goldfield (pictured): But there is language in the contract that allows you to sell it. [Goldfield is a lawyer, by the way.]

D'Ercole: The relationships do change if there is a default.

Bolden: It's premature to talk about defaulting before looking at our projected meter revenue, which looks good. Given the revenue stream projections—and there's no evidence, [Alderman Clark](#), that there won't be cars—defaulting is highly unlikely.

**8:32:** Goldfield: You need to pay attention to all the eventualities. [He tells a story from his law practice about fire protection clauses.] Show me where in the agreement it says that no one will ever take over our parking meter operation?

Bolden: I don't mind going back and asking for greater clarity on this.

Goldfield: Another question: there's an escrow payment right? What is that amount?

Bolden: You mean section seven, I think: "The Gross Receipts Account Provision."

Goldfield: "It's complicated enough to cross a rabbi's eyes. ... That's the way I feel about some of this."

Bolden: I'd rather it was simpler, too.

D'Ercole: The amount of the escrow payment has not been determined. We've always considered it to be one month.

Goldfield laughs: At what point does it get agreed upon?

D'Ercole: When it's finalized.

**8:39:** Goldfield: In addition to language about control of parking meters, I'd like to know, in writing, what amount will be in escrow. Also, what about the penalty for paying early? [Did I get that right? This is getting pretty technical.]

Redd: There's not really a penalty. It's different than the tax exempt bond.

[Another suit has joined the group at the table.]

Goldfield: Interest rate assumptions ... May-call premiums [?] ... Why wouldn't we use the same interest rate when we do this discount? It will be more expensive. [This is hard to follow, but Goldfield seems to be asking why one way of paying the debt back would be more expensive than another.]

Redd: That's a standard calculating formula.

Malik Mohammed, Philadelphia-based financial advisor to the city [the "another suit" mentioned above], says it's based on Treasury ratings. [I'm out of my depth here and I don't think I'm alone. There are some glazed eyes in the room.]

D'Ercole sums up and draws a chuckle: "We're not being abused."

**8:48:** Rusconi: a company came out and "validated" the city's parking meter revenue procedures for Gates.

Those standards will be maintained going forward and will be enshrined in the contract.

**8:50:** Goldfield, Bolden, and D'Ercole discuss tax exempt bonds, pension obligation bonds, and interest rates.

D'Ercole: Your question is: can we change the form of this transaction to make it tax exempt?

Goldfield: Yes.

D'Ercole: "The answer is no. Fundamentally no." You can't use bonds to raise the same kind of money you could raise with this deal.

[Goldfield yields the floor after about 40 minutes of detailed discussion informed by his experience as an attorney.]



**8:57:** Lemar's turn. He says he has significant concerns about the way our collection standards are limited by a prior-approval requirement. [The vetting and enshrining of the parking meter system mentioned above at 8:48 p.m.] Our system is not the best it could be; this limits our powers to change it. Can you speak about this?

Bolden: I don't read it the same way you read it.

Redd: "It's not telling you how to run your business." It's just meant to ensure that Gates' revenue is not adversely affected.

**9:03:** Perez speaks: What happens if there's a default of payment? "If there's not enough revenue coming through the meters, what other options do they have to collect?"

D'Ercole: Until default, excess revenue flows to city. The city's obligation is to make payments, whether or not parking meter money is there. The city has to make up any shortfalls.

Rusconi: It's no different than any other contractual obligation.

Perez: "At the end of the day we have to come up with the money."

D'Ercole: "We have to come up with the money. ... Yes."

**9:10:** Perez has another questions about bonding as compared to the meter deal. Can we have bond deals with non-profits? [Perez is a banker, by the way.]

D'Ercole: You mean "negotiated underwriting"? We can. This meter deal is, in effect, a negotiated underwriting.

... A non-profit wouldn't buy taxable bonds. ["Yale," says Kerekes, from the gallery.]

**9:14:** Perez is done. It was another detailed aldermanic cross-examination, drawing on Perez's background as a banker.

**9:15:** Elicker: Can we reduce the amount of revenue on certain meters? [He's referring to [dynamic parking](#), one of several ideas to improve the city's street parking system.]

Bolden: As long as you're not diminishing revenue overall.

Elicker: Who decides what we can do?

Redd: The language says Gates is comfortable with the parking meter system as it is today. "It's not a camouflage to say, 'Oh, we're really in control.'"

Elicker: In ten years, all we'll have is the language. It's got to be clear.

Bolden: "If there are things that you say you want, let's go back and get those." The deal will last for 25 years and people have to live with it.

Elicker: The city has to pay to replace meters after a catastrophic loss. What about that?

Bolden: "There are some of the clauses that I thought were stupid and didn't want in there." There isn't a realistic scenario in which the meters will be inoperable. Maybe an earthquake. The possibility is remote.

Elicker: Are we restricted on pricing on additional meters beyond the meters that exist today?

Bolden: That's a condition to ensure we're not undermining the deal by competing against ourselves.

**9:22:** Goldfield: You just made the point we're all worried about. It doesn't seem reasonable that we wouldn't be able to add more meters, given our promise that we'll pay the money. Why do we need to ask you [Gates] if we want to put in another 400 meters?

Redd: These are points to take under consideration.

Perez: "He's taking the Fifth [amendment]." [Laughter]

**9:24:** Crowd update: there are about 25 people left here in the audience.

**9:25:** Lemar: Do our credit rating agencies look at these kind of deals negatively?

Rusconi: We asked them. "It's been a non-factor."

**9:28** Alderman Greg Dildine: What about parking fee increases?

Rusconi: The plan is for 25-cent increases ever fourth year.

**9:31:** Dildine: There's a lot of concern about why Gates is interested in our net revenue, rather than just whether or not we're making our lease payments.

Bolden: They want to know that we'll be able to pay it back.

**9:33:** Redd: There are "significant excess revenues" built into this. ... "We are outside the rate setting of the city."

**9:35:** Goldfield: Dildine has an excellent point. Redd needs to go back to his attorney and see if he can remove any language that says the city has to ask before changing meter rates.

D'Ercole: If we're meeting their payment schedule "they shouldn't be able to complain."





**9:37:** Clark: "Let's pretend we do have cars" in the future, but half of them are replaced by bikes, and we need parking meters for bikes. Can we use some of the existing parking meters as bike meters?

Bolden (at right in photo): Yes.

Clark: What about putting in parking kiosks? Is that allowed? We don't have to ask permission?

Rusconi: No.

**9:40:** Goldfield asks a question.

D'Ercole: You are correct, we are giving Gates a security interest in our meters.

Goldfield: I don't want to do that. ... "This is the question. ... I just want to be certain." We stand the possibility of losing control of the meters.

**9:45:** Elicker says he's still concerned about the deal, and about how much time and money has gone into it already. "How much time and energy are you going to spend—and hours—re-negotiating?" [A smattering of applause.]

Bolden: I can't answer that. "The fiscal responsibility question ... that's not my purview."

D'Ercole: If you decide to go down this road, you need a structure you're comfortable with.

Elicker: Can you give a ballpark timeline for re-negotiating, given what aldermen are asking for clarity on?

D'Ercole: It won't take long.

**9:48:** The aldermen have no further questions. Mona Berman is the first member of the public to speak on the meter deal.

She says she's concerned about how much it has cost to get this far with the monetization deal. Everything has to be taken in context. "If this was not a great deal for Gates, it wouldn't be happening. ... How can we make the gain directly instead of involving outside parties." The amount of money already spent on working on this deal is a significant consideration. "I think it's a slightly misguided approach." It's like if you hurt your knee, start favoring it, and then your hip hurts. Also, hybrids cars are exempt from paying parking meters. This deal runs counter to green efforts. It also runs counter to economic development. People won't come into New Haven if it's not "user friendly" in terms of parking. The parking meter deal runs opposite efforts towards a user-friendly parking system.

**9:55:** Gary Doyens, a NHCAN leader, is next.

Doyens: "I don't favor doing this deal at all. ... I just don't believe in going into that much more debt." We're \$2 billion in debt already. It creates a structural imbalance in future budgets. This city will still bear the costs of parking meter upkeep and expansion. "There is too little talk about fiscal responsibility." This deal "allows the city to put off the difficult decisions it has to make to put its house in order." The deal amounts to a complex "credit card." Aldermen that aren't on the committee know even less about it. Warren Buffett says don't buy anything you can't understand. That's why he's so rich. ... Cuts in services are needed. ... With this deal, "all

we're doing is hurting ourselves" and delaying the inevitable. "This is putting a Band-Aid on a gaping wound." ... Could you bond out parking meter expansions and improvements, increase parking meter fees, and achieve the same things as this deal? I've done a rough layman's Excel spreadsheet. "It seems to work on my spreadsheet." ... Turn down the deal.

**10:03:** Harry David speaks: Make this into a capital project to improve the meters and raise the money yourself. This deal is like reducing the mill rate by one mill for the next five years, by jacking it up a mill every year thereafter. Why not increase taxes for the next five years, then reduce them for 20 years.

**10:05:** Alderman and [State Rep. candidate](#) Sergio Rodriguez sits. He wants to read out a letter about the budget for the record because he wasn't able to be at the meeting last week. Clark, who's running the meeting, objects. She says this is a public hearing only on monetization. "I don't think it's fair." Rodriguez says he's happy to come back next week.

[Read Rodriguez's letter [here](#). He offers a number of specific suggestions for trimming the budget.]

**10:08:** Gretta Hotop, member of the public, speaks: A 7.65 percent interest loan is not a good deal. "It's really that simple." She says she hates to see people spend time on this. 7.65 percent takes money away from other programs. "It makes us poorer over the next 25 years."

**10:11:** No more testimony. Meeting adjourned.

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## Comments

**posted by: Morris Cove Islander on May 5, 2010 7:49pm**

Same old story. The scare tactic with the education budget. Yep - 20,000 children will be sad when their parents tell them what they cannot afford any longer because of risen real estate taxes. And the middle class kids will be very sad because they will be moving and lose their friends ...

Close the school's indoor pools. Do not hire 12 NEW firefighters (obviously the old number was so far sufficient) which will require health benefits and pensions in the long run.

If DeStefano would really be concerned about the future of the next generation then he would not burden them with debt galore. The education was in shambles since he took office. Missed opportunities along the way. Why now such a hurry? We can wait one or two more years at that point.

**posted by: Somewhere in CT (maybe New Haven, maybe not) on May 5, 2010 8:38pm**

>Second, teacher evaluation and ranking system. That won't cost money either.

OH YES IT IS!

And, I totally agree with closing the pools. The pools are a waste of money and time.

**posted by: Somewhere in CT (maybe New Haven, maybe not) on May 5, 2010 8:44pm**

>I would take a wage increase if we could win on health care and pensions.

Listen to this people. This is important. Your WAGES are not the best part of your job. Your BENEFITS are. They want to take those away. Don't let them. You will never get them back.

**posted by: HewNaven?? on May 5, 2010 9:12pm**

*"there's no evidence, Alderwoman Clark, that there won't be cars"*

Are you sure about that, Mr. Bolden? The news I've been reading recently has not been painting a rosy picture for the future of oil. Hence, the future of cars parking in our city is questionable. Will there be as many? I think that's worth asking in this discussion.

**posted by: cedarhillresident on May 5, 2010 9:34pm**

Just can the deal and end it! There are some innovative ideas on this that are far more lucrative. This all about getting money to fill a budget gap....10 million a year for 5 years. Stop school construction for 5 years and we are good Plus!!!!!!

**posted by: Amicahomi on May 5, 2010 9:34pm**

Didn't we learn anything from derivatives? Don't financial advisers say "If you don't understand it, don't buy it"?

This is beginning to sound like RecycleBank's evil twin.

**posted by: CUT FROM GATEWAY on May 5, 2010 9:40pm**

How about we trim some of Superintendent Dr. Mayo's \$218,192 annual salary??!! Or any one of his other cronies who make ill-advised decisions from OUTSIDE the schools. ...

**posted by: cedarhillresident on May 5, 2010 10:03pm**

good for you Justin...Carl your asking the right questions and all I see in the answers is shady! Dumb it before it costs us what the recycling thing did! Kaust is the answer!

**posted by: cedarhillresident on May 5, 2010 10:14pm**

Good Job Tom!

**posted by: Charlie O'Keefe on May 5, 2010 10:49pm**

This seems very controlled and contrived to me. Ask the questions the mayor wants to answer. Elicker asked lots of questions. The other 29 couldnt be heard.

Education was on the agenda but not police or fire services.

Look at police. Is said New Haven has 25% more police officers than comparable cities. Why. There is a crime problem. Back in the 80s and 90s there were a 100 murders a year. Now only a fraction of that. Yale recently announced it had a 9% drop in applications and its endowment had gone from \$25 billion to \$16 billion. It looks to me New Haven has an image problem with crime and its a problem for Yale. Why not reduce the city force by 25% and let Yale put more police on the job if it needs them. The new chiefs corridor of crime was all around Yale. Forget the rest of the city. Yale now has Chief Lewis to run its police, so let it pay for the citys 25% reduction. Let Yale pay for its security.

Fire. The city has 130,000 population. It has about 20 fire houses. East Haven has 55,000 population. 4 fire houses. West Haven is similar. 1 or 2 arsons in the last week dont justify the size of the citys fire service. We may be the worlds most hosed city.

Education. This was listed on the agenda but not discussed. Just stop more school construction right now.

Its easy to get a zero or low tax increase budget. Just look at the waste and excess in 3 departments. Will it happen. No. Too many campaign contributions over the years. Its easy to cut 10% from Youth Services or Elderley Services or the Health Department or Parks or Trash or Recycling. We dont get the services we need and we pay over the top for what we dont need.

**posted by: David Cameron on May 5, 2010 11:10pm**

Using the schedule of annual lease payments currently agreed by the city on p. 63 of the sublease, the effective interest rate on the parking meter scheme is 8.55, not 7.65.

The city will be obliged to pay back a total of \$121.6 million over the 25 years. In other words, for the \$50 million, the city's committing to paying back the \$50 million plus \$71.6 million in interest. What a deal!

The alders should reject the deal and send it back for re-negotiation.

**posted by: Tim Holahan on May 5, 2010 11:28pm**

Once again, thanks to Tom MacMillan and the Independent for excellent coverage.

This parking deal sounds like a pretty complicated way to borrow money. It may be one of the better options available to us, but it's still borrowing money.

Not only that, but it can occupy our Finance Committee for evenings at a time, and can chew up lots of expensive lawyer hours, salaried or otherwise.

A city like New Haven has only so much time and creative energy. If we spend it on figuring out clever ways to get around the intentions of our founders, that the city shouldn't get into debt, we are not spending it on other things:

- \* how to get all of our schools working
- \* how to get out of the deep hole of debt we've already dug
- \* how to bring good jobs to the city

Those are the complex challenges that should be keeping our elected officials up late at night, not wacky deals to pawn one of our few reliable revenue streams for cash up-front.

Come on, New Haven.

**posted by: pants on fire on May 5, 2010 11:52pm**

Charlie:

... The city has 10 firehouses so by your math we are where we should be. Now you should be happy.

**posted by: Doyens on May 6, 2010 12:21am**

It was interesting to see the mayor in a forum in which he was not in control. Likewise, it was interesting to see him flip flop on signing the petition. While he indicates he would sign the petition to the Register, in fact, it was not his intention. Call him Mayor Flip Flopper now.

The mayor did his usual budget road show. He's very good at lecturing, and very bad at listening to the question and answering it. Read the questions and his answer above and you'll see what I mean.

Two significant questions were asked that showcases how removed the mayor is from where all the rest of us are:

- 1 From Justin: What would you do if you were in our shoes? The mayor responded by saying don't cut education.
2. From Castro: Can you relate to people? The mayor's voice went up a couple of octaves, he didn't answer the question and his back got tight. He was visibly angry and tried to put the microphone down and act like he was done. Bitsie would have none of it and fired away.

The fact is the mayor can't relate to us because he's not one of us. He went to college and came out at the top of the food chain without ever learning how to lead, to inspire, to compromise. So he lectures away on how his priorities should be ours...

**posted by: Brian Tang on May 6, 2010 3:05am**

Thank you, Justin, for pressing the issue on dynamic parking. I was just thinking about that (there was an NPR segment about it the other day). I'm glad you are on top of things!

Has anybody in this town ever heard of the concept of "tax shifting?" The idea is to increase taxes on the things you want to discourage (such as pollution, hogging parking spaces, unhealthy soft drinks, or fast food) so that you can lower taxes on the things you want to encourage (such as keeping up one's property). I think it's time we give it a try.

**posted by: cedarhillresident on May 6, 2010 6:59am**

This is my personal opinion and many other middle income families that own and rent in this city.....

<http://ia301540.us.archive.org/0/items/TheNewEnclosures/Gentrification.mp3>

**posted by: streever on May 6, 2010 10:17am**

Promising. I don't have time to read this whole article, but I scanned the alders questions to the mayor. I'm grateful to see that City Hall is taking a look at areas where cuts can be made and addressing them. This is what should have happened before the budget came out.

**posted by: anon on May 6, 2010 10:21am**

0% increase for unions?

How about an across the board salary and benefits cut of 20%, combined with new policies giving much of the money back (such as generous homebuyer subsidies, free parking only for residents, free college tuition) to encourage our city's workforce to actually live within the city?

Sure, we might lose some employees, but the ones remaining would be more likely to live within the city. Some of the millions of teachers being laid off across the country are surely qualified to fill in for some of the people we would lose.

If the homebuyer benefits were generous enough, we might even encourage folks to jump from positions in the private sector to fill the ones being vacated by departing Wallingford, Weston and Rocky Hill residents.

Speaking of crime, it's lower in neighborhoods where police officers live. Currently only a tiny fraction of our police force lives in New Haven. Wouldn't they have a greater incentive to enforce the laws if they lived here?

It's time to be more responsive to our residents. These budget issues are just going to get worse over the next

5 years. The ship is slowly sinking, so we need creative, long-term thinking, not short term plugging of holes.

**posted by: iwasthere on May 6, 2010 11:20am**

Some cost cutting. Less the 2% of the town uses the Elm city id card. This program costs about \$300,000 for all fees included health, salary, pension, and workman comp. For just a little few that use it is wasteful. This is more then the mayor makes in a year.

**posted by: doug hausladen on May 6, 2010 11:20am**

Homebuyer program: i've been shopping around the idea of a way to use pension benefits to pay for property taxes on employees' new haven homes. i have no idea if this is legal, and i'm sure it would need to be included into a bargaining agreement, but this is in line with the private market. you're allowed to take out from your 401K for first time homebuying (and education if i'm not mistaken).

i think this would incentivize and not cost a dime, simply transfer future payments on pension to current income on property taxes (of course you would have to discount the money etc).

**posted by: Can Read Numbers on May 6, 2010 12:51pm**

David Cameron: why renegotiate? The fact is, the City can raise money for 3-4% if they want to, ~6% if it's taxable. The City can't get it cheaper through Gates than if they went directly to the lender (Gates is not the end lender!). Any deal re-negotiated still incurs a middleman cost, even if it gets down by a full percent it's more expensive money. Let's stop spending time (and consultant/attorney fees) on this and make a decision on a bond that the City can issue at 4%. Alternatively and better yet, let's make the cuts we need.

**posted by: Jonathan Hopkins on May 6, 2010 1:03pm**

Charlie,

Its true that crime has dropped significantly since the 80s and 90s, but the most homicides New Haven ever had in a single year was 34, in 1991. Non-fatal shootings were around 300 a year at that time.

[http://sphotos.ak.fbcdn.net/hphotos-ak-snc1/hs155.snc1/5780\\_1127779389776\\_1085910074\\_30334992\\_5785016\\_n.jpg](http://sphotos.ak.fbcdn.net/hphotos-ak-snc1/hs155.snc1/5780_1127779389776_1085910074_30334992_5785016_n.jpg)

Crime rose slowly but steadily throughout the first half of the 20th century, but by the 60s the crime rate was skyrocketing. This was because the number of crimes were increasing, but more importantly, the population was decreasing significantly. So what was a fairly significant increase in crime was perceived as an enormous expansion of it. The underground drug market of the late 70s, 80s and early 90s fueled much of the high crime rates at the time and due to better policing practices, more social programs, heavier sentences, longer imprisonment terms, etc crime lowered from 21,000 serious incidents a year to today's roughly 8,500 per year, which is still significantly higher than it was in the 1950s.

**posted by: Hood Rebel on May 6, 2010 5:25pm**

Doyens, I don't think that you of all people want to be reduced to name calling. Stick to making your (sometimes good, mostly bad) points and refrain from the cheap-shots.

**posted by: Charlie O'Keefe on May 6, 2010 9:16pm**

Pants on Fire. I must eat crow. You are right. There are only 10 or 11 fire houses in New Haven. My other stats were wrong too. My memory is not what it was. I checked out East Haven. The population is either 26,144 or 30,000. The Fire Dept has 1 regular battalion and 4 volunteer batallions. All on the city web site. West Haven has 52,420 people and just 3 Firehouses. So I got the statistics wrong big time first time.

THE FACT REMAINS NEW HAVEN HAS A BLOATED FIRE SERVICE

To Jonathan Hopkins. Please give your sources. It could be my memory is going, but New Haven was much more violent in the 1980s and early 1990s. Mayor Daniels and Chief Pastore turned things around, but the time lag meant DeStefano took all the credit.

To go back to my original points.

New Haven has too many firehouses.

New Haven has too many cops. If Yale wants Law and Order it should pay for it.

New Haven has paid too much for too many grandiose schools and not enough on teachers.

ALL CAN BE EASILY CHANGED BY THE BOARD OF ALDERMEN.

**posted by: anon on May 7, 2010 7:36am**

charlie - yale does pay for law and order. that's why they have a police force and security force.

**posted by: robn on May 7, 2010 9:38am**

Let me see if I get you straight...today there are a fraction of the number of murders which occurred in the 90s and therefore its safer and therefore we should reduce the size of the police force.

Isn't this a Yogi-ism? kindof like saying that a popular restaurant gets so crowded, nobody goes there anymore?

**posted by: Sean Martin on May 7, 2010 10:05am**

Interesting story, but it's too bad the reporter didn't have the stamina to record the actual details of what was being discussed. Instead we get the reactions and color commentary without finding out what the actual policy entails. This summary is fine, but saying "a suit was talking and blah, blah, blah it was too complicated for me to write down" isn't impressive reporting.

I haven't lived here for all that long, but the commenters' hostility to the mayor is baffling when the aldermen don't seem to have many ideas for raising revenue or cutting the budget. The parking meter thing seems reasonable to me, but if you want to assume that everybody is always acting in bad faith, then of course it seems like a bad deal. Any deal will seem like a bad deal if you assume that you're negotiating with an evildoer. And if you can't be bothered to learn the details of the parking meter deal, how can you have such an ardent opinion anyway?

A 20% payout for city employees, by the way, is insane. Who could absorb that kind of payout - and why would you think it's a great idea to force people to find a new job in the middle of a recession? Either fire them or trim benefits - cutting someone's salary that much and then coercing them to move is nuts. I can't believe this is what passes for an "idea."

**posted by: anon on May 7, 2010 11:45am**

Many families have absorbed large cuts in benefits and salaries over the past few years. Many others have taken jobs that pay 20-50% less, including benefits. If you think a cut in our compensation package is "insane," then you are out of touch with the real world beyond the gates of places like Yale and City Hall.

**posted by: Doyens on May 7, 2010 5:28pm**

Hood Rebel:

I'll drop the name Mayor Flip Flopper. I guess he was for the tax cut before he was against it. Better?

RobN:

More cops does not equal safer. Comparing crime rates from 15 to 20 years ago to now is not very legitimate and in any case has nothing to do with the size of the force. We really need to wean ourselves from the idea that bigger is better, more equals better. What we need is effective and efficient city government. In many respects we have neither and for sure, we have no idea what that means as a practical matter. It is much easier to just spend more money and get bigger and pretend that's the answer.

Sean:

I know plenty of families that have absorbed more than 20% pay cuts. I would be happy if my family had only had to take that small a decrease. There is a feeling of entitlement when you work for the government, certainly anything about the lowest pay grades in the city. There is a far different reality beyond the walls of the shining City Hall set on a hill.

**posted by: Sean Martin on May 8, 2010 12:05am**

We want people to absorb 20% pay cuts while working at the same full-time job?

I know people get laid off and have to find new jobs with lower pay, or have their hours cut back, but we're talking about people who will hold the same jobs. And you think we should just make them take a 20% or 50% pay cut so it'll make you feel better?

From the way the numbers work, you could get them to take a 90% pay cut and it still wouldn't plug the budget hole.

I hate to get into it with someone who doesn't have the guts to use a name more specific than "anon," but I don't work at city hall. Or Yale. But I did move here because it's a good town with a smart pool of people I can hire from.

I guess I do think it's insane to demand that city employees take pay cuts that you would find objectionable if they were coming from a private company, and that would be more vindictive than productive.

**posted by: Jonathan Hopkins on May 9, 2010 12:57pm**

Charlie,

You are correct that the crime rate was much higher in the 80s and 90s, which I backed up. The problem is that you were exaggerating. The most homicides New Haven has ever had in its existence in a single year is 34 in 1991. The City Website took down these statistics, but they used to be there.

Nevertheless, this is a quote from a Yale Herald article that seems as though the NHI won't let me post the link to, but just google search it:

"The Kensington Street Incorporated (KSI), a powerful drug gang, controlled the area, and its battles with gangs from the Newhallville neighborhood like "the Ville" helped to push New Haven's murder total to 34 in 1991."

Here are some other interesting statistics:

[http://sphotos.ak.fbcdn.net/hphotos-ak-sjc1/hs011.snc3/11855\\_1187419920752\\_1085910074\\_30474487\\_1469725\\_n.jpg](http://sphotos.ak.fbcdn.net/hphotos-ak-sjc1/hs011.snc3/11855_1187419920752_1085910074_30474487_1469725_n.jpg)

[http://sphotos.ak.fbcdn.net/hphotos-ak-snc3/hs142.snc3/16955\\_1202067006920\\_1085910074\\_30506689\\_818145\\_n.jpg](http://sphotos.ak.fbcdn.net/hphotos-ak-snc3/hs142.snc3/16955_1202067006920_1085910074_30506689_818145_n.jpg)

Here is a link to an excel sheet of Bridgeport, Hartford and New Haven crime statistics for the mid-late 90s:

[http://www.library.yale.edu/thecitycourse/Data\\_Tables/Crime/Crime\\_Rate\\_New\\_Haven\\_Bridgeport\\_Hartford\\_1996\\_1999.xls](http://www.library.yale.edu/thecitycourse/Data_Tables/Crime/Crime_Rate_New_Haven_Bridgeport_Hartford_1996_1999.xls)