

An Inconvenient Budget

(NHCAN)

New Haven Citizens Action Network

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

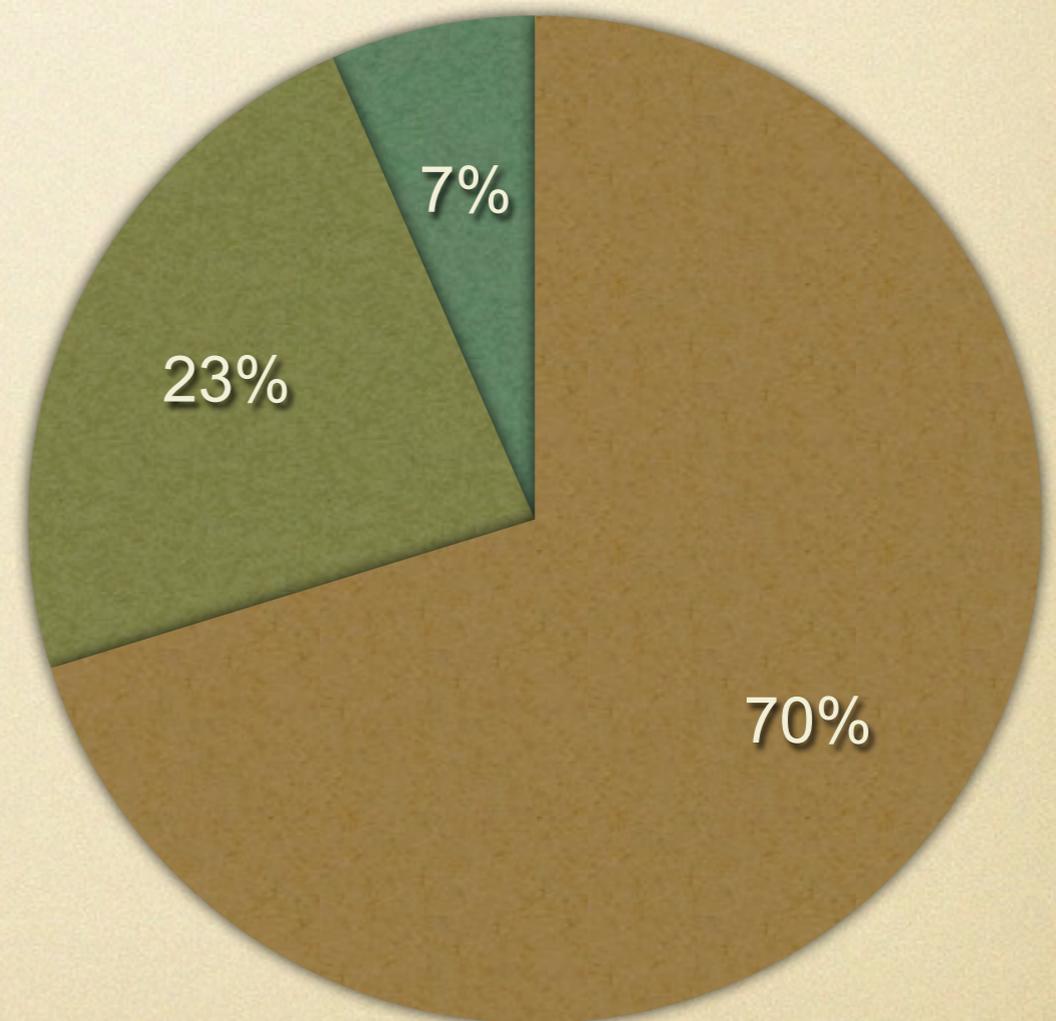
NH City Budget 11-12

\$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



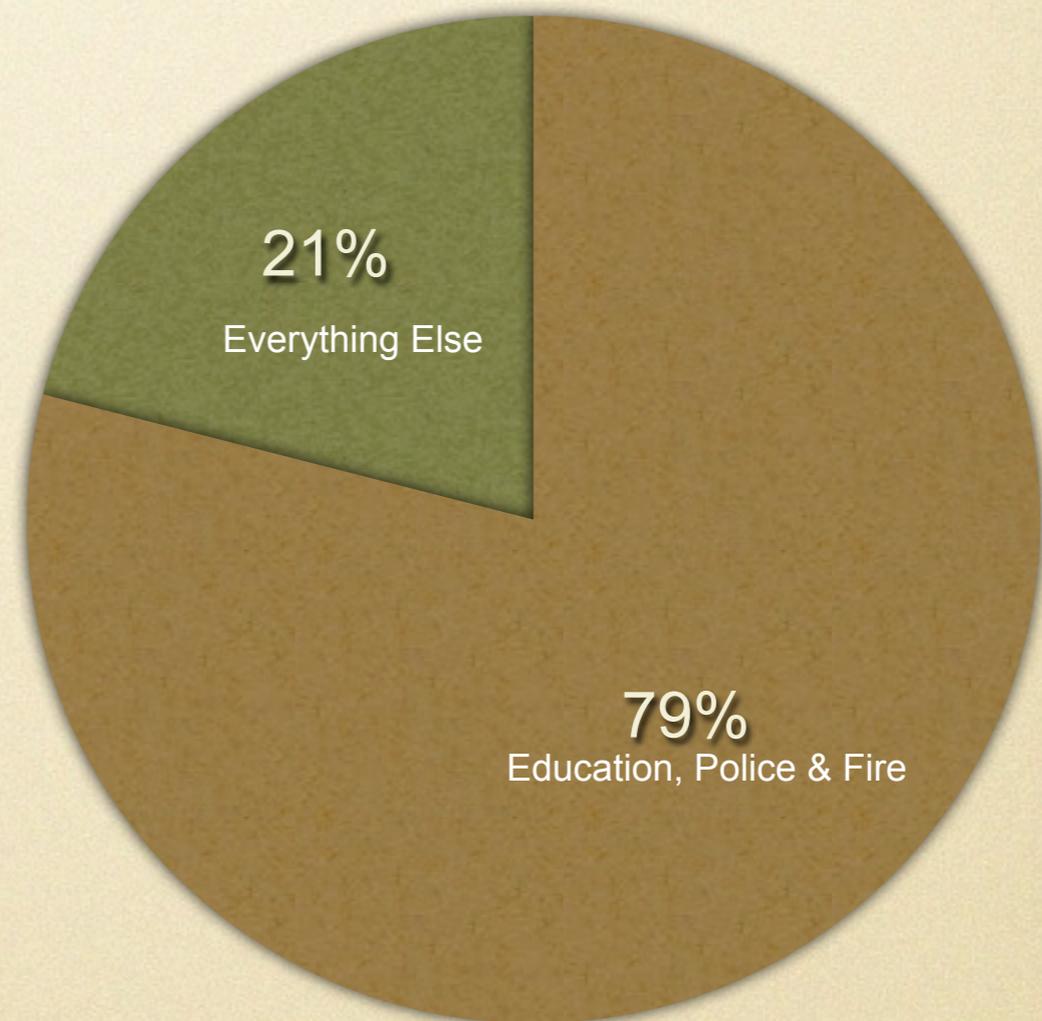
NH City Budget 11-12

\$475 Million GF Budget

- Education, Police & Fire
- Everything Else

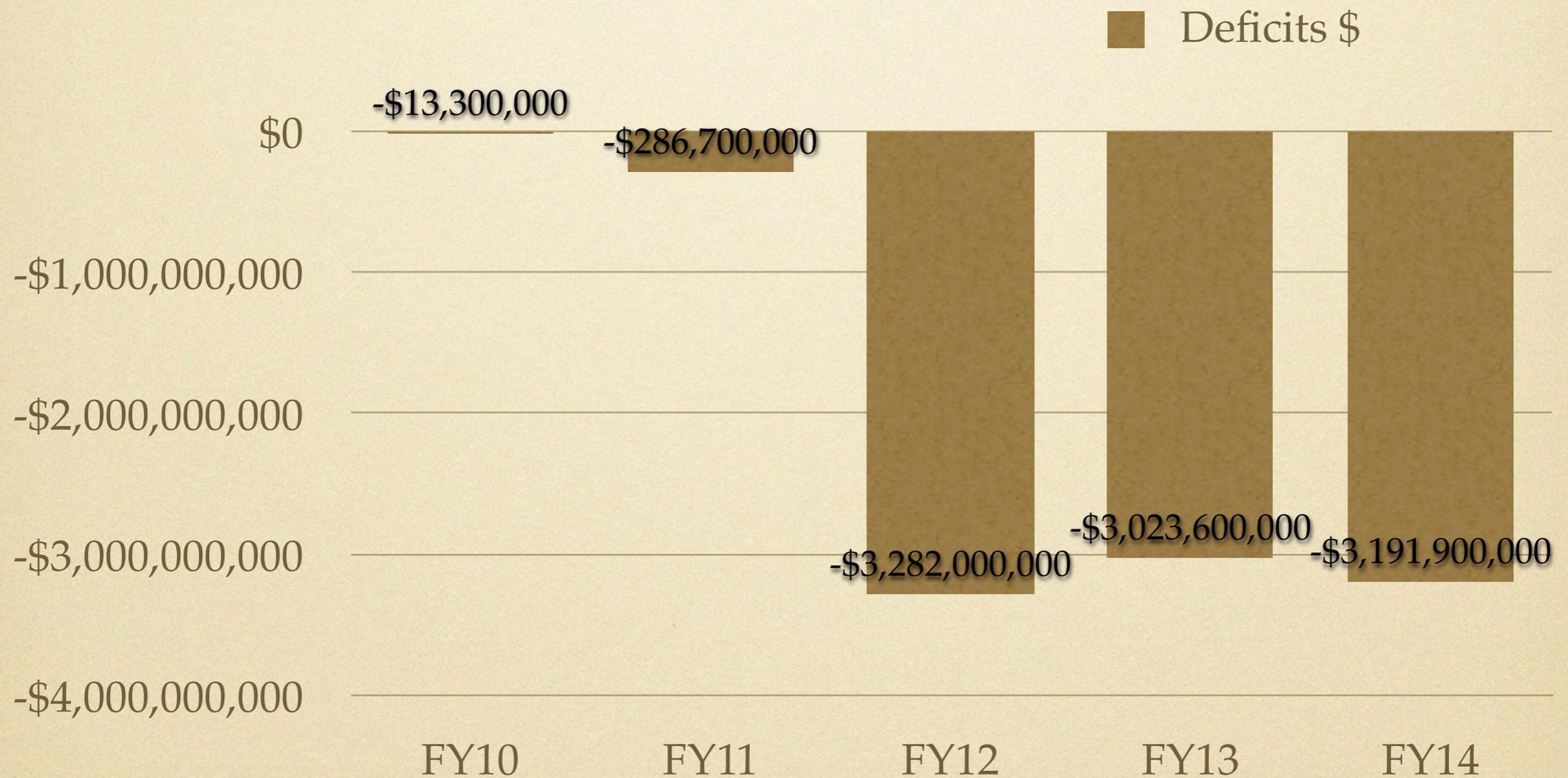
Ed/Police/Fire 79% -
\$377,229,655

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



\$40 Million for “Contracts & Services”

CT's Projected Budget Deficits FY2010-2014

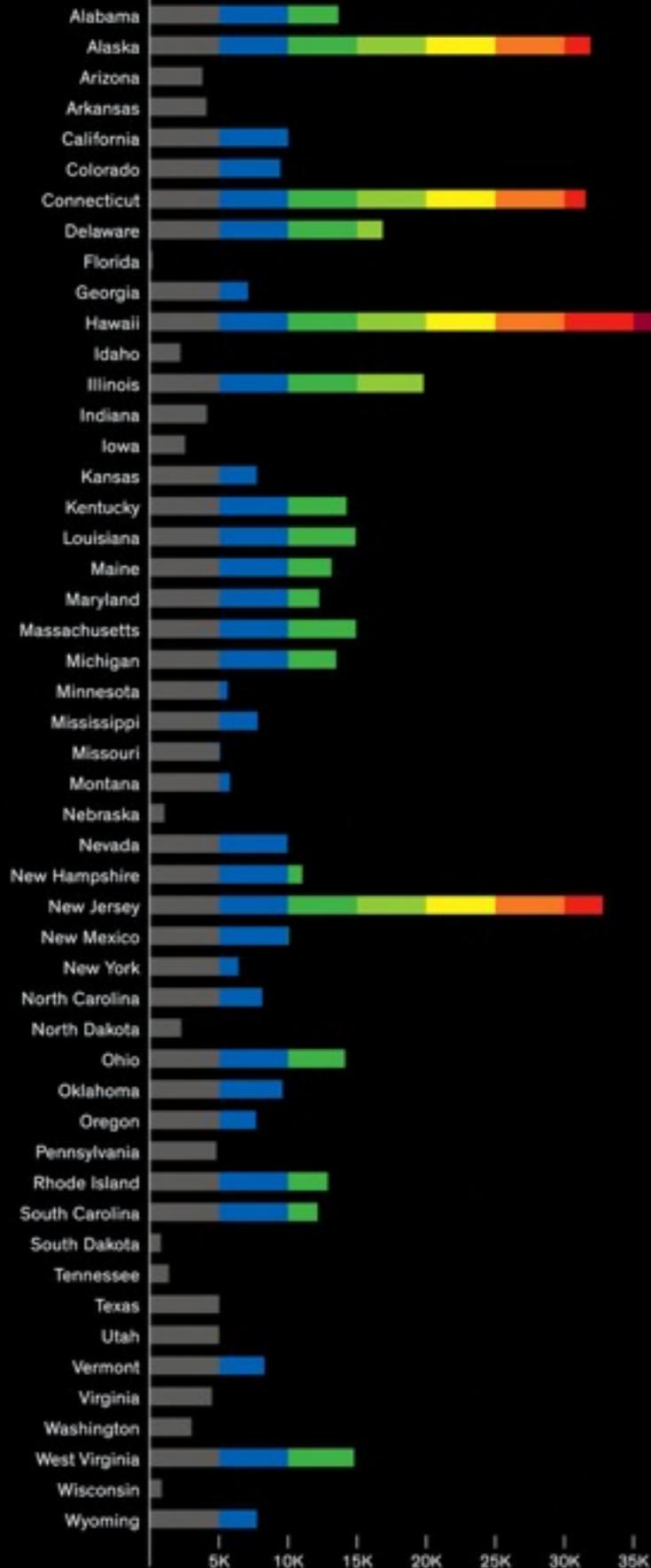


Source: Mayor's 2010 Budget Presentation



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%
	2212	1887	4099	100.0%

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	46.5%	52.1%	49.8%	

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	-\$745,114,673	
Funding percent -- realistically	32.5%	35.7%	34.4%	

Changes In Annual City Contributions

	CERF	P&F	TOTAL
City contributions -6/30/2011	\$11,941	\$18,692	\$30,633
City contributions -6/30/2029	\$32,937	\$47,249	\$80,186
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
All Departments - Except BOE	1519	\$105,933
Education	2295	\$71,250

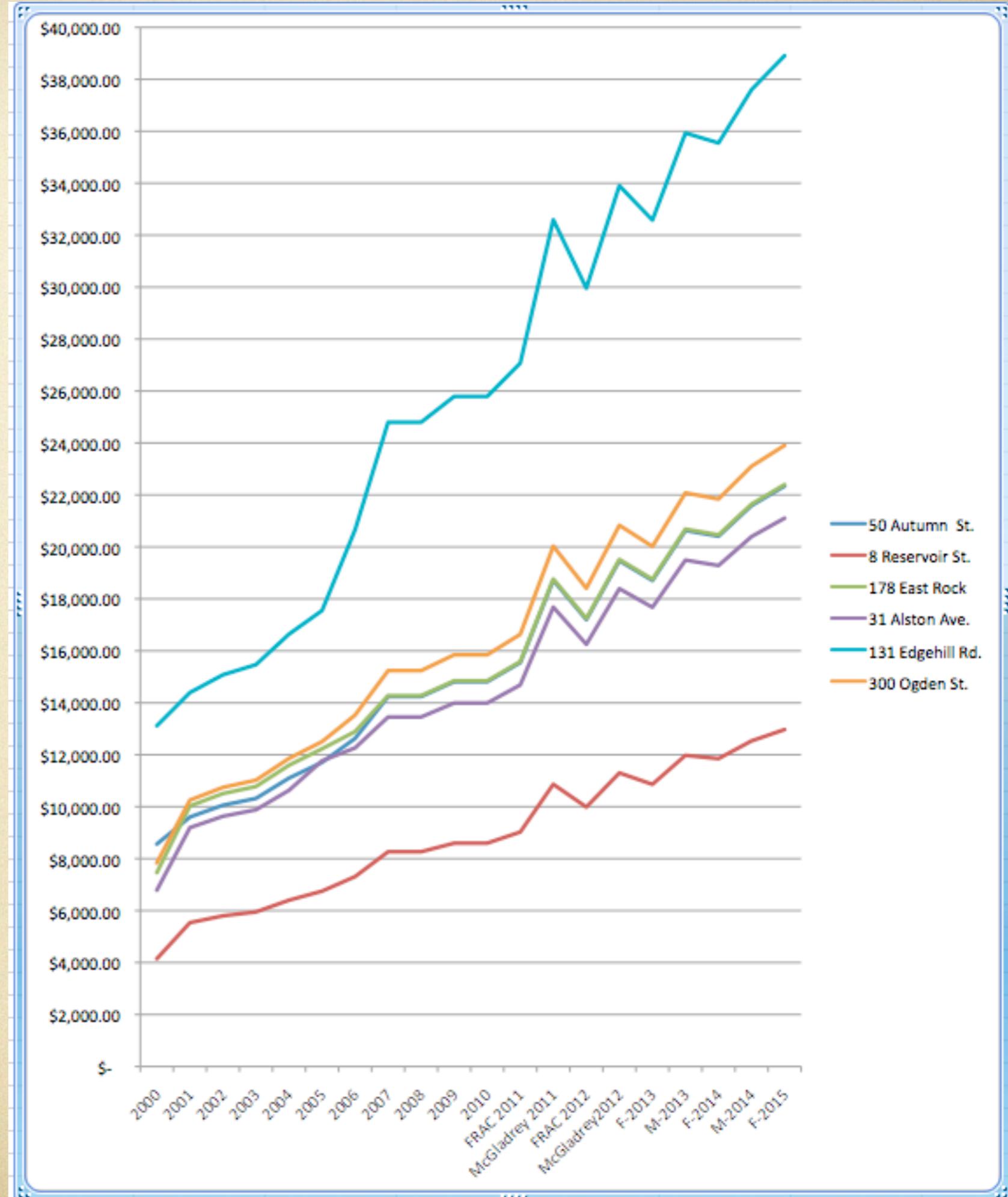
Gap Analysis

	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 colspan="3">805-Employee Benefits</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 & 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 & 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 colspan="2">304-Youth Services</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 & 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 colspan="2">502-Engineering</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																					
All meetings are open to the public.																							
Workshops: The Committee reviews budgetary matters with officials of the agencies scheduled. Public attendance is encouraged, but public testimony is not allowed.																							
Public Hearings: The Committee solicits testimony from members of the general public regarding the City Budget and Special Service District Levies listed in the schedule above.																							
Location: All meetings will be held in the Aldermanic Chamber, 2nd Floor, City Hall, 165 Church Street, New Haven., unless stated as meeting elsewhere.																							
Disability-related accommodation: call three business days in advance: 946-8122 (Voice) or 946-8582 (TTY).																							
Schedule: 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.																							
Additional information: 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

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jeffrey.kerekes@gmail.com