

## NEW ISSUE - BOOK-ENTRY ONLY

Ratings: (See "Ratings" herein)

*In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "TAX MATTERS" herein.*



\$117,565,000\*

**CITY OF NEW HAVEN, CONNECTICUT**  
**General Obligation Bonds, Issue of 2016, Series A**

Dated: Date of Delivery

Due: February 15, 2017 and August 15, as shown herein

The \$117,565,000\* City of New Haven, Connecticut General Obligation Bonds, Issue of 2016, Series A (the "Bonds") will be general obligations of the City of New Haven, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See **"AUTHORIZATION AND PURPOSE - Security and Remedies"** herein.

The Bonds are being issued to finance various public improvements, and school and urban renewal projects and to refund all or a portion of certain of the City's outstanding general obligation bonds (the "Refunded Bonds") as more fully described herein. The Bonds will bear interest payable on February 15, 2017 and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption, as applicable. The Bonds will mature on the dates and in the amounts, and bear interest from the date of delivery at the rates, all as shown on the inside front cover hereof. See **"AUTHORIZATION AND PURPOSE - Description of the Bonds"** herein.

The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. Principal of and interest on the Bonds will be made by the City or its agent directly to DTC. See **"AUTHORIZATION AND PURPOSE - Book-Entry Only System"** herein.

The Bonds are subject to redemption prior to maturity as more fully described herein.

The Certifying Agent, Registrar, Transfer Agent, Escrow Agent, and Paying Agent for the Bonds will be U.S. Bank National Association, Hartford, Connecticut.

**This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, which are an integral part hereof, to obtain information essential to making an informed investment decision regarding the Bonds.**

*The Bonds are offered for delivery when, as and if issued by the City and received by the Underwriters subject to the final approving opinions of Robinson & Cole LLP, Hartford, Connecticut, Bond Counsel. Certain legal matters with respect to the Bonds will be passed upon for the City by Butler Snow, LLP, Atlanta, Georgia, Disclosure Counsel. Certain legal matters with respect to the Bonds will be passed upon for the Underwriters by their counsel, Schiff Hardin LLP, New York, New York, Underwriters' Counsel. It is expected that delivery of the Bonds in book-entry form will be made to DTC on or about August \_\_, 2016.*

Raymond James

Siebert Brandford Shank &amp; Co., L.L.C.

Loop Capital Markets

Morgan Stanley

Official Statement dated August \_\_, 2016.

\* Preliminary, subject to change.

**\$117,565,000\***  
**CITY OF NEW HAVEN, CONNECTICUT**  
**General Obligation Bonds, Issue of 2016, Series A**  
**Base CUSIP: 645020**

**MATURITY SCHEDULE**

**Dated: Date of Delivery**

**Due: February 15, 2017 and August 15, as shown below**

<u>Maturity*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
02/15/2017	\$ 1,085,000			
08/15/2017	14,805,000			
08/15/2018	12,990,000			
08/15/2019	11,360,000			
08/15/2020	7,185,000			
08/15/2021	9,435,000			
08/15/2022	1,850,000			
08/15/2023	1,945,000			
08/15/2024	10,980,000			
08/15/2025	6,310,000			
08/15/2026	3,700,000			
08/15/2027	3,825,000			
08/15/2028	3,955,000			
08/15/2029	4,085,000			
08/15/2030	4,220,000			
08/15/2031	2,905,000			
08/15/2032	3,055,000			
08/15/2033	3,215,000			
08/15/2034	3,380,000			
08/15/2035	3,550,000			
08/15/2036	3,730,000			

\* Preliminary, subject to change.

\*\* The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the City, the Underwriters or the Municipal Advisors, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the City, the Underwriters or the Municipal Advisors have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

# CITY OF NEW HAVEN

## MAYOR

Toni N. Harp

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### MAYOR'S CABINET

Joe Clerkin, *Budget Director*

Daryl Jones, *Controller*

Michael Carter, *Chief Administrative Officer*

John Rose, Jr., *Corporation Counsel*

Matthew Nemerson, *Economic Development Administrator*

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### BOND COUNSEL

Robinson & Cole LLP  
Hartford, Connecticut

### DISCLOSURE COUNSEL

Butler Snow LLP  
Atlanta, Georgia

### INDEPENDENT AUDITORS

McGladrey LLP  
New Haven, Connecticut

### MUNICIPAL ADVISORS

Public Financial Management, Inc.  
Providence, Rhode Island

TKG & Associates LLC  
New York, New York

Query & Associates  
Philadelphia, Pennsylvania

No dealer, broker, salesman or other person has been authorized by the City of New Haven, Connecticut (the “City”) to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Other than as to matters expressly set forth in **Schedule 1 to APPENDIX A – “FINANCIAL INFORMATION AND OPERATING DATA”** herein, the Independent Auditors for the City are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than as to matters expressly set forth in **APPENDIX D - “FORM OF LEGAL OPINION OF BOND COUNSEL”** and the “Tax Matters” section herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

The City deems this Official Statement to be “final” for purposes of Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”), but is subject to revision or amendment.

The City will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as **APPENDIX E** to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of Rule, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to Underwriters who may sell the Bonds into investment accounts.

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

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## OFFICIAL STATEMENT

### BOND ISSUE SUMMARY

*The information in this Bond Issue Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Issuer:</b>	City of New Haven, Connecticut (the “City”).
<b>Issue:</b>	\$117,565,000 <sup>*</sup> General Obligation Bonds, Issue of 2016, Series A (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Date:</b>	February 15, 2017, and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption, as applicable.
<b>Principal Due:</b>	February 15, 2017 and August 15, 2017 – 2036, both inclusive.*
<b>Purpose and Authority:</b>	The Bonds are being issued to finance various public improvements and school and urban renewal projects and to refund all or a portion of certain of the City’s outstanding general obligation bonds (the “Refunded Bonds”) as more fully described herein. <b>“AUTHORIZATION AND PURPOSE - Description of the Bonds and – Plan of Refunding”</b> herein.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity as more fully described herein. See <b>“AUTHORIZATION AND PURPOSE - Redemption Provisions”</b> herein.]
<b>Security:</b>	The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See <b>“AUTHORIZATION AND PURPOSE - Security and Remedies”</b> herein.
<b>Credit Ratings:</b>	See <b>“RATINGS”</b> herein.
<b>Tax Matters:</b>	In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See <b>“TAX MATTERS”</b> herein.
<b>Availability of Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of any failure by the City to provide the required information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as <b>APPENDIX E</b> to this Official Statement.
<b>Bank Qualification:</b>	The Bonds shall <u>not</u> be designated by the City as qualified tax-exempt obligations under provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Certifying Agent, Escrow Agent, Paying Agent, Registrar and Transfer Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Robinson & Cole LLP, Hartford, Connecticut is acting as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company on or about August __, 2016. Delivery of the Bonds will be made against payment in same day funds.
<b>Issuer Official:</b>	Questions concerning the City and this Official Statement should be directed to Daryl Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8360.

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<sup>\*</sup> Preliminary, subject to change.

**\$117,565,000\***  
**CITY OF NEW HAVEN, CONNECTICUT**  
**General Obligation Bonds, Issue of 2016, Series A**

**INTRODUCTION**

**General**

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of New Haven, Connecticut (the “City”) in connection with the issuance and sale by the City of \$117,565,000\* City of New Haven, Connecticut General Obligation Bonds, Issue of 2016, Series A (the “Bonds”). The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay principal of and interest thereon. This Official Statement has been authorized by the City for use in connection with the sale of the Bonds.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The information in this Official Statement has been prepared by the City. Public Financial Management, Inc., Providence, Rhode Island; TKG & Associates LLC, New York, New York; and Query & Associates, Philadelphia, Pennsylvania, are municipal advisors to the City and have assisted in the preparation of the Official Statement.

All quotations from and summaries and explanations of provisions of the Connecticut General Statutes, the City Charter (the “Charter”) or other laws, acts and proceedings of the City contained herein do not purport to be complete and are qualified by reference to the entire text thereof.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

**Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.**

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\* Preliminary, subject to change.

## **AUTHORIZATION AND PURPOSE**

### **Authorization**

Section 7-369 of the Connecticut General Statutes authorizes the City to issue bonds, notes or other obligations. Section 7-370c of the Connecticut General Statutes authorizes the City to issue refunding bonds. The Charter requires that authorization to issue bonds, notes or other obligations be approved by a majority vote of all members of the Board of Alders. Section 2-194 of the Code of Ordinances of the City vests the Bond Sale Committee with the authority to supervise and approve all sales of bonds, notes or other obligations, when such obligations have been duly authorized by the Board of Alders. The Bonds have been authorized by the Board of Alders and are expected to be approved by the Bond Sale Committee in accordance with the Charter, the Code of Ordinances and other proceedings related thereto.

### **Purpose**

The proceeds of the Bonds will be used to finance various public improvements and school and urban renewal projects and to refund all or a portion of certain of the City's outstanding general obligation bonds (the "Refunded Bonds"), as more fully described herein. See "**AUTHORIZATION AND PURPOSE – Plan of Refunding.**"

### **Description of the Bonds**

The Bonds will bear interest from the date of delivery at the rate or rates per annum specified on the inside cover of the Official Statement. Interest on the Bonds is payable on February 15, 2017 and semiannually thereafter on August 15 and February 15 in each year until maturity or earlier redemption, as applicable.

Interest on the Bonds will be calculated on the basis of a 360-day year, consisting of twelve thirty-day months. Interest is payable to the person who is the registered owner of such Bond on the last business day of January and July in each year. Interest shall be paid by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC and the City shall agree. The Bonds will be payable at the principal office of U.S. Bank National Association in Hartford, Connecticut as paying agent (the "Paying Agent").

### **Redemption Provisions**

#### *Optional Redemption\**

The Bonds maturing on August 15, 20\_\_, and thereafter are subject to redemption prior to maturity at the option of the City, on and after August 15, 20\_\_, at any time, in whole or in part and by lot within a maturity in such amounts and in such order of maturity as the City may determine, at a price equal to the par amount of the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

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\* Preliminary, subject to change.



*Mandatory Redemption\**

The Bonds maturing on August 15, \_\_\_\_ shall be redeemed from sinking fund installments at their principal amounts without premium plus interest, if any, accrued thereon to the date fixed for redemption, on each August 15 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
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Notice of redemption shall be mailed not less than thirty (30) days prior to the redemption date, by registered mail, to the registered owner of such bond at such bond owner's address as it appears on the books of registry or at such address as may have been filed with the registrar for that purpose. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC. In the event of a redemption of less than all of the Bonds of a particular maturity, the City shall notify the registered owner of the Bonds (Cede & Co.) of the amount of Bonds to be redeemed and DTC will, pursuant to its policies and regulations, select by lot the amount of Bonds held by each DTC Participant to be redeemed (see "Book-Entry Only System" herein). The selection of particular Bonds of beneficial owners to be redeemed shall be determined by each DTC Participant.

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\* Preliminary, subject to change.

### General Obligation Bonds - Debt Service Requirements

The following table summarizes the debt service for all outstanding general obligation bonds of the City, including the Bonds.

<u>Fiscal Year Ended June 30</u>	<u>Existing Debt Service <sup>(1)(2)</sup></u>	<u>Bonds</u>		<u>Less Refunded Bonds Debt Service</u>	<u>Aggregate Debt Service <sup>(2)</sup></u>
		<u>Principal</u>	<u>Interest</u>		
2017	\$68,721,334.84				
2018	66,500,480.47				
2019	64,338,902.69				
2020	61,749,854.95				
2021	59,485,826.31				
2022	56,920,207.07				
2023	54,507,345.87				
2024	52,038,665.38				
2025	36,834,124.41				
2026	29,241,015.50				
2027	28,506,726.25				
2028	25,722,950.03				
2029	22,762,007.53				
2030	19,427,640.67				
2031	15,189,180.28				
2032	13,361,167.98				
2033	10,924,683.60				
2034	8,495,500.00				
2035	6,559,625.00				
2036	<u>3,669,500.00</u>				
Total <sup>(3)</sup>	\$704,956,739.00				

(1) Includes debt service on the Refunded Bonds.

(2) Does not include the projected federal subsidy due on the \$41.13 million General Obligation Bonds, Issue of 2010, Series A-2 (Federally Taxable Build America Bonds – Direct Payment) issued on February 12, 2010 with a final maturity of February 15, 2030. This subsidy is subject to sequestration reductions of 7.3% in the current federal fiscal year and 6.8% for the federal fiscal year beginning October 1, 2016.

(3) Totals may not add due to rounding.

[Remainder of page intentionally left blank.]

## **Security and Remedies**

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. See **Table 3, “Current and Back Property Tax Revenues as a Percentage of the Total General Fund Revenues”**; **Table 4, “Current and Back Tax Collections”**; **Table 5, “Analysis of Grand List”**; and **Table 6, “Principal Taxpayers”** in APPENDIX A to this Official Statement.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Title 11, Chapter 9 of the United States Code or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor.

**THE CITY OF NEW HAVEN, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON ITS BONDS OR NOTES.**

## **Book-Entry Only System**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative

of DTC. One fully registered certificate will be issued for each interest rate of the Bonds, in the aggregate principal amount of such interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or its Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

#### **Sources and Uses of Bond Proceeds**

##### **Sources:**

Par Amount of Bonds	\$ _____
Net Original Issue Premium/Discount	_____
Total Sources	\$ <u>          </u>

##### **Uses:**

Projects Deposit	\$ _____
Deposit to Debt Service Fund	_____
Escrow Deposit	_____
Costs of Issuance <sup>(1)</sup>	_____
Underwriters' Discount	_____
Total Uses	\$ <u>          </u>

(1) Includes legal fees and fees for other transaction-related expenses.

## Plan of Refunding \*

A portion of the proceeds of the Bonds will be issued to refund all or any portion of the following maturities and principal amounts of the Refunded Bonds provided below. The list of Refunded Bonds may be revised by the City in its sole discretion based on market and other factors considered relevant to the City at the time of pricing of the Bonds. No assurance can be given that any Refunded Bond or portion thereof listed will be refunded. The refunding is contingent upon delivery of the Bonds.

<u>Bond Series/ Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
Issue of 2006						
11/22/2006	11/01/2017	5.000%	\$15,750,000	11/01/2016	100.00%	645020UJ5
	11/01/2018	5.000	11,255,000	11/01/2016	100.00	645020UK2
	11/01/2019	5.000	5,415,000	11/01/2016	100.00	645020UL0
	11/01/2020	5.000	5,585,000	11/01/2016	100.00	645020UM8
	11/01/2021	4.000	7,715,000	11/01/2016	100.00	645020UN6
Issue of 2007						
02/15/2007	02/01/2018	4.000%	\$2,080,000	02/01/2017	100.00%	645020WU8
Issue of 2008, Series A						
03/26/2018	03/01/2019	5.000%	\$2,370,000	03/01/2018	100.00%	645020XR4
	03/01/2020	4.000	2,170,000	03/01/2018	100.00	645020J6
Issue of 2009, Series A						
03/17/2009	03/01/2020	5.000%	\$2,400,000	03/01/2019	100.00%	645020ZA9
Issue of 2011, Series A						
03/23/2011	03/01/2026	4.500%	\$1,420,000	03/01/2021	100.00%	645020C63
	03/01/2027	5.000	1,420,000	03/01/2021	100.00	645020C71
	03/01/2028	4.750	1,425,000	03/01/2021	100.00	645020C89
	03/01/2029	4.750	1,425,000	03/01/2021	100.00	645020C97
	03/01/2030	5.000	1,425,000	03/01/2021	100.00	645020D21
	03/01/2031	5.000	1,425,000	03/01/2021	100.00	645020D39
Issue of 2014, Series A						
08/28/2014	08/01/2022	5.000%	870,000			645020T32
	08/01/2023	5.000	1,490,000			645020T40
Issue of 2015						
09/09/2015	09/01/2017	4.000%	\$330,000			645020W87
	09/01/2020	5.000	255,000			645020X37
	09/01/2021	2.125	1,650,000			645020X45
	09/01/2022	5.000	1,870,000			645020X52
	09/01/2023	5.000	<u>1,965,000</u>			645020X60
<b>Total</b>			<b><u>\$71,710,000</u></b>			

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\* Preliminary, subject to change.

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable escrow fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), under an escrow agreement (the “Escrow Agreement”) dated as of August \_\_, 2016 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the United States of America, including United States Treasury State and Local Government Series (“SLGS”) securities, Federal National Mortgage Association (“FNMA”) securities, and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”). The principal of and interest on the Escrow Securities, when due, will provide amounts sufficient to pay principal of, interest on and redemption premium, if any, on the Refunded Bonds on the dates such payments are due. The City may also enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of, and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds.

### **Verification of Mathematical Computations**

Robert Thomas CPA, LLC will verify from information provided to them the mathematical accuracy as of the date of the closing of (i) the computations contained in the provided schedules to determine that the anticipated receipts from the Escrow Securities and cash deposits, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements, if any, of the Refunded Bonds and (ii) the computations of yield on both the Escrow Securities and the Bonds contained in the provided schedules used by Bond Counsel in its determination that the interest on the Bonds is excludable from federal income tax purposes. Robert Thomas CPA, LLC will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

### **Future Financings**

The City anticipates issuing up to \$50,000,000 of general obligation tax anticipation notes in the Fall of 2016.

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## **THE CITY OF NEW HAVEN**

### **General**

New Haven was founded on the Connecticut coast in 1638 and was incorporated as a city in 1784. The City is governed primarily under its Charter which provides for the election, organization, powers and duties of the legislative branch (the “Board of Alders”), the powers and duties of the executive branch and the City’s fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions. The City/Town Clerk serves a term concurrent with that of the Mayor and is elected Citywide. The Board of Alders performs all legislative duties and its President serves as Acting Mayor in the absence of the Mayor.

### **Elected and Appointed Officials**

The Mayor, elected by general election for a two-year term and eligible to succeed such term of office without limitation, has the power to appoint City department heads and members of boards, commissions and agencies. All department heads shall be appointed by the Mayor for a term of four (4) years and shall serve under the direction of the Mayor as chief administrative and executive officer of the City. A department head may not be removed during the term of his or her except for cause. The Mayor also may appoint, as employees of the City, up to four coordinators with professional qualifications in such areas as community development, human services, public administration and public finance. Such coordinators serve under the direction of the Mayor and may be removed at the Mayor’s pleasure. The Mayor has veto power over all or any part of any resolution or ordinance passed by the Board of Alders. Any such veto can be overridden by a two-thirds majority of the Board of Alders. The Mayor is a member of all executive commissions and boards including the Board of Education, but excluding the Financial Review and Audit Commission and the Civil Service Commission.

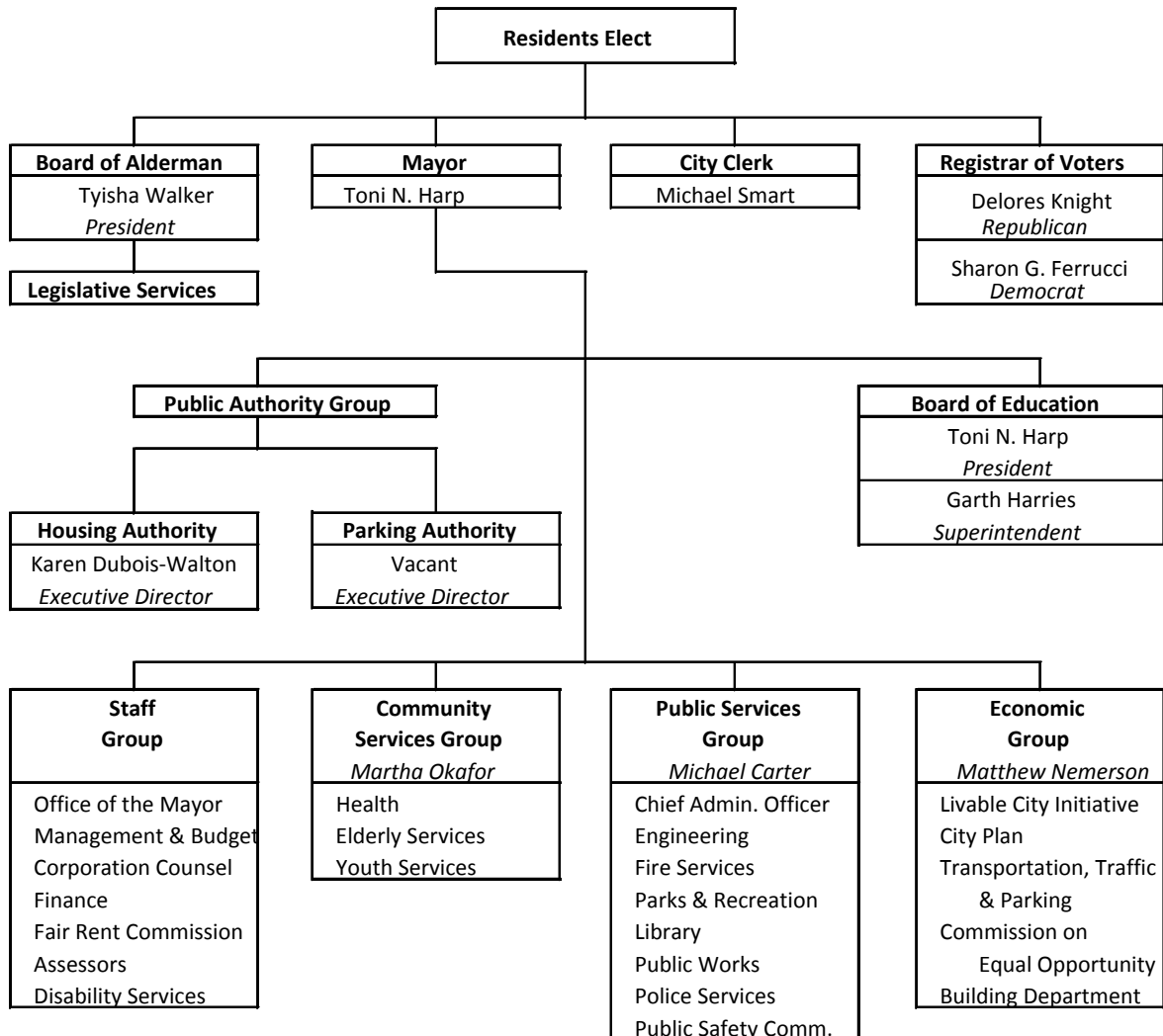
The legislative body of the City is the Board of Alders consisting of 30 members who are elected to two-year terms from their respective districts. The President of the Board of Alders is elected biennially from its membership to preside at all of its meetings. The Board of Alders adopts the capital and operating budgets and tax rate and exercises all powers conferred upon it by the Charter subject to the approval of the Mayor or upon an override of the Mayor’s veto.

The Mayor annually submits to the Board of Alders the operating budget, the capital budget and the municipal tax rate, which the Board of Alders may then approve, disapprove or modify in accordance with its powers. The role of reviewing the financial condition of the City during the fiscal year is performed by the nine member Financial Review and Audit Commission (“Commission”). The members of the Commission are appointed by the Mayor with the approval of the Board of Alders. Members are appointed for five year terms. No member of the Commission holds any other office or position in the government of the City, appointed or elected, except as a member of said Commission.



The following chart summarizes the organization of the City's government:

### Organizational Chart of the City of New Haven



## **Biographies of City Officials**

**Toni N. Harp, Mayor** was elected Mayor of the City in November 2013 and was inaugurated as the City's 50<sup>th</sup> Mayor in January 2014. Previously, Mayor Harp served as a member of the City's Board of Alders and then served 21 years as State senator. Mayor Harp co-chaired the State's Achievement Gap Task Force. Mayor Harp holds a B.A. in English from Roosevelt University in Chicago, Illinois, and a Master of Science degree from Yale University in Environmental Design.

**Joe Clerkin, Budget Director** was appointed Budget Director in October 2011. Mr. Clerkin began with the City in October 1988 as a Management Analyst in the Controller's Office and subsequently worked as the Management Services Supervisor for the New Haven Police Department from 1991-1994 before returning to City Hall as the Supervisor of Management & Budget from 1995 to 2011. Mr. Clerkin holds a B.A. in Political Science from Providence College in Providence, Rhode Island (1986), and a Master of Public Affairs degree from the University of Connecticut (1988). Mr. Clerkin is a member of the Connecticut Government Finance Officers Association and has served as a member of the New Britain Board of Finance and Taxation and as a member of the Executive Board of the Central Connecticut Chapter of the American Red Cross. Mr. Clerkin currently chairs the City of New Haven's Litigation Settlement Committee.

**Daryl Jones, Controller** was appointed Controller in March 2014 with full oversight of the Department of Finance. Prior to becoming Controller, Mr. Jones had a 21-year career in public service in New York State with his recent position as manager at the New York State Comptroller Office providing financial review and oversight of the Metropolitan Transportation Authority's ("MTA") \$1.3 billion security program. He spent most of his career working at the MTA's New York City Transit developing and monitoring multiple million dollar budgets for Information Technology and Maintenance of Way divisions.

Mr. Jones received his undergraduate degree from the College of the Holy Cross, Worcester, MA and a Master's Degree in Public Administration specializing in Public Finance from Robert F. Wagner School of Public Service, New York University, New York. Mr. Jones is involved in mentorship programs and other community related activities such as speaking at high school events for college bound students motivating them to work hard toward their goals.

**Michael Carter, Chief Administrative Officer** was appointed Chief Administrative Officer ("CAO") in April 2014. As the CAO, he oversees eight departments: Police Services, Fire Services, Public Safety Communication (the 911 Center), Public Works, Parks, Recreation and Trees, Free Public Libraries, Engineering and the CAO office itself, which includes the divisions of Emergency Management and Human Resources (HR) and Benefits.

Throughout his career, Mr. Carter has held several positions at the senior management level for different municipal governments including Chief Financial Officer, Deputy Director for Mission Support, Deputy Director for Operations, Procurement Director and Assistant General Manager. While serving in these positions, Mr. Carter has used both his leadership skills and extensive expertise in performance management and activity-based cost accounting to increase productivity, improve service, and generate savings. Specific examples include: saving the City of Indianapolis \$12.5 million due to an increase in bond ratings and \$15 million in trash collection costs as a result of managed competition; saving the District of Columbia Water and Sewer Authority over \$5 million in sludge hauling contract costs; and the District of Columbia government over \$2 million in operational efficiencies by improving overall fleet maintenance turnaround time by 50%.

Mr. Carter earned a B.A. in Economics from Dartmouth College in Hanover, New Hampshire, an M.A. in Economics from Rutgers University in New Brunswick, New Jersey, and an M.B.A. in Management and Entrepreneurship from Indiana University. He has supplemented his academic education with additional training from Harvard Business School Executive Education, MIT Sloan School of Management, the University of Chicago Business School and the J.L. Kellogg Graduate School Executive Programs at Northwestern University. He is a member of the Government Finance Officers Association (GFOA), American Economic Association (AEA), American Public Works Association (APWA), and the National Forum for Black Public Administrators (NFBPA).

**Matthew Nemerson, Economic Development Administrator**, was appointed Economic Development Administrator for the City in January 2014, overseeing economic, downtown and neighborhood development, small business assistance, planning, transportation, traffic and parking, as well as arts and culture. Prior to this appointment, Mr. Nemerson served as President and CEO of the Connecticut Technology Council. In 1983, Mr. Nemerson was the founding Vice President of the Science Park Development Corporation, an inner city tech park and incubator complex affiliated with Yale University. He left Science Park to become the President of the Greater New Haven Chamber of Commerce and its affiliated Regional Leadership Council, a mayoral appointed position. He has served as the Chair of the New Haven Parking Authority, Vice Chair of the New Haven Veterans Coliseum Authority, and is past President of Technology Councils of North America, an association of over 50 technology councils and similar groups from almost every state and province in the United States and Canada. He holds a Bachelor's degree from Columbia College in Columbia, Missouri, and a Masters of Public and Private Management from the Yale School of Management in New Haven, Connecticut.

**Martha Okafor, Community Services Administrator** was appointed Community Services Administrator in June 2014. In this capacity, she oversees all the health and human services functions provided by the City, as well as numerous relationships with not for profit providers and the State of Connecticut. Dr. Okafor is a member of the faculty at Yale University, teaching Population Health to doctoral students at Yale School of Nursing. Prior to joining the City, Dr. Okafor directed the Division of Behavioral Health in the Satcher Health Leadership Institute at Morehouse School of Medicine in Atlanta, Georgia. Dr. Okafor received two Masters degrees and holds a Ph.D. from the University of Connecticut. She is a published author in scientific, peer-reviewed journals nationally and internationally.

**John Rose, Jr., Corporation Counsel**, was appointed Corporation Counsel in \_\_\_\_\_ 2016 after serving as Acting Corporation Counsel since January 2015. Mr. Rose served as Corporation Counsel to the City of Hartford from 2004 to 2010. Mr. Rose graduated from Dartmouth College in Hanover, New Hampshire and from Yale Law School in New Haven, Connecticut. He worked as an attorney for the New Haven Legal Assistance Association and was Assistant Chief Prosecutor of the Connecticut Circuit Courts. He entered private practice at the Ribicoff and Kotkin Law firm (10 years) and later worked at the Levy & Droney, P.C. law firm (19 years) where he specialized in commercial and construction law and litigation, before accepting the Mayoral appointment in Hartford. Mr. Rose is admitted to the Bar of the State of Connecticut and to the U.S. District Courts in Connecticut and the Southern District of New York. He is also admitted to practice before the U.S. Supreme Court. He is a member of the Connecticut Association of Municipal Attorneys (CAMA), a founder/director of the Lawyers Collaborative for Diversity and served on the Board of Foodshare.

### **City Services**

The Charter provides that the City maintain a variety of public services including the protection of persons and property, maintenance of streets and sewers and establishment of health, recreation and welfare facilities. The Constitution of the State of Connecticut (the "State") establishes free public

elementary and secondary education as the responsibility of the State. This responsibility is legislatively delegated to the City acting through its Board of Education.

Municipal services provided by the City include: police and fire protection; health care; certain welfare programs; construction and maintenance of streets, highways and bridges; trash collection and disposal; provision for recreational programs and facilities; the acquisition and maintenance of City real and personal property, including vehicles; maintenance of building codes and regulation of licenses and permits; maintenance of records and library services; collection of taxes and revenues; purchase of supplies and equipment; construction and maintenance of airport facilities; and maintenance and operation of on-street parking facilities.

Three significant governmental authorities provide service within the City, namely the New Haven Parking Authority, the Greater New Haven Water Pollution Control Authority and the New Haven Solid Waste and Recycling Authority. See **APPENDIX A “FINANCIAL INFORMATION AND OPERATING DATA – Related Authorities”** herein.

The New Haven Parking Authority (the “Parking Authority”) was created and established by the General Assembly of the State. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five (5) members appointed by the Mayor, not more than three of whom may be members of the same political party. The term of the appointed members of the Parking Authority is five (5) years and one member’s term expire on August 15 in each year. The term of the Traffic Engineer is indefinite. The daily operations of the Parking Authority are administered by its Executive Director.

The Parking Authority is authorized in the name of the City to acquire, construct, reconstruct, improve, operate and maintain parking facilities at such locations as shall be approved by the Board of Alders. Subject to authorization and approval of the Board of Alders, the Parking Authority has the power to acquire real property or any interest therein for parking facilities by purchase, gift, devise, lease or by exercise of the power of eminent domain. The Parking Authority owns and operates or leases (as lessor) six major multi-level, drive-in parking garages primarily serving downtown areas of the City, comprising approximately 6,456 parking spaces. In addition, the Parking Authority owns or leases (as lessee) and operates sixteen surface parking lots serving downtown and other areas of the City of 2,191 spaces and eight peripheral facilities serving residential areas of the City of 219 spaces. The aggregate number of parking spaces of all of the Parking Authority’s garage facilities is 8,866.

The Parking Authority is also authorized, subject to authorization and approval of the Board of Alders, to financing its various projects through the issuance of general obligation bonds of the City, revenue bonds or bond anticipation notes, which may be secured using revenues from the following sources: ad valorem taxes levies; parking fees and special charges from the use of parking facilities; appropriations duly authorized from the General Fund of the City; assessment of benefits against owners of real estate specifically benefited by any parking facilities; gifts; bequests; devises; grants in aid or otherwise; and on-street parking venues. The Board of Alders, in authorizing the issuance of revenue bonds, also fixes the initial schedule of rates, rentals, fees and other charges for the use of the parking facilities to be financed.

The Parking Authority is accounted for as a component unit in accordance with generally accepted accounting principles. By ordinance, annual audits must be conducted by an independent certified public accountant chosen by the Parking Authority.

The Greater New Haven Water Pollution Control Authority (“GNHWPCA”) is a regional water pollution control authority that owns and operates a wastewater collection and treatment system and was

created pursuant to the Connecticut General Statutes in 2005. The City along with East Haven, Hamden and Woodbridge are constituent municipalities. The GNHWPCA is specifically responsible for the collection and treatment of wastewater in the City.

The New Haven Solid Waste and Recycling Authority (“NHSWRA”) was created by Board of Alders vote on March 31, 2008 and is specifically responsible for the operations and management of the City’s transfer station for solid waste disposal and recycling.

## **CITY FINANCIAL PROCEDURES**

### **Independent Audit**

The Board of Alders is required under State law to appoint an independent certified public accounting firm to audit the financial transactions of City funds. The City hired the accounting firm of McGladrey LLP to act as auditors for Fiscal Years 2010 through 2018.

The audited general purpose financial statements of the City for the Fiscal Year ended June 30, 2015 are attached hereto as **Schedule 1 to APPENDIX A**. The financial statements were prepared for the City by McGladrey LLP.

### **Basis of Accounting**

Governmental Funds (which include the General Fund, Redevelopment Bond Administration Fund, Improvement Fund, Human Resources Fund, Library Fund, Redevelopment Agency Fund, Community Development Fund, Education Grants Fund, Neighborhood Preservation and various bond series funds) and Expendable Trust and Agency Funds (Union Station Escrow Fund and others) are accounted for on the modified accrual basis. Under this method, revenues are recognized as they become both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenditures, and other long-term obligations, which are recognized when paid.

Proprietary Funds (Golf Course and Transfer Station Enterprise Funds, Medical Self-Insurance Reserve Fund and Self-Insurance Fund) and Non-Expendable Trust Funds and Pension Trust Funds (Library Endowment Fund, City Employees’ Retirement Fund, Policemen’s and Firemen’s Pension Fund and other funds) are accounted for on the accrual basis in which the revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

Pursuant to the Charter, encumbrances established in, and unliquidated at the end of any fiscal year, are considered in determining an operating surplus or deficit on a budgetary basis. See “**FINANCIAL INFORMATION AND OPERATING DATA – Schedule 1 “City of New Haven Audited General Purpose Financial Statements of as June 30, 2015”** in **APPENDIX A** to this Official Statement.

### **Budget Procedure**

The Mayor is responsible for developing the General Fund budget of the City. During the months of January and March, the Mayor estimates both the amount of money necessary to be appropriated for the expenses of the City and the rate of taxation for the fiscal year which begins on the following July 1. The Mayor, in proposing the rate of taxation, is required to estimate the receipts from taxes for the next fiscal year at not more than one percent less than the actual rate of collection for the preceding fiscal year. The Mayor must submit the recommended budget and tax rate to the Board of Alders no later than March 1.

The Board of Alders is required to hold two public hearings on the proposed budget, one in March following receipt and publication of the Mayor's proposal, and the second prior to final action on the budget proposal in May. During the intervening two months, the Finance Committee of the Board of Alders meets with City administrative officials to review the budget proposal. The Finance Committee transmits the amended budget proposal on the third Monday of May to the Board of Alders.

The Board of Alders may increase or decrease individual appropriations and revenue estimates. The Board may increase the total budget, and it may increase the tax rate above the levels proposed by the Mayor, by a two-thirds vote of the entire Board. However, the Board of Alders may not reduce any amount proposed by the Mayor for the payment of principal of or interest on the City's debt. The budget as adopted must be balanced. The Mayor, within ten days subsequent to the adoption of the budget by the Board of Alders, either may approve the budget as adopted or veto specific line items. If the Mayor does not act upon the budget within the ten day period, it becomes operative and effective without her signature. Any veto by the Mayor may be overridden by a two-thirds vote of the entire Board of Alders.

The City budget is prepared on a program-performance format, whereby expenses of each City department are budgeted by program cost centers. Detailed information regarding objectives and performance measures is evaluated during budget formulation. See **"FINANCIAL INFORMATION AND OPERATING DATA –Discussion of Financial Operations" and "Capital Improvements Program"** in APPENDIX A to this Official Statement.

### **Financial Administration**

Subsequent to the adoption of the annual operating budget and before the beginning of the fiscal year each City agency is required to submit to the Controller a work program which shall show the proposed expenditures of the agency's appropriation for the entire fiscal year by monthly or quarterly periods. The Controller shall not authorize any expenditure to be made from any appropriation except on the basis of the approved allotments. Currently, the City operates on a quarterly allotment basis.

The City's accounting system maintains expenditure control at the budgetary appropriation level. Proposed expenditures require a purchase requisition and purchase order. Funds are encumbered when the purchase order is issued or when contracts are executed. Proposed commitments in excess of appropriations are not processed until additional appropriations are made available. The Board of Alders may establish by ordinance, from time to time, an amount of appropriation under the approved budget which the Controller, with the approval of the Mayor, shall be authorized to transfer between line items within any department or from one department to another. No such transfer in excess of such authorized amount can be implemented unless it is proposed by the Mayor and approved by the Board of Alders, provided that an increase in the total appropriation shall be approved only by the vote of two-thirds of the entire Board of Alders. Budgetary revenues and expenditures are monitored by the Office of Management and Budget.

After the close of the fiscal year the unencumbered balance of each appropriation shall lapse except for capital and non-recurring expenditures, and the excess of cash receipts over expenditures plus encumbrances shall be used only for capital and non-recurring expenditures for financing the succeeding year's appropriations.

No later than 28 days after the end of each month of the fiscal year, the Mayor, through the Office of Management and Budget, submits to the Board of Alders and the Commission a report showing (i) budgeted and actual revenues up to the last day of the preceding month and an estimate of such revenues for the fiscal year (ii) budgeted and actual expenditures for each budgeted agency of the City up to the last day of the preceding month and an estimate of such expenses for the fiscal year, and

(iii) the projected budget surplus or deficit for the fiscal year. Each monthly report is filed in the Office of the City Clerk where it is available for public inspection.

The Commission meets monthly to review the financial condition of the City as outlined in the monthly financial reports and in the audited financial statements, and conduct such other business as may come before it.

### **Financial Projections**

The City utilizes the “MUNIS” Financial System for the computerized monitoring of its budget and actual expenditures and revenues against the budget. The system employs rigorous encumbrance and posting requirements for all line items in the budget. A monthly distribution of the budget to actual performance status is made to all City departments and the Board of Alders.

### **Investment Practices**

*General Fund.* In accordance with the City’s investment policy, the City invests in certificates of deposits, repurchase agreements and money market instruments with qualified public depositories as defined in the Connecticut General Statutes Section 36a-330(7). These qualified public depositories report to the City regularly about their capital ratios as well as the details of their posted collateral. City investment judgments are based on safety, liquidity and yield.

The City keeps a roster of qualified banks that meet the above listed criteria. The roster is periodically reviewed and analyzed for safety of the whole financial institution. In addition, the City establishes limits of deposit investments on smaller and relatively weaker financial institutions. Each account with a specific purpose has FDIC Insurance of \$250,000. Safety is a primary criterion of investment decisions of the General Fund.

The City invests excess cash with the State of Connecticut Short Term Investment Fund (“STIF”). STIF is an investment pool of high-quality, short-term money market instruments for state and local governments managed by the State Treasurer’s Cash Management Division. The General Fund and other disbursement accounts, such as the Payroll Account, are also “swept” at an overnight market rate. The City attempts to keep its funds as liquid as possible in order to meet its operational requirements for the General Fund.

*Special Revenue Funds.* The City maintains numerous Special Revenue funds from many grantor sources. Where program activity is funded in advance and is permitted by the grantor, the City invests consistent with the criteria listed in the General Fund section of this report.

*Capital Project Funds.* The unexpended proceeds from the issuance of General Obligation debt are invested in a U.S. Treasury Money Market Fund. This investment fund is segregated into various sub accounts associated with each debt issuance for arbitrage purposes. Where interest income activity is unrestricted, the City maintains the investment policy outlined for the General Fund.

*Pension Trust Funds.* The vast majority of City employees (excluding Department of Education teachers and administrators) are covered by two major Pension Funds. The City Charter gives the responsibility for administering these funds to two Boards of Trustees consisting of mayoral appointed citizens, the City Controller and elected union employees (the “Retirement Boards”). These funds are named the City Employees’ Retirement Fund and the Policemen’s and Firemen’s Pension Fund, respectively. The Retirement Boards independently retain professional fund managers, custodial banks, legal counsel and performance monitor professionals to assist them in performing their fiduciary responsibilities.

## **Pension Systems**

The City of New Haven has two major pension funds (the “Funds”). Pursuant to the City Charter, the Funds are administered by Boards of Trustees consisting of the City Controller, elected union employees and mayoral appointees (the “Retirement Boards”). The Retirement Boards retain professional fund managers, custodial banks, performance monitor professionals and counsel.

The Funds are single employer, contributory, defined benefit plans. Most full time employees (exclusive of school principals and certified teachers) of the City’s general fund are eligible beneficiaries of the City Employees’ Retirement Fund (“CERF”). Police and fire personnel are eligible beneficiaries of the Policeman’s and Fireman’s Retirement Fund (“P&F”). CERF was established in 1938. P&F was established in 1958 combining formerly separate police and fire retirement funds. The former Policeman’s Relief Fund and the Fireman’s Relief Fund were merged into P&F in 1990.

Retirement benefits for principals and certified teachers are provided by the Connecticut State Teacher’s Retirement Fund to which the City does not contribute.

Executive Management Employees whose initial hire date into City service was on or after July 1, 2008, all Executive Management Employees and elected officials who are rehired into City service or in the case of elected officials assume office on or after July 1, 2008 who are not members of CERF or members of the P&F plan at the time of their rehire or assumption of elected office and all confidential employees whose hire date or rehire date into City service was on or after July 1, 2008 who are not members of CERF or P&F are covered by social security and, in addition, the City contributes 7.5% of their base pay into a defined contribution plan.

Terms and conditions of the CERF are a function of collective bargaining agreements between the City and various Local AFSCME, AFL-CIO bargaining units.

Terms and conditions of P&F are a function of collective bargaining agreements between the City and the Local 530 Police and Local 825 Fire Fighter unions.

In the most recent collective bargaining agreements settled in 2011 significant changes were agreed to for the purposes of enhancing the financial soundness of the Funds and amortizing their unfunded accrued actuarial liability (“UAAL”). These changes include, but are not limited to: reducing the rate of annual Cost of Living Adjustments from 4% to 2% for CERF and from 4% to 3% for P&F; reducing the investment return assumption from 8.25% per year to 8.00% per year, net of investment expenses which has had the effect of increasing the City’s annual required contribution; adopting the Entry Age Normal Method to determine actuarial cost from the previous Projected United Credit method; increasing employee contribution percentages (e.g. 12% for Police and 11% for Fire); increasing the service years for retirement eligibility; and, eliminating overtime from pension calculation totals (new P&F hires.) Importantly, a closed 30 year amortization of unfunded liabilities was adopted from the previous open 30 year amortization period.

As of June 30, 2014, the funded ratio of CERF was 39.26% and the funded ratio of P&F was 50.13%. Since Fiscal Year 1995, the City has funded 100% of its actuarially required contribution (“ARC”) as determined by the independent actuarial firm retained by the City. An important factor in determining the ARC is the level of funding required to amortize the unfunded liability of the funds at the end of the closed 30 year amortization period which is 2044 for CERF and 2042 for P&F. The Fiscal Year 2014 and Fiscal Year 2015 ARC were funded fully. The Fiscal Year 2016 ARC is budgeted.

The Fiscal Year 2014 pension contribution for CERF was \$16,870,000, and the Fiscal Year 2014 pension contribution for P&F was \$24,358,055. For Fiscal Year 2015 the pension contributions were \$17,544,752 for CERF and \$25,251,586 for P&F. For Fiscal Year 2016 the budgeted pension



contributions are \$19,514,992 for CERF and \$26,306,000 for P&F. As of June 30, 2014, there were 1,124 retirees and beneficiaries receiving benefits from CERF with 910 active plan members. As of June 30, 2014, there were 1,275 retirees and beneficiaries receiving benefits from P&F with 634 active plan members.

The Funds and all public employee retirement systems are part of the City's financial reporting entity and are included in the City's financial reports as pension trust funds.

The table below summarizes the City's General Fund contributions to the pension program as determined by actuarial recommendation.

**Pension Contributions as a Percent of  
Total General Fund Expenditures**

<b><u>Fiscal Year</u></b>	<b><u>General Fund Contribution</u></b>	<b><u>Total Expenditures</u></b>	<b><u>%</u></b>
2009	\$27,633,479	\$454,560,570	6.08
2010	29,312,906	459,427,337	6.38
2011	30,707,922	467,266,612	6.57
2012	39,663,624	481,622,139	8.24
2013	41,235,722	486,381,040	8.48
2014	41,285,083	490,773,183	8.41
2015(1)	42,796,338	509,705,282	8.40
2016(2)	45,820,992	509,288,263	9.00

(1) Fiscal year ended 6-30-15 is unaudited.

(2) Fiscal year ended 6-30-16 is projected.

Source: Audited Financial Statements, Department of Finance.

**Schedule of Funding Progress  
(Actuarial Value of Assets/Actuarial Accrued Liability)**

*City Employees' Retirement Fund*

<b><u>Valuation Date</u></b>	<b><u>Unfunded Actuarial Accrued Liability</u></b>	<b><u>Funded Ratio</u></b>
7/1/2008	\$136,509,700	60.4%
7/1/2010	203,942,024	46.5
7/1/2012	229,024,154	42.5
7/1/2014	266,979,798	39.3

*Policemen's and Firemen's Pension Fund*

<b><u>Valuation Date</u></b>	<b><u>Unfunded Actuarial Accrued Liability</u></b>	<b><u>Funded Ratio</u></b>
6/30/2008	\$211,848,865	58.7%
6/30/2010	266,843,043	52.1
6/30/2012	312,290,550	47.5
6/30/2014	335,949,975	50.1

Source: Actuarial Valuation of Pension Funds.

**Net pension liability:** The components of the net pension liability of the Policemen and Firemen Retirement Fund at June 30, 2015 were as follows:

Policemen and Firemen Retirement Fund	2015	2014
Total Pension Liability	\$ 687,591,252	\$ 634,748,656
Plan Fiduciary Net Position	326,522,975	337,186,432
Net Pension Liability	<u>\$ 361,068,277</u>	<u>\$ 297,562,224</u>
Plan Fiduciary Net Position as percentage of total pension liability	47.49%	53.12%

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the Policemen and Firemen Retirement Plan, calculated using the discount rate of 8.00% as well as what the Policemen and Firemen Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

Policemen and Firemen Retirement Fund	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 434,873,841	\$ 361,068,277	\$ 298,818,650

**Net pension liability:** The components of the net pension liability of the City Employees' Retirement Fund at June 30, 2015 were as follows:

City Employees' Retirement Fund	2015	2014
Total Pension Liability	\$ 449,262,186	\$ 430,199,726
Plan Fiduciary Net Position	163,691,240	173,486,994
Net Pension Liability	<u>\$ 285,570,946</u>	<u>\$ 256,712,732</u>
Plan Fiduciary Net Position as percentage of total pension liability	36.44%	40.33%

**Sensitivity of the net pension liability to changes in the discount rate\*:** The following presents the net pension liability of the City Employees' Retirement Plan, calculated using the discount rate of 8.00% as well as what the City Employees' Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate.

City Employees' Retirement Plan	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 339,957,057	\$ 285,570,946	\$ 244,540,709

\* Note: the above table was inadvertently omitted from the City's Fiscal Year 2015 audit which was posted on the Electronic Municipal Market Access system established by the Municipal Securities Rulemaking Board on February 26, 2016.

### Other Post-Employment Benefits

The City is the administrator of a single employer, contributory, defined benefit Other Post-Employment Benefits Plan ("OPEB"). The OPEB plan provides medical coverage to eligible retirees and their spouses. The OPEB plan also provides life insurance coverage to eligible retired School Administrators and Teachers. Eligibility under the plan varies depending on specific provisions for unions.

Currently, the City funds its OPEB costs on a pay-as you-go basis. For Fiscal Year 2014 \$24,485,900 was paid for OPEB costs, for Fiscal Year 2015 \$28,708,400 was paid, and \$26,985,910 was budgeted for Fiscal Year 2016.

### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2007	\$0	\$430,522,000	\$430,522,000	0.0%	\$272,235,306	158.1%
7/1/2009	0	413,995,000	413,995,000	0.0	284,120,415	145.7
7/1/2011	227,000	444,370,000	444,143,000	0.1	285,140,448	155.8
7/1/2013	305,830	441,057,000	440,751,170	0.1	239,239,541	184.2

Source: Actuarial Valuation of Pension Funds.

The City is in compliance with the requirements of GASB Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their OPEB plans and include information concerning the valuation of such plans in their financial statements. The City retained an outside actuarial consulting firm to prepare the valuation of its OPEB plan. Based on the most recent valuation as of June 30, 2015, the City's estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$440,751,170. The City established an OPEB trust in 2012 that currently has a balance of approximately \$305,830. A contribution to the OPEB trust over pay-as-you-go expenses did not occur in Fiscal Year 2015 and is not budgeted for Fiscal Year 2016.

For more information regarding the City's OPEB plans, please see Note 12 to the City's financial statements attached hereto as **Schedule 1 to APPENDIX A**.

The following tables delineate the City's Actuarial Accrued Liability pursuant to the requirements of GASB Statement 45. Liabilities were valued as of July 1, 2013. The July 1, 2013 liabilities are projected to determine the annual required contribution for the fiscal year ending June 30, 2016.

### **Actuarial Accrued Liability (AAL)**

#### **GASB 45 Unfunded Actuarial Accrued Liability (UAAL)**

##### **Actuarial Accrued Liability 7/1/2013**

Actives	\$115,937,000
Retirees	<u>325,120,000</u>
Total	<b>\$441,057,000</b>
Assets 7/1/2013	<u>305,830</u>

##### **Unfunded Actuarial Accrued Liability**

**(UAAL) 7/1/2013** **\$440,751,170**

#### **GASB 45 Annual Required Contribution (ARC)**

##### **Annual Required Contribution (ARC)**

##### **2014/2015 Fiscal Year**

Normal Cost	\$8,998,000
30 Year Amortization of UAAL *	27,306,000
Interest – End of Year Payments **	<u>908,000</u>
<b>Total ARC 2014/2015</b>	<b>\$37,212,000</b>

##### **Annual Required Contribution (ARC)**

##### **2015/2016 Fiscal Year**

Normal Cost	\$9,448,000
30 Year Amortization of UAAL *	27,306,000
Interest – End of Year Payments **	<u>919,000</u>
<b>Total ARC 2015/2016</b>	<b>\$37,673,000</b>

\* Amortization Policy – 30 Years, level dollar

\*\* On average, mid-year payments are assumed (1/2 year interest)

For additional information on the City's pension systems please see **APPENDIX A – “Employee Retirement Systems”** attached hereto, **APPENDIX C – “SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST EMPLOYMENT BENEFITS”** attached hereto, and the City's financial statements attached hereto as **Schedule 1 to APPENDIX A**. In addition, the City's Actuarial Report for the City Employees' Retirement Fund (“CERF”) and the Policeman's and Fireman's Retirement Fund (“P&F”), each dated June 30, 2014, and the City's GASB 45 OPEB Disclosure Report as of June 30, 2015, dated November 15, 2015, may be found on the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the Municipal Securities Rulemaking Board which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

## **COMMITMENT TO PROVIDE CONTINUING DISCLOSURE**

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In accordance with the requirements of Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission (“SEC”), the City will agree to file or cause to be filed on an annual basis on the Electronic Municipal Market Access (“EMMA”) system established by the Municipal Securities Rulemaking Board, in accordance with the Rule: (i) annual financial information and certain operating data of the City by no later than eight months after the end of each fiscal year of the City (currently June 30), (ii) timely notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide all the required annual information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form attached as **APPENDIX E** to this Official Statement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes, to provide certain financial information and event notices pursuant to the Rule. The City has complied in all material respects with its existing continuing disclosure undertakings under the Rule with respect to its outstanding bonds during the past five years.

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

The Bonds shall not be designated by the City as “qualified tax-exempt obligations” under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred

indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

### **Original Issue Discount**

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

### **Original Issue Premium**

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

### **LITIGATION**

The City, its officers, officials and employees are defendants in numerous lawsuits. The City is self-insured for Workers' Compensation claims and maintains a self-insurance reserve fund, which is replenished annually as necessary. In addition to the self-insurance reserve fund, the City has property and casualty insurance and personal liability insurance for claims against it arising out of negligent acts that are covered under the policy's terms and conditions. Such coverage has been in effect since July 1, 1998 in varying amounts. The current policy has a self-insured retention of \$1.0 million, per occurrence and a policy limit of \$20.0 million in the aggregate. In addition, the City has Public Officials' liability with a total limit of \$5.0 million for each Wrongful Act. The City also purchases a surety bond for employee theft and crime exposure in the amount of \$1,000,000 per loss coverage. The Tax Collector, by State law, has her own bond which is renewed annually.

The City of New Haven has been sued by approximately 196 current and past members of the New Haven Fire Department for underpayment of overtime in violation of the Fair Labor Standards Act (FLSA). The City estimates damages will not exceed \$1 million.

The Controller and the Corporation Counsel believe that the various policies covering claims since 1998 and the City's self-insurance reserve fund are adequate to meet its potential loss exposure in the aggregate for existing lawsuits, excluding the FLSA litigation described above.

### **TRANSCRIPT AND DOCUMENTS DELIVERED AT CLOSING**

Upon delivery of the Bonds, the Underwriters will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the City's financial condition or operations, the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the City, signed by the Mayor and the Controller, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and

which will certify to the best of said officials' knowledge and belief that at the time the Bond Purchase Contract was executed, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel in substantially the form of **APPENDIX D** to this Official Statement.
5. Executed Continuing Disclosure Agreements in substantially the form of **APPENDIX E** to this Official Statement.

The City of New Haven has prepared this Official Statement for the Bonds which is dated August \_\_, 2016. The City deems this Official Statement final as of its date for purposes of SEC Rule 15c-12(b)(1), but it is subject to revision or amendment. The City will make available to the Underwriters a reasonable number of copies of the final Official Statement within seven business days of the execution of the Bond Purchase Contract.

A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association, and may be examined upon reasonable request.

## **RATINGS**

Moody's Investors Service, S&P Global Ratings, and Fitch Ratings have assigned the Bonds a rating of "Baa1" (stable outlook), "A-" (positive outlook) and "A-" (stable), respectively.

Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by the rating agency or agencies if, in the judgment of such rating agency or agencies, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the City's bonds or notes, including the Bonds.

## **LEGAL MATTERS**

Robinson & Cole LLP, Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render their opinion in substantially the form included in this Official Statement as **APPENDIX D**. Certain legal matters will be passed upon for the City by Butler Snow LLP, Atlanta, Georgia, Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Schiff Hardin LLP, New York, New York.

## **UNDERWRITING**

The Bonds are being purchased by Raymond James & Associates, Inc., as representative of the Underwriters (the "Underwriters"), pursuant to the terms of a purchase contract for the Bonds with the City (the "Bond Purchase Agreement"). Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase the Bonds at the aggregate net purchase price of \$\_\_\_\_\_ (the "Purchase Price"), which is equal to the par amount of the Bonds plus net original issue premium of



\$\_\_\_\_\_ and less an Underwriters' discount of \$\_\_\_\_\_. The City has agreed to indemnify the Underwriters against certain liabilities, including certain liabilities arising under federal and state securities laws. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof. The initial offering prices or yields may be changed from time to time by the Underwriters.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.”

Siebert Brandford Shank & Co., L.L.C. has entered into a separate agreement with Muriel Siebert & Co. for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to this distribution agreement, if applicable to the Bonds, Muriel Siebert & Co. will purchase Bonds at the original issue price less the selling concession with respect to any Bonds that such entity sells. Siebert Brandford Shank & Co., L.L.C. will share a portion of its underwriting compensation with Muriel Siebert & Co.”

## **MUNICIPAL ADVISORS**

The City has retained Public Financial Management, Inc. of Providence, Rhode Island, TKG & Associates LLC of New York, New York, and Query & Associates of Philadelphia, Pennsylvania, as municipal advisors (the “Municipal Advisors”) in connection with the issuance and sale of the Bonds. Although the Municipal Advisors have assisted in the preparation of the Official Statement, the Municipal Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisors are independent advisory firms and are not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **CONCLUDING STATEMENT**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from officials and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

**APPENDIX A — “FINANCIAL INFORMATION AND OPERATING DATA,” APPENDIX B — “SOCIOECONOMIC INFORMATION,” APPENDIX C — “SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST EMPLOYMENT BENEFITS” and APPENDIX E — “FORM OF CONTINUING DISCLOSURE AGREEMENT”** have been prepared by or on behalf of the City. **APPENDIX D — “FORM OF LEGAL OPINION OF BOND COUNSEL”** has been provided by Bond Counsel. All such appendices are incorporated herein as an integral part of this Official Statement.

Any questions concerning the content of this Official Statement should be directed to Daryl Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8360. Copies of this Official Statement may be obtained from the City's Municipal Advisors, Public Financial Management, Inc., 10 Weybosset Street, Suite 902, Providence, Rhode Island 02903, (401) 709-5112 or TKG & Associates LLC, 350 Fifth Avenue, 59<sup>th</sup> Floor, New York, New York 10118, (212) 601-2627.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

**CITY OF NEW HAVEN, CONNECTICUT**

By: \_\_\_\_\_  
Toni N. Harp, Mayor

By: \_\_\_\_\_  
Daryl Jones, Controller

Dated as of August \_\_, 2016

**APPENDIX A**

**FINANCIAL INFORMATION AND OPERATING DATA**

**SCHEDULE 1 – CITY OF NEW HAVEN  
AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF JUNE 30, 2015**

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## DISCUSSION OF FINANCIAL OPERATIONS

### General Fund Budget: Fiscal Year 2016-2017.

- General Fund Budget - \$523,340,196 – Up \$15,464,945 from FY 2016, a 3.05% increase.
- Mill rate flat at 41.55. Motor vehicle tax rate reduced to 37 mills.
- 2015 Net Grand List essentially flat.
- Significant changes in State revenue have positively impacted New Haven. The State has capped the motor vehicle mill rate to 37 mills thereby reducing the taxes paid by motor vehicle owners while holding the City harmless for lost revenue. Additionally, the State has re-structured its reimbursement formula for lost tax revenue stemming from property attributable to colleges and hospitals. The State has instituted a baseline lost revenue percentage below which the State cannot not fund. This is expected to increase revenue for PILOT by \$14.6 million. Total State aid is projected to increase by \$10.1 million.
- Building permit revenue increased to \$16.2 million based on current and projected economic activity and an increase in building permit fees to \$30.
- Other adjustments to revenue budget include increasing meter receipts by \$200,000 to \$6,300,000, recognizing the proceeds from the closure of the Grove Street Garage trust (\$371,000) and proceeds from the sale of economic development assets (\$500,000).
- Expenditure budget increased by \$15.4 million. Includes both increases and decreases. Increases concentrated in several areas:
  - Salary increases for previously settled contracts in Fire and new positions.
  - Education – \$2 million.
  - Medical Benefits – increased \$5.9 million.
  - Pensions - \$1,230,158 increase for P&F and \$844,300 increase for CERF to reflect actuarial required numbers plus an additional \$454,380 for each fund. Total contribution for P&F is \$27,536,158 and \$19,514,992 for CERF.
  - Positions – Increase 25 full-time (2 from special funds and 1 from capital funds) and 5 part-time:
    - 1 Human Resources - Clerk Typist II
    - 3 Library - 2 Librarians, Library Technical Assistant
    - 1 Parks - Foreperson
    - 7 Health - Public Health Nurses
    - 1 Police - Grant Writer
    - 1 City Plan - Legal Secretary
    - 5 Transportation, Traffic and Parking - 5 School Crossing Guards, fully fund Sr. Traffic Signal Maintainer (already in position count in FY 15-16)
    - 1 OBIE - Program Coordinator
    - 2 LCI - Special Funds: Anti Blight Demolition/Disposition Relocation Specialist
    - 1 CEO – Capital Funds: Utilization Monitor
  - Salary / Existing Position Changes – 2:
    - Mayor's Office part time to full time receptionist
    - CSA part time Data Control Clerk to full time
- \$900,000 contract reserve for open contracts: Supervisors, Clerical, Parks, Public Works, Executive/Confidential and Police.
- Master lease program includes \$138,000 in additional funding. \$628,000 is total appropriation.
- Funding included for the sworn classes in both Police and Fire.

- Fire overtime budget decreased by (\$430,000) to \$1.9 million or \$36,942 per week.
- Police overtime budget remains flat at \$3,022,684 plus \$100,000 for Summer Anti Violence Initiative (SAVI).
- Board of Education budget increase of \$2 million or 1.1%.
- The General Fund contribution to Medical Self Insurance Fund is \$72,668,210 an increase of \$5,875,811 which is 8.8%.
- Pension costs:
  - Police & Fire – Budget increase is \$775,778 based on actuarial figures plus an additional \$454,380 for a total increase of \$1,230,158. Total budget is \$27,536,158.
  - City employees – Budget increase is \$389,920 based on actuarial figures plus an additional \$454,380 for a total increase of \$894,300. Total budget is \$19,514,922.
- Debt Service – Gross budget \$69.9 million – Assumes \$5 million in savings from cash flow savings arising from re-funding/premium opportunities.
- Rainy Day Replenishment - \$1,211,681 budgeted for projected contribution to the Rainy Day Fund.
- Other Post-Employment Benefits - \$405,000 budgeted for contribution to Retiree Medical Benefit Fund. Increase from \$15,000 to begin addressing the unfunded OPEB liability.
- Capital Budget – City Share \$46.2 million:
  - New Strong School at SCSU K-4 Lab School included in request for \$10.7 million.
  - LCI - \$3.3 million.
  - Education - \$4.8 million (Non-school construction).
  - Engineering - \$8.3 million.
  - Police - \$1.2 million.
  - Rolling Stock: \$200,000 Parks, \$450,000 Police, \$1,400,000 Fire, \$800,000 Public Works.

#### **General Fund Budget: Fiscal Year 2015-2016.**

- Budget places its primary emphasis on the core public services of educating young people, providing for the public safety and encouraging economic development that will provide job opportunities to City residents while providing for Grand List growth and economic sustainability in the years ahead.
- General Fund Budget \$507,875,241 – down (\$463,879) from FY 2015 – 0.09% decrease.
- Revenue budget:
  - No mill rate increase. Mill rate remains at 41.55.
  - Gross Grand List increased while net Grand List experienced a slight decrease due to the “as of right” phase in of the full value of recent economic development projects.
  - Building permit revenue flat at \$10.1 million.
  - State aid projected to decrease by \$2 million. Year two of the State Biennium budget expected to increase dramatically and re-structure the City’s revenue expectations in a positive way.
- Expenditure Budget:
  - Both City Employees’ Pension Board and Police and Fire Pension Board adopted more conservative actuarial assumptions leading to increased funding requirements of \$3,024,654.
  - The Board of Education budget increased by \$3 million to help fund existing bargaining unit contracts to and to maintain commitment to public education.
  - Debt Service budget reduced to reflect results of 2014 refunding issue. Budget also contains provisions for realizing \$1.4 million in savings from premium/refunding efforts.
  - Net new 8 positions in the General Fund budget – 10 vacant Fire Lieutenants eliminated mid FY 2014-2015, 4 new positions in Library, 5 positions in the health department including new Public School Nurses, 1 Elderly Services, 3 Community Services Administration, 2 Public Works (2 will

be eliminated upon promotion), 1 Building Inspection & Enforcement, Transportation Traffic & Parking 1 full time and 1 part-time, 1 Finance.

- Fire and Police overtime budget reduced as recruit classes in both Fire and Police reduce need for overtime. Funding included for additional class in each department in FY 2015-2016.
- Capital Budget - \$46.1 million – No New Schools:
  - Continued commitment to economic development, neighborhood, rolling stock and infrastructure:
    - \$6 million to Downtown Crossing project.
    - \$3.5 million to Farnam Courts.
    - Dixwell Q House project – City funding \$800,000, State Funding \$15.5 million.
    - Education includes \$5.6 million for non-school constructions and \$3.1 million for maintenance of renovated schools.
    - \$1.8 million for rolling stock in various departments including Parks, Public Works, Police and Fire.
- As of June 2016, the City is projecting to finish FY 2016 with balanced General Fund budget.

#### **General Fund Budget: Fiscal Year 2014-2015.**

- General Fund Budget - \$508,339,120 – up \$10.9 million from FY 2014 – 2.19% increase.
- Expenditure increases concentrated in several areas:
  - Debt Service - \$3.6 million – Largest budget increase – Assumes \$500,000 in premium.
  - Salary increases for previously settled contract \$1.9 million.
  - Education – flat funded.
  - General Fund Balance Replenishment and master lease funding- \$2 million (General Fund \$1 million, Medical Self Insurance \$500,000, master lease \$500,000).
  - Medical Benefits - \$1.9 million.
  - Pensions - \$1.7 million.
  - Contract reserve - \$1 million.
  - Positions – Net Increase 2.5%.
- Mill rate increase from 40.8 to 41.55, a 0.75 mill increase or 1.83%.
- New Growth in 2013 Grand List resulted in \$1.4 million in additional property tax revenue.
- Board of Education flat funded but receive an additional \$4.1 million in Educational Cost Sharing funds.
- Pension costs:
  - Police & Fire – Budget increase of \$893,531.
  - City employees – Budget increase of \$674,752.
- Capital Budget - \$41.6 million – No new schools
  - Change in language regarding refunding opportunities – Remove present value savings requirement of 2.5% - Added Appropriating Ordinance #5 to authorize short term borrowing for cash flow purposes if needed.
- As of the fiscal year end, the General Fund had a fund surplus of \$1,703,954. This was a substantial improvement from a meager fund balance of \$22,047 at the close of FY 2014 to a fund balance of \$1,726,001 at the end of FY 2015.

**Table 1**  
**City of New Haven General Fund Summary of Operations**  
**Fiscal Year 2013 - Fiscal Year 2017**

	Fiscal Year 2013 (Audited)	Fiscal Year 2014 (Audited)	Fiscal Year 2015 (Audited)	Fiscal Year 2016 (Projected)	Fiscal Year 2017 (Budgeted)
<b>REVENUES</b>					
Property taxes	\$ 230,988,342	\$ 243,999,342	\$ 249,968,781	\$ 251,534,512	\$ 249,924,307
Licenses, permits and other charges	16,291,305	15,715,800	25,735,466	19,255,956	26,008,000
Fines, forfeitures and penalties	5,999,796	4,713,752	5,127,968	5,341,008	5,666,000
Federal and state governments	204,530,007	206,140,025	210,276,874	209,794,385	221,446,939
Investment income	249	(38,682)	(12,940)	135,000	25,000
Other revenue	24,066,236	24,986,548	20,133,088	20,685,790	20,269,950
<b>Total Revenues</b>	<b>\$ 481,875,935</b>	<b>\$ 495,516,785</b>	<b>\$ 511,229,237</b>	<b>\$ 506,746,651</b>	<b>\$ 523,340,196</b>
<b>EXPENDITURES</b>					
General government	\$ 26,865,044	\$ 26,576,338	\$ 28,190,582	\$ 27,905,289	\$ 28,040,989
Development	6,735,033	6,798,014	6,611,901	7,204,013	10,153,421
Public safety	72,103,165	72,312,347	76,868,915	72,769,289	71,385,360
Public works	14,239,985	15,261,908	15,056,249	17,024,530	15,900,383
Health and welfare	5,984,801	6,163,287	6,512,927	7,217,138	8,859,505
Education	174,774,403	177,199,032	177,202,076	180,219,297	182,218,697
Pension and insurance	122,985,499	124,811,583	142,688,459	136,483,414	140,046,660
Other expenditures	-	-	-	-	-
Capital outlays	-	-	-	-	-
Debt service	62,693,110	61,650,674	56,394,174	57,923,681	65,523,500
<b>Total Expenditures</b>	<b>\$ 486,381,040</b>	<b>\$ 490,773,183</b>	<b>\$ 509,525,283</b>	<b>\$ 506,746,651</b>	<b>\$ 522,128,515</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (4,505,105)</b>	<b>\$ 4,743,602</b>	<b>\$ 1,703,954</b>	<b>\$ -</b>	<b>\$ 1,211,681</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital leases	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Payment to insurance carrier	-	-	-	-	-
Retirement of bonds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	(9,008,246.00)	-	-	-	-
<b>Net other financing source (uses)</b>	<b>\$ (9,008,246.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (13,513,351)</b>	<b>\$ 4,743,602</b>	<b>\$ 1,703,954</b>	<b>\$ -</b>	<b>\$ 1,211,681</b>
<b>FUND BALANCE (DEFICIT), beginning of year</b>	<b>\$ 8,791,796</b>	<b>\$ (4,721,555)</b>	<b>\$ 22,047</b>	<b>\$ 1,726,001</b>	<b>\$ 1,726,001</b>
<b>RESIDUAL EQUITY TRANSFER IN</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE, end of year</b>	<b>\$ (4,721,555)</b>	<b>\$ 22,047</b>	<b>\$ 1,726,001</b>	<b>\$ 1,726,001</b>	<b>\$ 2,937,682</b>

Source: City of New Haven, Department of Finance



## REVENUES OF THE CITY

In FY 2016, 58.60% of New Haven's revenues came from local sources, while 41.40% came from other governmental units. From FY 2014 through FY 2017, General Fund revenues came from or are projected to come from the following sources:

**Table 2**  
**Revenues of the City <sup>(1)</sup>**

	<b>Fiscal Year 2014</b>		<b>Fiscal Year 2015</b>		<b>Fiscal Year 2016</b>		<b>Fiscal Year 2017</b>	
	<b>(Audited)</b>		<b>(Audited)</b>		<b>(Projected)</b>		<b>(Budgeted)</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Locally Generated	\$ 289,376,760	58.40	\$ 300,952,363	58.87	\$ 296,952,266	58.60	\$ 301,893,257	57.69
Other Governmental Units	206,140,025	41.60	210,276,874	41.13	209,794,385	41.40	221,446,939	42.31
Totals	<u>\$ 495,516,785</u>		<u>\$ 511,229,237</u>		<u>\$ 506,746,651</u>		<u>\$ 523,340,196</u>	

<sup>(1)</sup> Budgetary Basis

Source: City of New Haven, Department of Finance

Locally generated revenues consist of real and personal property taxes, other taxes and assessments and non-tax revenues (licenses, permits, services and fees, fines, rents, local Payments in Lieu of Taxes ("PILOTs"), miscellaneous sources, and interest income from short-term investments). Other governmental revenues are derived from State grants, including grants for education and State PILOT payments.

### Property Taxes

Real property taxes are levied pursuant to a tax levy ordinance adopted by the Board of Alders, concurrent with adoption of the City's General Fund budget. The Charter provides that by the third Monday in April of each fiscal year, the Mayor submit a proposed tax rate for the ensuing fiscal year. The Board of Alders is required to adopt a tax rate by the first Monday in June. The Board of Alders can reduce, but not increase, the tax rate as recommended by the Mayor. There is no taxing limit established in the Charter or by State law except as to classified property such as certified forest land which is taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Under existing statutes, the State is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation upon its power to tax such dwelling houses. In computing the amount of taxes to be collected for budgetary purposes, the Charter provides that the taxable grand list, as provided by the City Assessor, be multiplied by a factor which is to be 1% less than the amount of taxes collected for the last completed fiscal year. Table 3 shows current and back property tax collections as a percent of total General Fund revenues for FY 2010 through FY 2017.

**Table 3**  
**Current and Back Property Tax Revenue as a Percentage of**  
**Total General Fund Revenues**  
(Budgetary Basis)

<b>Fiscal Year Ended</b>	<b>Total Revenues</b>	<b>Property Taxes and Fees</b>	<b>Property Taxes as % of Total Revenues</b>
6/30/2010	459,579,265	206,824,921	45.00
6/30/2011	467,916,515	218,720,737	46.74
6/30/2012	473,586,315	225,440,445	47.60
6/30/2013	481,875,935	230,988,342	47.94
6/30/2014	495,516,785	243,999,342	49.24
6/30/2015	511,229,237	249,968,781	48.90
6/30/2016 <sup>(1)</sup>	506,746,651	251,534,512	49.64
6/30/2017 <sup>(2)</sup>	523,340,196	249,924,307	47.76

<sup>(1)</sup> Fiscal year ended 6-30-16 is projected.

<sup>(2)</sup> Fiscal year ended 6-30-17 is budgeted.

Source: City of New Haven, Department of Finance

Upon passage of the tax levy ordinance, City taxes, except as discussed below, become due and payable in equal installments on July 1 and January 1. Taxes may be paid without penalty on or before August 1 and February 1, respectively. All property tax bills in amounts less than \$100 and all taxes on motor vehicles are due in a single payment only on July 1.

Outstanding real estate tax accounts are liened each year prior to June 30. The Office of the Tax Collector maintains very strict rules and schedules to implement certain procedures regarding its "in house" collection efforts. After cleaning its delinquent tax portfolio through the use of outside collection companies, the City has managed its collection of delinquent real estate, motor vehicle and personal property taxes. This is accomplished through the use of legal demands, alias tax warrants and tax foreclosures to collect delinquent accounts. In addition, the City aggressively collects delinquent motor vehicle taxes through the use of marshals and the towing of vehicles. The City's tax collection rate for FY 2016 is projected to be 99.25%, which is a significant increase from the prior year's rate of 98.12%. Payments not received by August 2 or February 2 become delinquent with interest charged at a rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first.

**Table 4**  
**Current and Back Tax Collections**  
**As of December 31, 2015**

<b>Grand List</b>	<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>Collections at End of Fiscal Year</b>					<b>Balance Uncollected as of</b>	
			<b>Adjusted</b>	<b>Original</b>	<b>%</b>	<b>Adjusted Tax Receivable</b>	<b>Collections through</b>	<b>%</b>	<b>12/31/2015</b>
<b>Year</b>	<b>Ended</b>	<b>(in Mills)</b>	<b>Tax Levy <sup>(1)</sup></b>	<b>Collections <sup>(2)</sup></b>		<b>12/31/2015 <sup>(3)</sup></b>	<b>12/31/2015</b>		
10/1/2008	6/30/2010	42.21	\$ 206,066,188	\$ 201,314,351	97.69	\$ 203,703,338	\$ 203,484,109	99.89	\$ 219,229
10/1/2009	6/30/2011	43.90	219,290,220	213,902,653	97.54	216,918,460	216,704,404	99.90	214,056
10/1/2010	6/30/2012	43.90	226,835,431	220,502,270	97.21	224,283,323	223,990,683	99.87	292,641
10/1/2011	6/30/2013	38.88	233,426,979	227,626,731	97.52	228,451,833	227,737,877	99.69	713,956
10/1/2012	6/30/2014	40.80	245,563,608	240,521,693	97.95	243,204,840	241,295,312	99.21	1,909,529
10/1/2013	6/30/2015	41.55	252,620,573	247,382,319	97.93	251,674,143	248,655,796	98.80	3,018,346

<sup>(1)</sup> Original Levy net of lawful corrections and adjustments made during the fiscal year of the original levy.

<sup>(2)</sup> Collections during the fiscal year of the original levy.

<sup>(3)</sup> Adjusted Tax Receivable (net of lawful corrections and adjustments made from date of original levy) through December 31, 2015 (Unaudited).

All property types are assessed as of October 1 in each year for the tax levy effective the following July 1. Personal Property and Motor Vehicles are assessed at 70% of market value each October 1. The most recent real estate property revaluation in the City was completed for the October 1, 2011 Grand List.

The City of New Haven conducted a city-wide revaluation of all real estate consistent with Connecticut General Statutes. The effective date of completion of the revaluation was October 1, 2011. The revaluation involved approximately 27,400 parcels of taxable and exempt real estate located within the corporate limits of the City. The process included implementation of state-of-the-art software, including video imaging, plus application of all appropriate contemporary procedures, standards, techniques, and methodologies.

The table below provides an analysis of the City's Grand List from FY 2013 to FY 2017.

**Table 5**  
**Analysis of Grand List**

	<b><u>GL 2011</u></b> <b><u>FY 2013</u></b>	<b><u>GL 2012</u></b> <b><u>FY 2014</u></b>	<b><u>GL 2013</u></b> <b><u>FY 2015</u></b>	<b><u>GL 2014</u></b> <b><u>FY 2016</u></b>	<b><u>GL 2015</u></b> <b><u>FY 2017</u></b>
Real Estate	\$ 5,269,042,670	\$ 5,266,248,588	\$ 5,180,330,768	\$ 5,164,516,517	\$ 5,223,077,937
Motor Vehicle	361,250,916	358,091,434	381,259,530	390,045,199	380,841,488
Personal Property	605,119,213	660,638,565	701,944,410	711,254,231	727,505,775
Gross Grand List	6,235,412,799	6,284,978,587	6,263,534,708	6,265,815,947	6,331,425,200
Exemptions	(240,681,083)	(200,279,289)	(148,135,549)	(175,265,543)	(258,448,128)
<b>Net Grand List</b>	<b>\$5,994,731,716</b>	<b>\$6,084,699,298</b>	<b>\$6,115,399,159</b>	<b>\$6,090,550,404</b>	<b>\$6,072,977,072</b>

Source: Office of the Tax Assessor

The table below lists the ten largest taxpayers in the City. The total assessed value of the top ten taxpayers is 16.5% of the total October 1, 2015 Net Taxable Grand List.

**Table 6**  
**Principal Taxpayers**

<b><u>GL 2015</u></b> <b><u>FY 2017</u></b>		<b><u>GL 2014</u></b> <b><u>FY 2016</u></b>	<b><u>2014 Grand List</u></b> <b><u>2016 Fiscal Year</u></b> <b><u>(Real Property &amp;</u></b>	<b><u>2015 Grand List</u></b> <b><u>2017 Fiscal Year</u></b> <b><u>(Real Property &amp;</u></b>
<b><u>Rank</u></b>	<b><u>Corporation Name</u></b>	<b><u>Rank</u></b>	<b><u>Personal Property)</u></b>	<b><u>Personal Property)</u></b>
1	United Illuminating Co	1	\$ 270,574,797	\$ 274,985,330
2	Winn-Stanley	2	150,526,833	156,782,489
3	Fusco	3	131,921,579	131,832,821
4	Yale University	5	106,381,993	108,318,565
5	PSEG Power Connecticut LLC	4	102,787,477	96,333,263
6	Carabetta	6	71,638,418	61,560,080
7	MEPT Chapel Street LLC	7	46,554,056	57,499,660
8	Howe St	N/A		45,467,520
9	Mandy	N/A		39,223,590
10	Pike International	N/A		37,308,888

Source: Office of the Tax Assessor

In FY 2015, the City collected \$249,968,781 in current and delinquent real and personal property taxes, including interest and penalties, and supplemental motor vehicle taxes, compared to \$251,534,512 from these sources in FY 2016 and \$249,924,307 budgeted for FY 2017.

### **Other Taxes and Assessments**

The City collects a Real Estate Conveyance Tax on real estate transactions at a rate of \$1.10 per \$1,000 of the purchase price of property conveyed. \$1,538,813 was collected in FY 2015, \$2,553,836 is projected in FY 2016, and \$1,700,000 has been projected for FY 2017. Along with other sources, including additional payments associated with the Air Rights parking facility revenue bonds, the City collected \$1,939,119 in FY 2015 from "Other Taxes and Assessments", \$2,972,913 is projected in FY 2016, and \$2,089,000 is budgeted for FY 2017.

### **Locally Generated Non-Tax Municipal Revenues**

For FY 2015, the City collected \$34,930,865 in locally generated non-tax revenue from licenses, permits, services, fines, rents, payments in lieu of taxes from other local sources, and miscellaneous sources. For FY 2016, the City projects to collect \$28,858,892 and \$35,967,000 is budgeted for FY 2017.

Interest income is derived from the short-term investment of idle funds in certificates of deposit, U.S. Treasury securities, repurchase agreements, and participation in the State of Connecticut Short Term Investment Fund (STIF). Over the past few years the City's interest income has been overcome by the cost of banking services, and due to this, the City had \$-12,940 net interest income during FY 2015. \$135,000 is projected in interest income for FY 2016 and \$25,000 is budgeted for FY 2017.

### **State Assistance**

The City receives grants from the State for education programs, payments made in lieu of taxes, and grants for other purposes. Nearly all State grants for education are deposited, pursuant to State law, in the General Fund. Certain categorical and restricted State grants are deposited into special revenue funds.

### **State Grants for Education**

The Education Cost Sharing (E.C.S.) Grant authorized by State legislation in 1988, and effective beginning July 1, 1989, replaced the Guaranteed Tax Base Grant and the Education Enhancement Aid grant programs, and is the largest form of State aid to Connecticut cities and towns.

The E.C.S. Grant is based on a formula, which calculates State aid using a Minimum Expenditure Requirement, considering mastery test scores and a student poverty measure to determine student need. A State aid percentage based on the City's wealth is also compared to the State guaranteed town wealth level.

The City received E.C.S Grant moneys in the amounts of \$149,483,769 for FY 2015, \$150,593,458 for FY 2016 and \$148,262,608 is budgeted for FY 2017.

### **Payments in Lieu of Taxes ("PILOT")**

Through various special acts of the Connecticut General Assembly, the State provides payments in lieu of taxes (PILOT), to municipalities as partial reimbursement for the tax loss on property exempt from real taxes. For FY 2015 the City received \$52,361,875 (with the largest source being the Colleges and Hospitals PILOT of \$43,246,260), \$51,030,387 is projected for FY 2016, and \$65,516,114 is budgeted for FY 2017.

### **Other State Grants**

Included in "Other State Grants" are proceeds of the Mashantucket Pequot Fund which are distributed pursuant to a Special Act of the State. The City received \$6,537,304 for FY 2015, \$6,316,255 is projected for FY 2016 and \$5,794,422 is budgeted for FY 2017. Town Aid for Roads and Off Track Betting revenues are also a part of "Other State Grants" which totaled \$8,424,374 in FY 2015, \$8,450,049 in FY 2016, and \$7,718,217 is budgeted

for FY 2017. Additionally, the City receives PILOT payments from the South Central Connecticut Regional Water Authority, the Greater New Haven Water Pollution Control Authority (GNHWPCA), the New Haven Parking Authority (NHPA) and various telecommunication companies which accounted for \$4,236,789 in FY 2015, \$4,306,166 in FY 2016, and \$4,324,675 projected in FY 2017.

## EXPENDITURES OF THE CITY

General Fund expenditures were distributed among the following categories:

**Table 7**  
**General Fund Expenditures**

	<b>Fiscal Year 2015</b>		<b>Fiscal Year 2016</b>		<b>Fiscal Year 2017</b>	
	<u><b>Audited</b></u>	<u><b>%</b></u>	<u><b>Projected</b></u>	<u><b>%</b></u>	<u><b>Budgeted</b></u>	<u><b>%</b></u>
General Government	\$ 28,190,582	5.5%	\$ 27,905,289	5.5%	\$ 28,040,989	5.4%
Development	6,611,901	1.3%	7,204,013	1.4%	10,153,421	1.9%
Public Safety	76,868,915	15.1%	72,769,289	14.4%	71,385,360	13.7%
Public Works	15,056,249	3.0%	17,024,530	3.4%	15,900,383	3.0%
Health and Welfare	6,512,927	1.3%	7,217,138	1.4%	8,859,505	1.7%
Board of Education	177,202,076	34.8%	180,219,297	35.6%	182,218,697	34.9%
Pension and Insurance	142,688,459	28.0%	136,483,414	26.9%	140,046,660	26.8%
Debt Service	56,394,174	11.1%	57,923,681	11.4%	65,523,500	12.5%
	<u><b>\$ 509,525,283</b></u>	<u><b>100.0%</b></u>	<u><b>\$ 506,746,651</b></u>	<u><b>100.0%</b></u>	<u><b>\$ 522,128,515</b></u>	<u><b>100.0%</b></u>

Presented on Budgetary Basis

Source: City of New Haven Department of Finance

## Employee Relations

Authorized full time employees of the City were 1,488 in FY 2016 and are projected to be 1,508 in FY 2017. Of this number, City department heads and certain employees of the Mayor's Office and Personnel Office are not covered by collective bargaining agreements.

Table 8 illustrates the number of budgeted full time employees in primary areas of service delivery over the past six fiscal years.

**Table 8**  
**Full-Time General Fund Authorized Positions <sup>(1) (2)</sup>**

<b>Service</b>	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>
General Government	131	131	131	135	135	137
Protection of Persons and Property	960	987	985	984	974	975
Health and Welfare	69	70	70	73	84	93
Culture and Recreation	95	95	94	93	97	101
Public Works	121	125	123	122	122	122
Development	71	74	74	73	76	80
<b>Total</b>	<u><b>1,447</b></u>	<u><b>1,482</b></u>	<u><b>1,477</b></u>	<u><b>1,480</b></u>	<u><b>1,488</b></u>	<u><b>1,508</b></u>

<sup>(1)</sup> Does not include elected officials, commission members and part-time or seasonal employees.

<sup>(2)</sup> Board of education positions are not authorized by the Board of Aldermen in conjunction with the City's annual budget. Please see Table 12 for Board of Education information.

Source: City of New Haven Office of Management and Budget

The table below summarizes the City and Board of Education bargaining units and their contract expiration dates:

**Table 9**  
**Municipal Employees Bargaining Organizations**

<u>City Group</u>	<u>Contract Expires</u>
(Clerical) Local 884, AFSCME, AFL-CIO	6/30/2015 <sup>(1)</sup>
(Management) Local 3144, AFSCME, AFL-CIO	6/30/2015 <sup>(1)</sup>
(Blue Collar) Local 71, CILU	6/30/2015 <sup>(1)</sup>
(Public Works) Local 424 Unit 34, UPSEU	6/30/2016
(Police) Elm City Local, Connecticut Alliance of Police	6/30/2016
(Fire) Local 825, International Association of Firefighters, AFL-CIO	6/30/2018
Crossing Guard Association of the City of New Haven	N/A
<u>Board of Education</u>	<u>Contract Expires</u>
(Paraprofessionals) Local 3429, AFSCME, AFL-CIO	6/30/2015 <sup>(1)</sup>
(Cafeteria Workers) Local 217, AFL-CIO	6/30/2016
(Teachers) Local 933, AFT, AFL-CIO	6/30/2017
(School Administrators) Local 18	6/30/2017
Trade Unions (Local 24, 90 & 777 Council 11)	6/30/2017
(Custodians) Local 287, AFSCME, AFL-CIO	6/30/2018

<sup>(1)</sup> In negotiation and/or arbitration

Source: City of New Haven Labor Relations

### **Binding Arbitration**

The City's Office of Labor Relations has begun contract negotiations with several groups whose contract expired as of June 30, 2015. These include the Supervisor's union (Local 3144), the Clerical union (Local 884), the Blue Collar union (Local 71), and the Paraprofessional (Local 3429). Currently, the only union remaining in binding arbitration is the recently formed Attorney's union.

Under the Connecticut Municipal Employee Relations Act (MERA), the arbitration process begins when the parties reach impasse at the negotiation table. Each side chooses their arbitrator (one labor/one management) and then the parties agree upon a neutral arbitrator to preside over the hearings. Dates are chosen to present testimony and exchange documents (including the last best offers of each party). When all testimony and exhibits have been presented, the tripartite panel determines the award based on the last best offers of each side, on an issue-by-issue basis, awarding to either the City or the Union on each particular issue. The process usually takes approximately six months from the commencement of arbitration and the award is binding upon the parties.

Understanding that workforce costs and performance are essential to the fiscal soundness and effectiveness of local government, the City has focused on collective bargaining as a means to contain costs and increase productivity. At the same time, the City has sought a partnership with each of its thirteen bargaining units to develop an appropriate methodology and to balance the City's ability to provide benefits to its employees to a level commensurate with its ability to pay.

The City has successfully negotiated contracts which now contain more manageable and cost effective health care plans. This has included the introduction of a high deductible health care plan and premium cost sharing rates ranging from 7% for the high deductible plan (Para-Professional) to 33% for Bluecare 1 (Police). Furthermore, the City has begun to address its retiree medical benefits liability by limiting future retiree medical benefits to the

employee only for new hires and, in the case of the Public Works unit in eliminating retiree medical for new hires. Additionally, the Police union agreed to pay 1.25% of base pay towards the cost of retiree medical coverage which represents a breakthrough in establishing a funding stream for this liability. Of particular note was the recent success through negotiations at securing an agreement to transition all active firefighters to a High Deductible Health plan effective July 1, 2014. Lastly, the City in conjunction with BOE was successful in its negotiations with the Food Service union in moving responsibility for providing medical coverage to its parent organization (UNITE HERE) while agreeing to pay for the premiums. In this way the City has shifted the overall financial liability for excessive costs to the union.

The City has also been aggressive in its pursuit of pension changes and has been successful at achieving reforms of the pension provisions in both the City Employees Retirement Fund and the Police & Fire Pension fund. These changes have included increasing employee contribution percentages (e.g. 12% for Police and 11% for Fire), eliminating overtime from pension calculation totals (Police and Fire new hires), COLA cap reductions, pension multiplier reductions, increase in years to be eligible for retirement (e.g. 25 years for new Police & Fire hires), increase in early retirement penalties and others. As a total, these changes have placed the City in a much more sustainable position moving forward. Additional progress has been made as both pension boards have adopted more conservative actuarial assumptions. These include lowering the expected rate of return from 8.25% to 8%, adopting a close amortization schedule to eliminate the unfunded liability, re-setting the value of the assets in each fund from actuarial value to market value and lowering the payroll growth assumptions for the amortization of the unfunded liability.

Lastly, the City made headway in negotiating other reforms as well such as eliminating longevity payments for any new or current employees not receiving payments and other work rule related changes particular to that specific bargaining unit.

Looking forward, the City will continue to be aggressive in its pursuit of more cost effective health and benefit packages with all its labor unions.

### **Risk and Benefits Management**

The City has initiated a Risk Management program aimed at controlling expenditures in Workers' Compensation, Employee Benefits, Pensions, and overall General Liability, which includes auto, public official liability, and other general litigation.

City employees still receive a diverse range of benefits, including: inpatient care, outpatient care, home health and hospice services, emergency care, specialty provider services, maternity benefits, mental health/substance abuse services, prosthetic devices/medical equipment, and other outpatient services. The next step will be to move employees to a Health Maintenance Organization. Concurrently, the City has developed an on-line medical benefits database for all present and former employees who are covered by the City's health benefits program. This resulted in greater internal control over expenditures for health benefits and improved administration of the program. The City also implemented on-line access to the major medical carrier's database. This enhanced service to employees concerning reimbursement inquiries and further increased accuracy and efficiency.

### *Protective Self Insurance Program*

New Haven established its Protective Self Insurance Program (PSIP) to serve as a master insurance policy for umbrella coverage for claims incurred after July 1, 1998. The PSIP has a self-insured retention of \$1.0 million and a total limit of \$20.0 million for auto, law enforcement and general liability. The City also purchases a separate policy for property damage coverage for City-owned property and automobiles. Previously, all claims were paid out of a Public Liability account funded through the City's General Fund budget, placing the City without a cap on its exposure. In addition, the City has Public Officials liability with a total limit of \$5.0 million.

### *Motor Vehicle Policy and Training*

To reduce costs associated with automobile-related claims, New Haven instituted a comprehensive policy to regulate who may operate a City vehicle and under what conditions. All employees will be required to attest that they understand the policy prior to operating the vehicle. Police, Fire, Parks, and Public Works employees also take part in a six-point defensive driver training program, with refresher courses given as scheduled.

### *Occupational Health and Safety Administration (OSHA) Program*

The City has been aggressively organizing and implementing the core programs required by OSHA. This is being done to be in compliance with Federal program mandates and creating a safe work environment. The safer work environment will reduce job-related injuries and save the City on workers' compensation claims.

### *Workers' Compensation*

The City has completed two workers' compensation portfolio transfers. These portfolio transfers involved selling retired and terminated open workers' compensation and heart and hypertension claim files to a private insurance company.

The risk transfer has fixed on stabilizing ongoing costs for these claimants. It caps total expenditures for these files and allows the claimants a greater chance of seeking full settlement. The City also purchases "Stop Loss" insurance for individual claims greater than \$1.5 million with a cap of \$25.0 million per claim.

### *Employee Benefits*

The City has moved all active employees to a Preferred Provider Organization from an Indemnity Plan, and has required premium cost sharing for all bargaining units. Retirees also pay a portion of the retirement benefit costs.

### *Self-Insurance Fund*

The City's Self-Insurance Fund ended FY 2014 with a cumulative deficit of \$11.85 million, including a \$4.39 million reserve for outstanding litigation. The City included a capital appropriation of \$6 million in the FY 2013 Capital Budget to finance extraordinary litigation settlements and judgments against the City and to eliminate a portion of the accrued deficit. The implementation of this action plan has resulted in the City's auditors removing a \$2 million reserve designated against total fund balance.

In FY 2015 the City used \$6.21 million of refunding savings to make the City's Self-Insurance Fund whole. With this action the Self-Insurance Fund ended FY 2015 with a deficit of \$3.87 million, with \$3.82 million of that deficit comprised of case reserves.

## **Employee Retirement System**

The City is the administrator of two single employer public retirement systems established by the City to provide pension benefits for its employees. The public employee retirement systems are considered part of the City's financial reporting entity and are included in the City's financial reports as pension trust funds. The City provides benefits through a single employer, contributory, defined benefit plan in which practically all full time employees of the general fund, including non-certified Board of Education employees are eligible under the City Employees' Retirement Fund (CERF) while all policeman and firemen are eligible in the Policemen's and Firemen's Retirement Fund (P&F). CERF was established in 1938. The Policemen's and Firemen's Retirement Fund was created in 1958 as a replacement for separate police and fire pension funds. The former Policemen's Relief Fund and the Firemen's Relief Fund were merged into the combined fund in 1990. Retirement benefits for school administrators and certified teachers are provided by the Connecticut State Teacher's Retirement System. The City does not contribute to this plan.



Since the approval of the FY1995 budget, the City has contributed 100% of the actuarial recommendations to its two employee retirement funds. The CERF market value of plan assets has grown from \$84,075,100 (as of June 30, 1992) to \$172,601,205 (as of June 30, 2014) per actuarial valuation. The P&F market value of plan assets has grown from \$115,987,200 (as of June 30, 1992) to \$337,651,179 (as of June 30, 2014) per actuarial evaluation.

The FY 2016 pension contribution for CERF was \$19,514,992, and the FY 2016 pension contribution for Police & Fire was \$26,306,000. For FY 2017 the budgeted appropriations are \$20,359,292 for CERF and \$27,536,158 for Police & Fire, which are each 100% of the ADC (Actuarial Determined Contribution). The FY 2016 contributions have been made as budgeted. As of June 30, 2014, there were 1,124 retirees and beneficiaries receiving benefits from CERF with 910 active plan members. As of June 30, 2014, there were 1,275 retirees and beneficiaries receiving benefits from P&F with 634 active plan members.

The funded ratios, which are defined to be the percentage that is obtained when plan assets are divided by the total actuarial accrued liability of the plan, was 39.3% for CERF and 50.1% for P&F in FY 2014.

The table below summarizes the City's General Fund contributions to the pension program. Fund contributions are made as determined by actuarial recommendation. Since FY 1995, the City has contributed the actuarially determined contribution for both pension funds. The City has budgeted the actuarially determined contribution for FY 2017.

**Table 10**  
**Pension Contributions as a Percent of**  
**Total General Fund Expenditures**

<b><u>Fiscal</u></b> <b><u>Year</u></b>	<b><u>General Fund</u></b> <b><u>Contribution</u></b>	<b><u>Total</u></b> <b><u>Expenditures</u></b>	<b><u>%</u></b>
2010	\$ 29,312,906	\$ 459,427,337	6.38 %
2011	30,707,922	467,266,612	6.57
2012	39,663,624	481,622,139	8.24
2013	41,235,722	486,381,040	8.48
2014	41,285,083	490,773,183	8.41
2015	42,796,338	509,525,283	8.40
2016 <sup>(1)</sup>	45,820,992	506,746,651	9.04
2017 <sup>(2)</sup>	47,895,450	522,128,515	9.17

<sup>(1)</sup> Fiscal year ending 6-30-16 is projected.

<sup>(2)</sup> Fiscal year ending 6-30-17 is budgeted.

Source: Audited Financial Statements

**Table 11**  
**Schedule of Funding Progress**  
(Actuarial Value of Assets/Actuarial Accrued Liability)

***City Employees' Retirement Fund***

<u>Valuation Date</u>		<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
6/30/2008	\$	136,509,700	60.4%
6/30/2010		203,942,024	46.5%
6/30/2012		229,024,154	42.5%
6/30/2014		266,979,798	39.3%

***Policemen's and Firemen's Pension Fund***

<u>Valuation Date</u>		<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
6/30/2008	\$	211,848,865	58.7%
6/30/2010		266,843,043	52.1%
6/30/2012		312,290,550	47.5%
6/30/2014		335,949,975	50.1%

Source: Actuarial valuations.

**Other Post-Employment Benefits**

The City is the administrator of a single employer, contributory, defined benefit Other Post-Employment Benefits Plan ("OPEB"). The OPEB plan provides medical coverage to eligible retirees and their spouses. The OPEB plan also provides life insurance coverage to eligible retired School Administrators and Teachers. Eligibility under the plan varies depending on specific provisions for unions.

Currently, the City funds its OPEB costs on a pay-as you-go basis. For FY 2015 \$28,708,400 was paid for OPEB costs, for FY 2016 \$28,259,689 was paid, and \$29,672,673 was budgeted for FY 2017.

The City is in compliance with the requirements of GASB Statement 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their OPEB plans and include information concerning the valuation of such plans in their financial statements. The City retained an outside actuarial consulting firm to prepare the valuation of its OPEB plan. Based on the most recent valuation as of July 1, 2013, the City's estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$440,751,170. The City established an OPEB trust in 2012 that currently has a balance of approximately \$369,260. A contribution to the OPEB trust over pay-as-you-go expenses in the amount of \$270,000 was made in FY 2016. A contribution of \$405,000 is budgeted in FY 2017.

**Board of Education**

The New Haven public school district is coterminous with City boundaries. The Department of Education is a department of the City and is governed by an eight-member Board of Education. The Board consists of the Mayor and seven mayoral appointees who serve staggered four year terms. The Department is administered by a Superintendent of Schools who is appointed by the Board of Education. The Department is financed through the General Fund of the City and the State principally through the Education Cost Sharing Grant and its budget is prepared in the same manner as that of other City departments. Expenditures of the Department are audited by the City's auditor. Financial transactions vary from those of other City departments in that subsequent to adoption of the General Fund budget, the Board of Education has control over its budget.

The City issues debt on behalf of the Department of Education, and with the exception of certain categorical State and Federal grants, all revenues and reimbursements are accounted for in the General Fund. The State reimburses the City for certain debt service costs associated with debt for eligible Board of Education projects. The table below illustrates personnel, enrollment, General and Non-General Fund Department expenditures.

**Table 12**  
**New Haven Department of Education**  
**Fiscal Year Ended June 30**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Enrollment	19,841	20,516	21,420	21,718	21,315
Schools	44	44	47	47	47
Teaching Positions <sup>(1)</sup>	1,483	1,474	1,472	1,398	1,348
Administrative Positions <sup>(1)</sup>	119	113	112	113	112
Non-Certified Positions <sup>(1)</sup>	875	808	660	696	691
Total Personnel	2,477	2,395	2,244	2,207	2,151
General Fund Expenditures	\$ 173,010,518	\$ 176,537,704	\$ 174,774,403	\$ 177,199,032	\$ 177,202,076
Special Fund Expenditures	117,860,566	121,158,932	119,961,089	104,018,806	133,945,649
<b>Total Expenditures</b>	<b>\$ 290,871,084</b>	<b>\$ 297,696,636</b>	<b>\$ 294,735,492</b>	<b>\$ 281,217,838</b>	<b>\$ 311,147,725</b>

<sup>(1)</sup> Does not include staff paid from sources other than the General Fund

Source: City of New Haven Board of Education

Based on audited figures for FY 2002 through 2015, the City has continued to meet the Minimum Expenditure Requirement (“MER”) of Section 10-262(j) of the Connecticut General Statutes. The City expects to meet the MER in FY 2016.

## DEBT OF THE CITY

### Procedure for Debt Authorization

City bonds are customarily authorized concurrent with the City’s capital budget appropriations. The Charter provides that the authorization of bonds be specific as to the purpose of such issue and in no case shall the term of any bond issue be greater than the life of the public improvements therein provided for, as determined by the Board of Alders. In addition, State law authorizes the City to issue revenue bonds and to borrow in anticipation of the sale of bonds or the receipt of grants.

Pursuant to the City’s Code of Ordinances, a Bond Sale Committee, consisting of the Mayor, the Controller, and the President, Majority Leader, and Minority Leader of the Board of Alders (the “Bond Sale Committee”), is vested with the authority to supervise and approve all sales of bonds, notes, or other obligations of the City which such obligations have been duly authorized by the Board of Alders.

### Debt Limitation

The City is limited by the Connecticut General Statutes to incurring indebtedness, in certain classes, in amounts which will not cause the aggregate indebtedness in each class to exceed the factors stated in Table 13 multiplied by total tax collections for the most recent audited fiscal year preceding the date of issuance. The computation of total tax collections includes current and back taxes, interest, penalties, and certain payments made

by the State to the City in lieu of taxes. Certain indebtedness is excluded in computing aggregate indebtedness as follows:

- A. Each bond, note and other evidence of indebtedness issued in anticipation of taxes or issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects for the construction of subways for cables, wire and pipes, for the construction of conduits for cables, wires and pipes for the construction and operation of a municipal antenna television system, and for two or more of such purposes;
- B. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by a public improvement;
- C. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from any State or federal grant;
- D. Each bond, note or other evidence of indebtedness issued for water pollution control projects in order to meet the requirements of an abatement order, provided the municipality has a plan for levying the system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality to repay such obligations as the same becomes due and payable; and
- E. Upon placement in escrow of the proceeds of refunding bonds, notes or other obligations in an amount sufficient to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

**Table 13**  
**Debt Margin as of June 30, 2016**  
**Pro Forma**

Total tax collections (including interest and lien fees)	\$	249,713,481
received for the year ended June 30, 2015 <sup>(1)</sup>		
Reimbursement for revenue loss from:		
Tax Relief for the Elderly		2,000
<b>Base</b>	<b>\$</b>	<b>249,715,481</b>

<b>Debt Limitation</b>	<b>General</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pensions</b>	<b>Totals</b>
2-1/4 times base	\$ 561,859,832	\$ -	\$ -	\$ -	\$ -	\$ 561,859,832
4-1/2 times base	-	1,123,719,664	-	-	-	1,123,719,664
3-3/4 times base	-	-	936,433,054	-	-	936,433,054
3-1/4 times base	-	-	-	811,575,313	-	811,575,313
3 times base	-	-	-	-	749,146,443	749,146,443
<b>Total Debt Limitation</b>	<b>\$ 561,859,832</b>	<b>\$ 1,123,719,664</b>	<b>\$ 936,433,054</b>	<b>\$ 811,575,313</b>	<b>\$ 749,146,443</b>	<b>\$ 4,182,734,306</b>
<b>Indebtedness <sup>(2)</sup></b>						
Bonds Payable	\$ 230,556,063	\$ 269,991,111	\$ -	\$ 22,446,651	\$ -	\$ 522,993,825
Grant Anticipation Note <sup>(3)</sup>	-	68,825,028	-	-	-	68,825,028
Bond Anticipation Notes	-	-	-	-	-	-
School Grants Receivable	-	(24,107,993)	-	-	-	(24,107,993)
Bonds Authorized and Unissued <sup>(4)</sup>	-	216,847,456	-	-	-	216,847,456
<b>Total Indebtedness</b>	<b>\$ 230,556,063</b>	<b>\$ 531,555,602</b>	<b>\$ -</b>	<b>\$ 22,446,651</b>	<b>\$ -</b>	<b>\$ 784,558,315</b>
<b>Component Unit Indebtedness <sup>(5)</sup></b>						
New Haven Parking Authority	\$ 12,021,000	\$ -	\$ -	\$ -	\$ -	\$ 12,021,000
New Haven Solid Waste Authority	8,415,000	-	-	-	-	8,415,000
<b>Total Indebtedness</b>	<b>\$ 250,992,063</b>	<b>\$ 531,555,602</b>	<b>\$ -</b>	<b>\$ 22,446,651</b>	<b>\$ -</b>	<b>\$ 804,994,315</b>
<b>Debt Limitation in Excess of Outstanding and Authorized Debt</b>	<b>\$ 310,867,769</b>	<b>\$ 592,164,063</b>	<b>\$ 936,433,054</b>	<b>\$ 789,128,663</b>	<b>\$ 749,146,443</b>	<b>\$ 3,377,739,991</b>

<sup>(1)</sup> Collections through June 30, 2015 (Audited).

<sup>(2)</sup> As of June 30, 2016.

<sup>(3)</sup> The City issues grant anticipation notes in the form of a revolving loan agreement pending the receipt of State grants for school construction projects.

<sup>(4)</sup> Includes approximately \$214 million which will be funded by school construction grants from the State of Connecticut. The City does not intend to issue bonds for the amount of the State grants.

<sup>(5)</sup> As of June 30, 2015.

Source: City of New Haven, Department of Finance

## City Debt Service

The following table outlines general obligation debt payments as a percentage of general fund expenditures.

**Table 14**  
**General Fund Debt Service Report**  
(As a Percent of General Fund Expenditures)

<b>Year</b>	<b>General Fund Expenditures</b>	<b>Type</b>	<b>Amount</b>	<b>As a Percent of Total Expenditures</b>
2010	\$ 459,427,337	City	\$ 59,566,794	12.97%
2011	467,266,612	City	60,228,401	12.89%
2012	481,622,139	City	61,346,532	12.74%
2013	486,381,040	City	62,693,110	12.89%
2014	490,773,183	City	61,650,674	12.56%
2015	509,525,283	City	56,394,174	11.07%
2016 <sup>(1)</sup>	506,746,651	City	57,923,681	11.43%
2017 <sup>(2)</sup>	522,128,515	City	65,523,500	12.55%

<sup>(1)</sup> Fiscal year ending 6-30-16 is projected.

<sup>(2)</sup> Fiscal year ending 6-30-17 is budgeted.

Source: City of New Haven, Department of Finance

## Debt Management

Over the past five years, the City authorizations reflected the need to improve and maintain the City's infrastructure and the quality of public services. Funding was authorized for new school facilities as well as improvements to existing schools. The City replaced aging or obsolete public safety equipment, improved City parks, and provided funding for economic and neighborhood development projects. Funds were also authorized for the renovation and replacement of bridges, solid waste management and sewer separation projects. For some of the projects, local funds supplemented grants from the State and Federal governments.

The \$34.6 million FY 2012 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for \$44.0 million, and State and Federal financing provided approximately \$9.6 million.

The \$124.1 million FY 2013 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for \$61.4 million, and State and Federal financing provided approximately \$62.7 million.

The \$63.0 million FY 2014 Capital Budget focused on economic development, self-insurance financing, police and fire services, education, and public works. City bonding accounted for \$33.1 million, and State and Federal financing provided approximately \$29.9 million.

The \$49.5 million FY 2015 Capital Budget focused on economic development, parks, police and fire services, education, and public works. City bonding accounted for \$39.6 million and State and Federal financing provided approximately \$7.8 million.

The \$68.9 million FY 2016 Capital Budget focused on economic development, education, public works, finance initiatives, police and fire services, and parks. City bonding accounted for \$46.1 million, and State and Federal financing provided \$22.8 million.

As described in the Capital Improvement section, the FY 2017 Capital Budget and five-year plan focuses on education, economic development, public works, police and fire services, and parks.

<b>FY 2017</b>	
	<u><b>Amount</b></u>
City Bonding	\$ 46,185,000
State Funding - Non School Construction	44,735,604 <sup>(1)</sup>
State Funding - New School Construction	- <sup>(2)</sup>
State Funding - Adjusted School Construction Projects	-
Federal Funding	1,100,000
Enterprise Funding	2,250,000
<b>Total Capital Budget</b>	<b>\$ 94,270,604</b>

<sup>(1)</sup> Does not include school construction.

<sup>(2)</sup> Includes new State funded school projects.

Source: City of New Haven Adopted Budget Fiscal Year 2016-2017

The table below reflects the City's outstanding debt for FY ended June 30, 2012-2016.

**Table 15**  
**Outstanding Debt 2011-2016**  
**for Fiscal Years Ended June 30**

	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>
General Obligation Bonds	\$ 502,438,764	\$ 502,002,907	\$ 514,855,326	\$ 515,645,466	\$ 522,993,825
Short Term Debt	49,181,244	67,925,927	56,552,843	50,290,885	68,825,028
Other Long Term Debt	19,305,969	17,765,794	17,362,601	11,884,196	10,367,765
Gross Direct Debt	570,925,977	587,694,628	588,770,770	577,820,547	602,186,618
Gross Overall Debt	570,925,977	587,694,628	588,770,770	577,820,547	602,186,618
Deductions					
GNHWPCA	-	-	-	-	-
GNHWPCA Short Term Debt	-	-	-	-	-
Grants Receivable	44,053,538	39,494,765	34,668,231	28,387,548	24,107,993
Notes Receivable	49,181,244	67,925,927	56,552,843	50,290,885	68,825,028
<b>Net Direct Debt</b>	<b>\$ 477,691,195</b>	<b>\$ 480,273,936</b>	<b>\$ 497,549,696</b>	<b>\$ 499,142,114</b>	<b>\$ 509,253,597</b>

Source: City of New Haven, Department of Finance

The table below displays the long-term debt service schedule for outstanding general obligation bonds of the City issued for general, sewer, and education projects.

**Table 16**  
**City of New Haven**  
**Fiscal Year Long-Term Debt Service**  
**As of June 30, 2016**  
**General Obligation, Education and Sewers**

<u>Year</u>	<u>Principal</u>	<u>Interest</u> <sup>(1)</sup>	<u>Total</u>
2017	\$ 44,444,285.73	\$ 24,277,049.11	\$ 68,721,334.84
2018	44,516,050.06	21,984,430.41	66,500,480.47
2019	44,493,306.36	19,845,596.33	64,338,902.69
2020	43,892,512.48	17,857,342.47	61,749,854.95
2021	43,705,114.16	15,780,712.15	59,485,826.31
2022	43,138,341.63	13,781,865.44	56,920,207.07
2023	42,698,543.00	11,808,802.87	54,507,345.87
2024	42,275,370.80	9,763,294.58	52,038,665.38
2025	28,773,596.81	8,060,527.60	36,834,124.41
2026	22,384,797.83	6,856,217.67	29,241,015.50
2027	22,703,339.09	5,803,387.16	28,506,726.25
2028	20,933,755.35	4,789,194.68	25,722,950.03
2029	18,899,280.92	3,862,726.61	22,762,007.53
2030	16,414,918.01	3,012,722.66	19,427,640.67
2031	13,001,727.14	2,187,453.14	15,189,180.28
2032	11,766,417.61	1,594,750.37	13,361,167.98
2033	9,819,372.95	1,105,310.65	10,924,683.60
2034	7,810,000.00	685,500.00	8,495,500.00
2035	6,225,000.00	334,625.00	6,559,625.00
2036	3,580,000.00	89,500.00	3,669,500.00
<b>Total</b>	<b>\$ 531,475,730</b>	<b>\$ 173,481,009</b>	<b>\$ 704,956,739</b>

<sup>(1)</sup> Does not include the projected federal subsidy due on the \$41.13 million General Obligation Bonds, Issue of 2010, Series A-2 (Federally Taxable Build America Bonds - Direct Payment) issued on February 12, 2010 with a final maturity of February 1, 2030. This subsidy is subject to sequestration reductions of 7.3% in the current federal fiscal year and 6.8% for the federal fiscal year beginning October 1, 2016.

Source: City of New Haven, Department of Finance

### Short Term Indebtedness

Whenever any town or city in the State has authorized the issuance of general obligation bonds under the provisions of any public or special act, it may authorize the issuance of temporary notes in anticipation of the receipt of the proceeds from the sale of such bonds. The amount of such notes may equal but not exceed the amount of such bonds and can be renewed from time to time. Should the period between the date of the original notes and the maturity of the notes exceed two years, a payment of principal is required during the third and each subsequent year during which such temporary notes remain outstanding. Notes may not be renewed beyond ten years from the date of original issue. In addition, the General Statutes of Connecticut authorizes the City to borrow in anticipation of the receipt of State grants-in-aid.



## **School Construction Projects**

For school construction projects approved by the State Legislature prior to July 1, 1996, the State of Connecticut will reimburse the City for principal and interest on bonds issued for eligible school construction costs over the life of outstanding school bonds.

For projects approved on or after July 1, 1996, Section 10-287i of the Connecticut General Statutes provides for proportional progress payments for eligible school construction costs. The City will only be required to issue bonds for costs net of such progress payments. The City is currently reimbursed at the rate of approximately 79 percent. This percentage is recalculated by the State annually. For certain Charter and Magnet Schools the reimbursement rate is 90 percent. All of the current school projects under construction were approved after July 1, 1996 and are subject to progress payments.

School construction projects that were approved by the State on or after July 1, 1996 are subject to progress payments which reimburse the City for costs during construction. In order to facilitate cash flow, the City has issued a general obligation note in anticipation of the State grants under a tax-exempt revolving loan agreement (the "Agreement"). This general obligation note can accommodate the issuance of up to \$70,000,000 of grant anticipation notes under the Agreement which expires on May 14, 2017. As of June 30, 2016, the City has \$68,825,028 of notes outstanding under the Agreement.

## **Overlapping and Underlying Debt**

The City does not have any overlapping and underlying entities with power to incur debt. The City does not have any contingent liability to assume debt of the State or any such entity.

## **Authorized but Unissued Debt**

As of June 30, 2016 the City had \$216,847,456 of authorized but unissued debt for projects in the FY 2015-2016 capital budget and amounts remaining from previous capital budgets. A significant portion of authorized but unissued debt for school projects will not be issued and will be financed from school construction grants (see "School Construction Projects" above and Footnote 6 to Table 13 herein). Permanent financing of projects for currently authorized and unissued debt is expected to occur over a three-year period and will be timed to coincide with commencement of work.

## **Debt Statement**

The table on the following page sets forth categories of outstanding debt which have been issued or guaranteed by the City, or which are supported by the City's General Fund and are the responsibility of the City to repay. General obligation debt of the City is indebtedness to which the City has pledged its full faith and credit for the repayment of principal and interest.

Contingent liabilities of the City consist of New Haven Parking Authority revenue bonds and the Shubert Performing Arts Center management lease agreement which do not constitute a pledge of the full faith and credit of the City.

The Greater New Haven Water Pollution Control Authority (the "GNHWPCA" or the "Pollution Control Authority") is a regional water pollution control authority that owns and operates a wastewater collection and treatment system over the territory of four municipalities – New Haven, East Haven, Hamden and Woodbridge. The debt of the GNHWPCA is a special limited obligation of the Pollution Control Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or any of the member municipalities is pledged to the repayment of the GNHWPCA's debt.

The New Haven Solid Waste and Recycling Authority (the "NHSWRA" or the "Waste Authority") is a municipal resource recovery authority responsible for solid waste disposal, resource recovery and waste management in the City. The debt of the NHSWRA is a special limited obligation of the Waste Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or the City is pledged to the repayment of the NHSWRA's debt.

**Table 17**  
**City of New Haven**  
**as of June 30, 2016**

**GENERAL OBLIGATION DEBT**

General Purpose	\$ 230,556,063	
Schools	269,991,111	
Sewer	-	
Urban Renewal	<u>22,446,651</u>	
Subtotal General Obligation Debt	522,993,825	
Total General Obligation Debt		\$ 522,993,825

**SHORT-TERM DEBT**

Bond Anticipation Notes	-	
Short Term Notes	-	
Grant Anticipation Notes <sup>(1)</sup>	<u>68,825,028</u>	
Total Short Term Debt		68,825,028

**OTHER LONG-TERM DEBT**

Contractual Agreement Sewer (GNHWPCA) <sup>(2)</sup>	8,481,905	
Operating Lease Obligations <sup>(3)(4)</sup>	1,636,860	
Shubert Theater	<u>249,000</u>	
Total Other Long Term Debt		<u>10,367,765</u>

**GROSS DIRECT DEBT** \$ 602,186,618

**GROSS OVERALL DEBT** \$ 602,186,618

**DEDUCTIONS**

**EDUCATION**

Grants Receivable <sup>(1)</sup>	24,107,993	
Notes Receivable <sup>(1)</sup>	<u>68,825,028</u>	
Total Deductions		92,933,021

**NET DIRECT DEBT** \$ 509,253,597

<sup>(1)</sup> School Construction Grants receivable of \$92,933,021 are to be reimbursed by the State of Connecticut.

<sup>(2)</sup> This represents 40% of the Clean Water Fund debt previously in the City's name. On August 29, 2005 the City's Water Pollution Control Authority (WPCA) was sold to the Greater New Haven Water Pollution Control Authority (GNHWPCA). Upon the sale, GNHWPCA assumed all general fund debt of the City's WPCA. On June 14, 2008 this debt was transferred to the name of GNHWPCA. The City is contractually obligated to reimburse the Greater New Haven Water Pollution Control Authority under an agreement which requires the City to pay 40% of the Clean Water Fund debt issued for purposes of the Combined Sewer Overflow program.

<sup>(3)</sup> The City leases office space under non-cancelable operating leases. As of June 30, 2016 the total future minimum rental payments under these leases are as follows:

	<b>Fiscal Year</b>	<b>Principal</b>
	2017	740,390
	thereafter	<u>896,470</u>
Total		<u><u>\$ 1,636,860</u></u>

<sup>(4)</sup> All operating leases contain non-appropriation clauses.

Source: City of New Haven Department of Finance

## Debt Ratios

The table below sets forth certain debt ratios based upon the City's Debt Statement as of June 30, 2016.

**Table 18**  
**Debt Ratios**  
**Pro Forma as of June 30, 2016**

	<u>Amount</u>	<u>Debt Per</u> <u>Capita</u> <sup>(1)</sup>	<u>Percentage of Debt to Net</u> <u>Taxable Grand List</u> <sup>(2)</sup>	<u>Percentage of Debt to Full</u> <u>Value Grand List</u> <sup>(3)</sup>
Gross Direct Debt	\$ 602,186,618	4,621	9.89%	6.92%
Gross Overall Debt	602,186,618	4,621	9.89%	6.92%
Net Direct Debt	509,253,597	3,908	8.36%	5.85%

<sup>(1)</sup> The population of the City is from the 2015 Census estimate: 130,322

<sup>(2)</sup> The Net Taxable Grand List of the City dated October 1, 2014 is \$6,090,550,404.

<sup>(3)</sup> The full value of the taxable property of the City at October 1, 2014 is \$8,700,786,291.

Source: City of New Haven, Department of Finance

## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program of the City begins with departmental requests identifying the projects and providing an estimate of the cost and justification of the project. The departmental requests are transmitted to the Capital Projects Committee, which is composed of the Controller, two members of the Board of Alders (not from the same political party), a member of the City Plan Commission appointed by the Mayor, the Planning Director, and four citizen members appointed by the Mayor, whose terms run concurrently with the Mayor's.

**Table 19**  
**The Five Year Capital Plan**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Finance & Information Technology	\$ 2,400,000	\$ 2,500,000	\$ 7,550,000	\$ 7,600,000	\$ 7,600,000	\$ 27,650,000
Library	2,255,000	1,090,000	855,000	755,000	655,500	5,610,500
Parks	7,445,000	5,255,000	5,325,000	5,450,000	5,000,000	28,475,000
Police	1,160,000	1,285,000	1,260,000	1,185,000	1,085,000	5,975,000
Fire	2,000,000	1,810,000	1,905,000	1,900,000	1,900,000	9,515,000
Health & Welfare	357,570	455,000	390,000	315,000	200,000	1,717,570
Public Works	3,528,034	11,273,108	11,373,108	6,248,108	6,183,108	38,605,466
Engineering	13,975,000	35,850,000	6,650,000	6,650,000	6,650,000	69,775,000
Economic Development	11,350,000	11,375,450	11,059,518	11,031,250	10,830,000	55,646,218
Education	49,800,000	5,780,000	48,625,000	61,625,000	74,645,000	240,475,000
<b>Total Budget</b>	<b>\$ 94,270,604</b>	<b>\$ 76,673,558</b>	<b>\$ 94,992,626</b>	<b>\$ 102,759,358</b>	<b>\$ 114,748,608</b>	<b>\$ 483,444,754</b>
State Funding	\$ 44,735,604	\$ 14,673,108	\$ 26,651,108	\$ 41,073,108	\$ 51,617,720	\$ 178,750,648
Federal Funding	\$ 1,100,000	\$ 10,700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 13,900,000
Enterprise Funding	\$ 2,250,000	\$ -	\$ -	\$ -	\$ -	\$ 2,250,000
<b>Total City Budget</b>	<b>\$ 46,185,000</b>	<b>\$ 51,300,450</b>	<b>\$ 67,641,518</b>	<b>\$ 60,986,250</b>	<b>\$ 62,430,888</b>	<b>\$ 288,544,106</b>

Source: City of New Haven Office of Management and Budget

The Capital Projects Committee reviews and evaluates departmental requests and recommends a Capital Improvement Program to the Mayor not later than February 15<sup>th</sup> of each year. The Mayor shall prepare and submit a capital budget to the Board of Alders as part of the annual budget submission. After a public hearing, the Board of Alders adopts an ordinance appropriating funds for capital projects. The capital budget is primarily used to finance improvements with an average life of five years or more as well as large scale permanent improvements. Regular capital improvement programs for the maintenance of City streets, sewers, parks and for purchases of major equipment are also financed through the capital budget. Capital budget funding comes from the following three primary sources: The City's general obligation bonds, State resources and Federal resources. Below is a listing of recent projects to be funded from bonds of the City presented to the Capital Projects Committee.

#### **Selected Projects Included in the FY 2017 Capital Budget**

- \$13.9 million for the Engineering department for street and sidewalk reconstruction, various bridge projects, facility rehabilitation, and street light upgrades.
- \$11.3 million for economic development departments to support the various development projects throughout the City
- \$4.9 million for Education for other general improvements and upkeep to school buildings and equipment, including computers. Additionally, \$45 million has been appropriated for construction of the new Strong School at SCSU with \$34.3 million coming from the State.
- \$3.5 million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program.
- \$3.2 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.
- \$2.4 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
- \$2.2 million for the Library department for various upgrades and improvements.
- \$563,000 for various improvements at Tweed New Haven Airport.

### **RELATED AUTHORITIES**

#### **The New Haven Parking Authority**

The New Haven Parking Authority (the "Parking Authority") was created and established in 1951 by the General Assembly of the State. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five members appointed by the Mayor, not more than three of whom may be members of the same political party. The term of the appointed members of the Parking Authority is five years and one member's term expires on August 15 in each year. The term of the Traffic Engineer is indefinite. The daily operations of the Parking Authority are administered by its Executive Director.

The Parking Authority is authorized in the name of the City to acquire, construct, reconstruct, improve, operate and maintain parking facilities at such locations as shall be approved by the Board of Alders. Subject to authorization and approval by the Board of Alders, the Parking Authority has the power to acquire real property or any interest therein for parking facilities by purchase, gift, devise, lease or by exercise of the power of eminent domain. The Parking Authority owns and operates or leases (as lessor) six major multi-level, drive-in parking garages primarily serving the downtown areas of the City, comprising approximately 6,456 parking spaces. In addition, the Parking Authority owns or leases (as lessee) and operates sixteen surface parking lots serving the downtown and other areas of the City of 2,191 spaces and eight peripheral facilities serving residential areas of the City of 219 spaces. The aggregate number of parking spaces of all of the Parking Authority's garage facilities is 8,866.

The Parking Authority is also authorized, subject to authorization and approval of the Board of Alders, to finance its various projects through the issuance of general obligation bonds of the City, revenue bonds or bond anticipation notes, which may be secured using revenues from the following sources: ad valorem tax levies; parking

fees and special charges from the use of parking facilities; appropriations duly authorized from the General Fund of the City; assessment of benefits against owners of real estate specifically benefited by any parking facility; gifts; bequests; devises; grants in aid or otherwise; and on-street parking revenues. The Board of Alders, in authorizing the issuance of revenue bonds, also fixes the initial schedule of rates, rentals, fees and other charges for the use of the parking facilities to be financed.

The Parking Authority is accounted for as a component unit in accordance with generally accepted accounting principles. By ordinance, annual audits must be conducted by an independent certified public accountant chosen by the Parking Authority.

On August 1, 2014, the City issued \$9,900,000 of Parking System Revenue Bonds, Series 2014. The bonds are secured by unrestricted net revenues of certain Parking Authority parking facilities. The bonds are fixed rate and were issued to refund the City's outstanding Parking System Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), terminate an interest rate swap entered into in connection with the Series 2012 Bonds and fund certain new projects.

### **The New Haven Solid Waste and Recycling Authority**

The NHSWRA was created by Board of Alders vote on March 31, 2008. The NHSWRA is a municipal resource recovery authority whose responsibility is to provide the essential public and government function of furthering the health, safety and welfare of its residents.

The NHSWRA is specifically responsible for the operations and management of the City's transfer station for solid waste disposal and recycling.

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# city of New Haven

CONNECTICUT

## **Fiscal Year 2015**

### **Comprehensive Annual Financial Report**

**July 1, 2014 to June 30, 2015**



# **CITY OF NEW HAVEN, CONNECTICUT**

## ***Comprehensive Annual Financial Report***



***Fiscal Year 2015***

**July 1, 2014 – June 30, 2015**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**CITY OF NEW HAVEN, CONNECTICUT**

**FOR THE FISCAL YEAR ENDED**

**June 30, 2015**



Prepared by the Department of Finance

Daryl Jones, Controller  
Carleen Laffitte, Chief Accountant

Harold Brooks, Senior Accountant  
David Schwartz, Accountant IV  
Linda Robinson, Accountant II  
Jean Iannuzzi, Financial Analyst

Maria Hunt, Accountant I  
Andre Wilson, Audit Coordinator  
Joseph Montagna, Treasury  
Investment Analyst

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#### Exhibit

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## Introductory Section

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**CITY OF NEW HAVEN**  
**DEPT. OF FINANCE**  
**OFFICE OF THE CONTROLLER**



**TONI N. HARP.**  
*Mayor*

**Daryl H. Jones**  
*Controller*

**200 ORANGE STREET**  
**ROOM 301**  
**NEW HAVEN, CONNECTICUT 06510**  
**Tel. (203) 946-8300- Fax. (203) 946-7244**

February 25, 2016

To the Honorable Mayor and Board of  
Aldermen of the City of New Haven  
New Haven, Connecticut

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of New Haven's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

New Haven was founded in 1638, and incorporated as a city in 1784. The City is located in the heart of the northeast corridor between New York City (75 miles away) and Boston (140 miles away). It occupies 20 square miles and serves a population of 130,000. The City is empowered to levy a property tax on real property, personal property and motor vehicles located within its boundaries.

The City is governed primarily under the Charter which provides for the election, organization, powers and duties of the legislative branch (the "Board of Aldermen"), the powers and duties of the executive branch and the City's fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions. The City/Town Clerk serves a term

concurrent with that of the Mayor and is elected city-wide. The Board of Aldermen performs all legislative duties and its President serves as Acting Mayor in the absence of the Mayor.

The Charter provides that the City maintain a variety of public services including the protection of persons and property, maintenance of streets and establishment of health, recreation and welfare facilities. The Constitution of the State of Connecticut establishes free public elementary and secondary education as the responsibility of the State. This responsibility is legislatively delegated to the City acting through its Board of Education. Municipal services provided by the City include: police and fire protection; health care; certain welfare programs; construction and maintenance of streets, highways and bridges; trash collection and disposal; provision for recreational programs and facilities; the acquisition and maintenance of City real and personal property, including vehicles; maintenance of building codes and regulation of licenses and permits; maintenance of records and library services; collection of taxes and revenues; purchase of supplies and equipment; construction and maintenance of airport facilities; and maintenance and operation of on-street parking facilities.

Other governmental authorities provide service within the City, namely the New Haven Parking Authority, and the New Haven Solid Waste and Recycling Authority. The New Haven Parking Authority is an agency of the City established in 1951 to operate certain parking facilities for the City, as well as other parking facilities that are privately owned. The New Haven Solid Waste and Recycling Authority was established in 2008 and is specifically responsible for the operation and management of the City's transfer station for solid waste disposal and recycling.

The Board of Aldermen is required to adopt a budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. The annual budget serves as the foundation for the City's financial planning and control. Proposed commitments in excess of appropriations are not processed until additional appropriations are made available. The Board of Aldermen may establish by ordinance, from time to time, an amount of appropriation under the approved budget which the Controller, with the approval of the Mayor, shall be authorized to transfer between line items within any department or from one department to another. No such transfer in excess of such authorized amount shall be implemented unless it shall be proposed by the Mayor and approved by the Board of Aldermen, provided that an increase in the total appropriation shall be approved only by the vote of two-thirds of the entire Board of Aldermen. Budgetary revenues and expenditures are monitored by the Office of Management and Budget.

## **Local Economy**

New Haven is the social and economic center of southern Connecticut. It is among the fastest growing cities in New England in terms of both population and economic significance. Economic drivers in education, the life sciences, advanced manufacturing, IT and supporting service industries are supporting new job growth. New Haven's job base grew 2% in 2011 (twice the state average) and there are now 79,314 jobs in the City, with nearly 356,898 in the New Haven MSA.

New Haven is a dynamic and growing city, placing its residents, employees and visitors at the cross-section of arts, culture, education, health care, and business. As the second largest city in Connecticut, with a population of 130,282 (2014 est.), New Haven is the economic center of a broader MSA region of 861,277 people (2014 est.), and is home to an evolving mixed-use urban core, strong and diverse communities and world-class institutions. While already well-established in New Haven, the so called "eds and meds" (medical, bio-science, and research/development) sector continues to grow. Yale University, Yale Medical School, and the Yale-New Haven Hospital give the City a stable and world-class participation in these sectors. With ample spin-offs from these institutions, entrepreneurship and bioscience have grown exponentially, and are growing in New Haven. Already, 39 of Connecticut's 52 biotech firms are located in the Greater New Haven area.

In the City of New Haven proper, the median household income is \$38,482 as compared to \$58,571 in the entire New Haven metro area. Due to the large number of undergraduate and graduate students residing in New Haven, average household income tends to skew low in official reporting. However, the external support and income sources for Yale University students as well as students from Albertus

Magnus College and Southern Connecticut State University give these students far greater purchasing power than official figures would indicate.

Healthcare, Biotechnology and Life Sciences are central to New Haven's economy and have been the primary driver of recent employment and tax base growth. These industries are centered on two core institutions: Yale-New Haven Hospital and Yale University, particularly the Yale School of Medicine, both of which are world leaders in healthcare, research and education that attract patients, doctors and students from across the world, region and state. These institutions form the center of a broader regional biotech and life sciences cluster consisting of 52 firms, 40 of which are located in the City itself, primarily in the Medical District around Yale-New Haven Hospital and Yale School of Medicine as well as Science Park, located just north of Yale University's main campus.

Yale University, Southern Connecticut State University, Albertus Magnus College, and Gateway Community College all call New Haven home and are major drivers for the local and regional economy. In the New Haven region, educational services employ 24,000 people. More importantly, however, these schools are expanding. Yale University completed construction of its new School of Management, which enrolled more than 500 students. In addition, Yale is building two new residential colleges, which will cost \$500 million to construct and add 800 additional students, faculty and staff. Gateway Community College with its new Downtown campus was recently completed and has brought 7,328 students and 350 faculty to the heart of the City. New Haven's universities provide a platform from which the City can compete in the global arena. For example, Yale has \$360 million in federal research and development obligations, which ranks 14th nationwide, and its Cooperative Research Technology Transfer program has been instrumental in attracting new biotechnology companies to the region. Additionally, Yale has produced some 48 new start-up companies in Greater New Haven. These companies have attracted over \$3.6 billion in private capital.

Despite significant de-industrialization, manufacturing and food services remain an important component of New Haven's overall economy, but with fewer employees, far greater specialization, and more advanced fabrication methods. New Haven is home to several specialty manufacturers, such as Assa Abloy, a global leader in lock production, Uretek, a high tech fabric manufacturer, and Space Craft Manufacturing, a precision parts manufacturer for jet engines. The City also contains many specialized food services, including bakeries, meat packers, distributors and food wholesalers.

Professional and government services are also important to the local economy. With proximity to a large number of federal and state administrative agencies and federal and state courts, New Haven has a large concentration of attorneys and legal service companies. There are 110 law firms in the City, representing approximately 10% of the state total. In addition, there are some 75 architecture firms employing more than 500 professionals and support staff. The government sector includes major federal facilities, mainly at the Giaimo Federal Services Building in Downtown. The Federal Bureau of Investigation, Naval Reserve Center and United States Coast Guard also have stand-alone regional centers in the City.

In a recent study conducted for the Economic Development Corporation of New Haven, it was estimated that there are approximately 7,500 freelance or self-employed workers in New Haven, a significant addition to the City's jobs base, and one that is typically elusive to quantify. These workers are comprised mostly of the telecommuting spouses of academic appointments, sector professionals, and consultants with a broad regional client base.

### **Long-Term Financial Planning**

As a part of the annual budget process, the Mayor prepares and presents a five year capital plan. This plan identifies costs and financing methods for those capital projects that the City anticipates funding over the next five years. The current five year capital plan details projects through fiscal year 2019. The plan provides for the needs not only of the general government but also the Board of Education and addresses such issues as infrastructure, major equipment replacement, educational facilities, public safety, and economic development initiatives. This plan projects total project costs over the five year period of approximately \$239 million. Financing, net of state and federal project grants, for these projects would



require debt proceeds of approximately \$177 million. The financial impact of these initiatives is reviewed by the Board of Aldermen and the Capital Projects Committee.

### **Relevant Financial Policies**

The City and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and to ensure budgetary control and compliance with approved budgets. All annual budgets are recommended by the Mayor to the Board of Aldermen, which approves the final budget. Purchase orders are encumbered and considered as expenditures for budget reporting purposes to ensure the availability of budget appropriations. Purchase orders are not released unless funding is available. Open encumbrances, reflecting goods and services not received are shown as a reservation of fund balance in the financial statements under generally accepted accounting principles (GAAP).

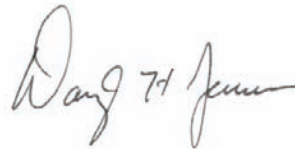
### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Haven for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Department of Finance. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report.

Respectfully submitted

A handwritten signature in dark ink, appearing to read "Daryl H. Jones", is positioned above the printed name.

Daryl H. Jones  
Controller

**City of New Haven, Connecticut**

**Principal City Officials  
June 30, 2015**

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**Mayor**

**Toni N. Harp**

**Mayors Cabinet**

Tomas Reyes, Chief of Staff  
John Rose, Acting Corporation Counsel  
Garth Harries, Superintendent of Schools  
Joe Clerkin, Budget Director  
Daryl H. Jones, Controller  
Michael Carter, Chief Administrative Officer  
Matthew Nemerson, Economic Development Administrator  
Martha Okafor, Community Services Administrator

**Board of Alders**

Tyisha Walker, President  
Jeanette L. Morrison, President Pro Tempore  
Alphonse Paolillo Jr., Majority Leader  
Santiago Berrios-Bones, Deputy Majority Leader

**Ward**

1. Sarah Eidelson
2. Frank E. Douglas, Jr.
3. Latrice E. James
4. Andrea Jackson-Brooks
5. Johnny Dye
6. Dolores Colón
7. Abigail Roth
8. Aaron Greenberg
9. Jessica Holmes
10. Anna Festa

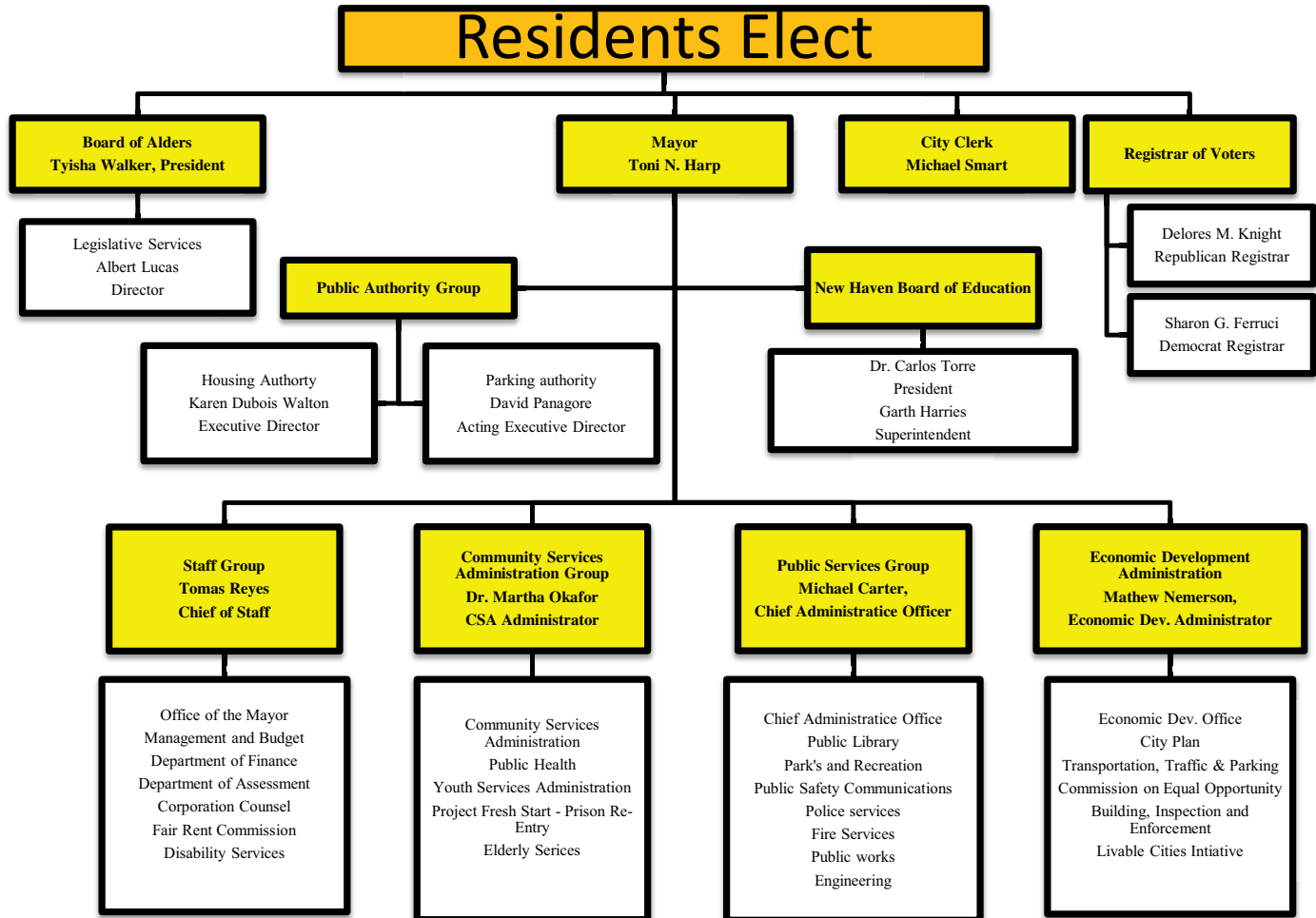
**Ward**

11. Barbara Constantinople
12. Richard Spears
13. Rosa Santana
14. Santiago Berrios-Bones
15. Ernie G. Santiago
16. Michelle Perez
17. Alphonse Paolillo, Jr.
18. Salvatore E. DeCola
19. Alfreda Edwards
20. Delphine Clyburn

**Ward**

21. Brenda Foskey-Cyrus
22. Jeanette L. Morrison
23. Tyisha Walker
24. Evette Hamilton
25. Adam J. Marchand
26. Darryl Brackeen, Jr
27. Richard Furlow
28. Claudette Robinson-Thorpe
29. Brian Wingate
30. Carlton Staggers

# City of New Haven Organizational Structure





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of New Haven  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is fluid and cursive.

Executive Director/CEO

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## Financial Section

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RSM US LLP

## Independent Auditor's Report

To the Honorable Mayor and Board of  
Aldermen of the City of New Haven  
New Haven, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of New Haven, Connecticut (the City), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New Haven Parking Authority, a component unit of the City, which represents 84 percent, 94 percent and 79 percent respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Haven Parking Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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AUDIT | TAX | CONSULTING

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter—Adoption of Standards**

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, which resulted in the City restating net position for recognition of the City's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post-employment schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut  
February 25, 2016

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**City of New Haven, Connecticut  
Management's Discussion and Analysis, Unaudited  
June 30, 2015**

As management of the City of New Haven, Connecticut, we offer readers of the City of New Haven's financial statements this narrative overview and analysis of the financial activities of the City of New Haven for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- As of July 1, 2014, the City was required to implement GASB Statement No. 68 related to pensions. This Statement required that the unrestricted net position of the statement of net position as of July 1, 2014 be restated and decreased in the amount of \$540,557,333. The decrease did not result from a change in benefits offered to employees, only the recognition of the total liability on the statement of net position.
- The City finished FY 15 with a General Fund (primary operating fund) budgetary operating surplus of \$1,703,954 (see exhibit D).
- As of the year-end, the General Fund had a fund surplus of \$1,726,001 (see exhibit C). This was an improvement from a fund balance of \$22,047 at the close of FY 14.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$52,879,825, an increase of \$3,392,798 in comparison with the prior year (see exhibit C).
- On a government-wide basis, the City's total net position was \$215,751,958 (see Table 1). The decrease is mainly due to the increase in the net pension liability and other long-term liabilities.
- The City's mill rate was 41.55 (per thousand) in FY15 which was an increase over the 40.80 mill rate in FY 13-14.
- The City's FY15, total net taxable grand list increased to \$6,115,399,159 as compared to FY14 total net taxable grand list of \$6,093,436,982.
- As of the year-end, the Education Grant Fund reported a fund balance of \$1,577,218. This is a decrease of \$1,586,512 from the fund balance of \$3,163,730 at the close of FY 14 (see exhibit D), mainly due to an increase in spending.
- As of the year-end, the Capital Projects Fund reported a fund balance of \$43,104,595 which is \$2,890,221 more than the beginning of the year (see exhibit D). Major impacts were intergovernmental revenues for school construction from state, issuance of bonds and expenditures mainly for school construction.

**Overview of Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits A and B, respectively) provide information about the activities of the City as a whole and present a longer term view of the City's finances. Fund financial statements are presented in Exhibits C to J. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of New Haven's finances, in a manner similar to a private sector business.

The analysis of the City as a whole begins with Exhibits A and B of this Financial Report. The statement of net position presents information on all of the City of New Haven's assets and liabilities, with the difference between the two reported as net position. The statements reflect the accrual basis of accounting, which is similar to accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements report the City's assets and changes in them. The City's net position, the difference between assets and liabilities are a way to monitor the City's financial health. Over time, increases and decreases in net position does serve as an indicator of whether the financial position of the City of New Haven has changed.

In the statement of net position and the statement of activities the City reports its activities:

**Governmental Activities** - The City of New Haven's basic services are reported here, including education, public safety, public works, health and welfare, culture and recreation and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

**Business Type Activities** - The business type activities of the City of New Haven consist of the Golf Course Enterprise Fund, Skating Rink Enterprise Fund, and the Radio Tower Enterprise Fund.

## **Fund Financial Statements**

The fund financial statements begin with Exhibit C and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by Charter. However, the Board of Aldermen establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments). The City's funds are divided into three categories: governmental, proprietary, and fiduciary.

**Governmental Funds (Exhibits C, D and E):** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in Exhibit E.

**Proprietary Funds (Exhibits F, G and H):** The City has two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Golf Course, Skating Rink and Radio Tower funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Self-Insurance Reserve, Medical Self-Insurance and Workers Compensation Self-Insurance. Because these funds predominately benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

The City has two component units. The New Haven Parking Authority and the New Haven Solid Waste Authority, and independent audits are available for these component units.

**Fiduciary Funds (Exhibits I and J):** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's governmental or business type activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

### Government-Wide Financial Analysis

The City of New Haven's combined net position decreased from a year ago by (\$27,631,501), after restatement, to \$215,751,958. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Approximately \$14.8 million of the government-wide net position are restricted for governmental grants and a permanent fund.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$215,751,958 at the close of the fiscal year ended June 30, 2015. The decrease was due to an increase in the net pension liability.

By far the largest portion of the City's assets reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment, construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of New Haven, Connecticut  
Summary Statement of Net Position  
June 30, 2015 and 2014**

**Table 1**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 204,197,106	\$ 214,129,574	\$ 783,119	\$ 791,562	\$ 204,980,225	\$ 214,921,136
Capital assets	1,470,555,042	1,462,986,127	-	-	1,470,555,042	1,462,986,127
<b>Total assets</b>	<b>1,674,752,148</b>	<b>1,677,115,701</b>	<b>783,119</b>	<b>791,562</b>	<b>1,675,535,267</b>	<b>1,677,907,263</b>
Deferred amounts	3,787,529	2,396,022	-	-	3,787,529	2,396,022
<b>Total deferred outflows of resources</b>	<b>3,787,529</b>	<b>2,396,022</b>	<b>-</b>	<b>-</b>	<b>3,787,529</b>	<b>2,396,022</b>
Other liabilities	161,559,427	145,419,904	313,760	180,415	161,873,187	145,600,319
Long-term liabilities outstanding	1,369,154,689	737,393,563	-	-	1,369,154,689	737,393,563
<b>Total liabilities</b>	<b>1,530,714,116</b>	<b>882,813,467</b>	<b>313,760</b>	<b>180,415</b>	<b>1,531,027,876</b>	<b>882,993,882</b>
Unavailable revenues	3,888,782	13,368,611	-	-	3,888,782	13,368,611
<b>Total deferred inflows of resources</b>	<b>3,888,782</b>	<b>13,368,611</b>	<b>-</b>	<b>-</b>	<b>3,888,782</b>	<b>13,368,611</b>
Net position:						
Net investment in capital assets	918,930,231	952,587,372	-	-	918,930,231	952,587,372
Restricted	13,528,982	20,765,758	-	-	13,528,982	20,765,758
Unrestricted	(717,176,614)	(190,023,485)	469,359	611,147	(716,707,255)	(189,412,338)
<b>Total net position</b>	<b>\$ 215,282,599</b>	<b>\$ 783,329,645</b>	<b>\$ 469,359</b>	<b>\$ 611,147</b>	<b>\$ 215,751,958</b>	<b>\$ 783,940,792</b>

The change in governmental net position is illustrated below:

City of New Haven, Connecticut  
Summary Statement of Activities  
For the Years Ended June 30, 2015 and 2014

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 40,886,610	\$ 35,291,621	\$ 1,175,155	\$ 1,078,769	\$ 42,061,765	\$ 36,370,390
Operating grants and contributions	327,560,388	309,425,898	-	-	327,560,388	309,425,898
Capital grants and contributions	38,134,971	30,467,436	-	-	38,134,971	30,467,436
General Revenues:						
Property taxes	251,874,699	245,329,193	-	-	251,874,699	245,329,193
Grants and contributions not restricted to specific programs	61,506,528	55,924,054	-	-	61,506,528	55,924,054
Investment earnings	(7,977)	56,231	-	25	(7,977)	56,256
<b>Total revenues</b>	<b>719,955,219</b>	<b>676,494,433</b>	<b>1,175,155</b>	<b>1,078,794</b>	<b>721,130,374</b>	<b>677,573,227</b>
<b>Expenses:</b>						
Program Expenses:						
General government	45,019,352	42,374,815	-	-	45,019,352	42,374,815
Education	471,239,560	441,022,674	-	-	471,239,560	441,022,674
Public Safety	118,802,515	103,204,821	-	-	118,802,515	103,204,821
Public Works	36,357,486	36,849,330	-	-	36,357,486	36,849,330
Public Services	35,959,603	37,089,015	-	-	35,959,603	37,089,015
Economic Development	14,227,659	20,216,634	-	-	14,227,659	20,216,634
Interest on long-term debt	25,948,757	25,334,747	-	-	25,948,757	25,334,747
Business type	-	-	1,206,943	811,193	1,206,943	811,193
<b>Total expenses</b>	<b>747,554,932</b>	<b>706,092,036</b>	<b>1,206,943</b>	<b>811,193</b>	<b>748,761,875</b>	<b>706,903,229</b>
<b>Change in net position</b>	<b>(27,599,713)</b>	<b>(29,597,603)</b>	<b>(31,788)</b>	<b>267,601</b>	<b>(27,631,501)</b>	<b>(29,330,002)</b>
Transfers	110,000	110,000	(110,000)	(110,000)	-	-
<b>Net Position, beginning*</b>	<b>242,772,312</b>	<b>812,817,248</b>	<b>611,147</b>	<b>453,546</b>	<b>243,383,459</b>	<b>813,270,794</b>
<b>Net Position, ending</b>	<b>\$ 215,282,599</b>	<b>\$ 783,329,645</b>	<b>\$ 469,359</b>	<b>\$ 611,147</b>	<b>\$ 215,751,958</b>	<b>\$ 783,940,792</b>

\* restated for the adoption of GASB No. 68

## Expenses and Program Revenues – Governmental Activities

Governmental activities' revenues totaled approximately \$720 million for fiscal year 2015. Operating grants and contributions are the largest revenue source for the City and represent 45.5% of the governmental revenues. Property taxes are the City's second largest revenue and represent 35% of the governmental revenues. Grants and contributions not restricted to specific programs represent 8.5%.

On an overall basis revenues increased by \$43.6 million over FY 14. Property taxes increase by \$6.8 million, Operating grants and contributions increased by \$18.1 million while capital grants and contributions increased by \$7.7 million.

## Expenses

Governmental expenses totaled \$748.7 million for the fiscal year. Of the expenditures, 63% is related to education; 16% is related to public safety; 6% to general government; and 5% to public services.

Education expenses increased 7% while public safety increased 15% and economic development decreased by 29%, mainly due to the many projects ongoing in the City and overtime.

## General Fund: Fund Balance, Ratings and City Debt

The year ending audited General Fund-Fund balance is \$1,726,001 with no additional portion of fund balance being designated as "Nonspendable" (see page 33 for definition). The FY 14 fund balance was \$22,047.

The major credit rating agencies look to fund balance as a barometer of fiscal health for the City. These rating agencies rate the risk for investors willing to buy debt issued for the purpose of financing the City's capital projects. During 2015, Standard & Poor's upgraded its rating to A- from BBB+. Fitch retained its A-rating and removed its negative outlook replacing it with a stable outlook and Moody's affirmed its A3, stable outlook.

In conjunction with the City's sale of \$46,700,000 in general obligation bonds in August 2015, all three ratings agencies rated the City as follows:

Moody's Investment Services	A3 rating
Standard and Poor's	A- rating
Fitch Investors Services	A- rating

All three rating agencies identified as strengths the City's economic base anchored by the higher education presence of Yale University and other education institutions, the strong presence of medical, healthcare, pharmaceuticals and biotechnology. Sizeable ongoing economic developments that should continue to bolster the property tax base and strong property tax collections were also cited as favorable factors.

The City's bonds outstanding, as of June 30, 2015 totaled \$515,645,466 compared to June 30, 2014 total of \$514,855,326.

### Bonds Outstanding at Year-End

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June 30, 2015	\$ 515,645,466
June 30, 2014	\$ 514,855,326
June 30, 2013	\$ 502,002,907
June 30, 2012	\$ 503,382,312
June 30, 2011	\$ 499,238,340
June 30, 2010	\$ 511,287,768
June 30, 2009	\$ 501,192,130
June 30, 2008	\$ 497,007,908
June 30, 2007	\$ 490,896,510
June 30, 2006	\$ 503,307,879
June 30, 2005	\$ 525,278,746
June 30, 2004	\$ 500,848,442
June 30, 2003	\$ 428,682,276

The City's current debt service requirements attribute 58% of its costs to the City's Board of Education (includes both school construction and non-school construction capital costs) and 42% of its cost to other City capital expenses.

Additional information on the City's long-term debt can be found in Note 10.

### Capital Assets

At June 30, 2015 the City had \$1.5 billion invested in a broad range of capital assets, including land, construction in process, buildings, vehicles and equipment, roads, bridges and storm sewer lines.

#### City of New Haven, Connecticut Capital Assets (Net of Depreciation)

**Table 3**

	2015	2014
Land	\$ 44,140,306	\$ 44,140,306
Construction in process	64,826,111	39,810,516
Land improvements	8,015,414	6,445,314
Building and improvements	1,211,506,275	1,240,288,848
Machinery and equipment	25,512,298	17,130,679
Vehicles	9,769,206	8,791,101
Infrastructure	106,785,432	106,379,363
<b>Total</b>	<b>\$ 1,470,555,042</b>	<b>\$ 1,462,986,127</b>

Major projects during FY15 included commitments for Economic Development, Engineering, Parks, Technology and Education.

Additional information on the City's capital assets can be found in Note 8.

### FY15 General Fund Budget

The following table summarizes the General Fund operating results for FY15:

	Original Budget	Final Budget	Actual	Positive (Negative) Variance
Revenues	\$ 508,339,120	\$ 508,339,120	\$ 511,229,237	\$ 2,890,117
Expenditures	508,339,120	508,339,120	509,525,283	(1,186,163)
Surplus/(Deficit)	\$ -	\$ -	\$ 1,703,954	\$ 1,703,954

The budget increased by 2.2% or \$10.9 million over the previous year, and the mill rate was 41.55 mills which was an increase of 1.84% or 0.75 mills. Budgeted property tax revenue increased by \$6.3 million due to the millage increase. The revenue budget reflected the State approved budget which maintained core Education Cost Sharing funding and increased all other state revenue by \$5 million primarily in State PILOTS for State property and Colleges & Hospitals. The revenue budget contained no one time revenue and it saw several line items adjusted downwards to reflect actual expenditures from the prior year. These included modest decreases in parking tag receipts, Controllers miscellaneous and PILOT payments from the completion of the Ninth Square abatement period.



In terms of expenditures, much of the FY15 budgeted growth fell in a small number of areas. Major increases included an increase of \$3.6 million for Debt Service, pensions and FICA/social Security increased by \$1.7 million, medical benefits by \$1.9 million, Salary increases for previously settled labor contracts increased by \$2.6 million, contract reserve for open contacts was included in the budget at \$1 million and funding for Rainy Day Fund replenishment were included at \$1 million.

The City met its annual required contribution (ARC) to both its pension funds.

As the fiscal year progressed, there were many areas of change from the original budget. Some of these factors, both expenditure and revenue are highlighted below:

### **Expenditures**

The expenditure budget experienced several significant variances and ended the year \$1,186,162 over budget.

On January 7, 2014 the Board of Alders approved a budget transfer of \$14,504,319, in savings arising from the Bond Sale Committee's approval on August 20, 2014 of a re-funding of previously issued debt that led to cash flow savings in the FY 14-15 debt service line item. These savings were designated by the Board to be applied to eliminate negative funds balances in the Self Insurance Fund (\$7.4) million and medical Self Insurance Fund (\$6.4) million with the remaining balance being used to enhance the City's Rainy Day fund.

Most General Fund Departments remained within budget. The most notable exception being the Fire Department which experienced high levels of overtime spending. Three class of new trainees have been hired to reduce this problem. Departments or functions which performed significantly under budget included the Finance Department and the Workers Compensation program as expenditures were significantly improved from the prior year and under budget.

### **Revenues**

The revenue budget exceeded budget by \$2,890,115 due primarily to building permit revenue collections totaling \$17,446,258 exceeded the budget of \$10,000,000 by \$7,446,258. This was primarily due to the beginning of construction on the long planned new residential College at Yale University which generated over \$7m in building permit revenue.

**Taxes.** Property Taxes did not achieve budget even as the overall collection rate slightly decreased but remained at a very strong 98.32%. Real Estate property taxes, the largest tax roll, achieved a collection rate of 98.74% which was an increase over 98.70% in FY 14. The shortfall to budget resulted from assessment appeal decisions resulting primarily from appeals arising from the 2011 revaluation being adjudicated in FY 15 with a greater dollar reduction than had been anticipated.

**State aid.** Actual State aid received was (\$3.9) million less than budget and was attributable to several line items. Amongst the negative variances was a shortfall in the State's reimbursement of school construction costs by (\$1,675,857). In addition, the mid-year notification of the elimination of the Excess Cost Grant, School Transportation resulted in not receiving (\$1,330,286) and Municipal Revenue Sharing wasn't included in the State's budget resulting in a City shortfall of (\$1,002,745) These shortfalls were somewhat offset by increases in PILOT: Colleges & Hospitals being over budget \$774,232 and the Distressed Cities exemption exceeding budget by \$228,148.

**Other Items.** Other noteworthy variances included, parking tags collections (\$375,717) less than budget, parking meter receipts exceeded budget by \$318,684 as well as \$1,251,358 in premium received from the issuance of debt in the 2014 Series B transaction.

## **Internal Service Funds**

The City's internal service funds are for Public Liability Self-Insurance, Medical Self-Insurance and Worker's Compensation Self-Insurance.

### **Self-Insurance Reserve Fund**

The City's Self-Insurance Reserve Fund has a negative net position of \$3.9 million, which is nearly entirely attributed to case reserves. During FY 15 re-funding cash flow savings of \$7.4 million were designated by the Board of Alders to eliminate the previous non-case reserve negative balance. Additionally the City has introduced and maintained many risk control programs to its various City agencies in order to limit its risk. Most importantly, the City has worked steadfastly on work zone safety including street and road construction, driver training and conducts safety meetings with all of its City agencies. Additionally, the City maintains General Liability and Public Officials Liability insurance coverage, paying in excess of \$1 million annually in insurance premiums.

### **Medical Self-Insurance**

As a self-insured entity, the City covers all associated costs for its employees' health benefits. Anthem Health Care Plans is the third-party administrator and the City uses the Anthem Health Care network. The Medical Self-Insurance Fund ended with a deficit of (\$3,584,025) for the year ending June 30, 2015. During FY 15, re-funding cash flow savings of \$6,377,866 were designated by the Board of Alders to eliminate the negative fund balance previously existing in the fund. Periodically, the City solicits proposals from insurance companies interested in providing excess "stop-loss" medical benefit insurance. The City has been able to obtain this insurance from Anthem for FY15 which combines an individual stop loss threshold of \$500,000 with an aggregate threshold of \$1.5 million for the cumulative value of all claims in excess of \$500,000. Additionally, Anthem and Yale New Haven Hospital have partnered to provide the City with a robust employee wellness plan that seeks to promote healthy lifestyles and health awareness to City employees and their families.

### **Workers Compensation Self Insurance**

The City and its third party Administrator (CT. Interlocal Risk Management Agency) oversee and administer the City's workers compensation and risk management programs. Through aggressive employee training and regular Safety Committee meetings at each of the City's major Department's workers Compensation costs have decreased slightly resulting in an operating surplus of \$28,472 which increases fund balance to \$70,030.

### **Capital Project Funds**

The City and Board of Education's capital projects are funded through the City's Capital Budget. Funds are borrowed to finance the cost of capital improvements throughout the City and Board of Education and for the City's share of the cost for the school construction program.

The Controller's Office enforces budgetary controls in its administration of capital projects. All capital expenditures must be appropriate in their use as stated in the capital funds narrative. The City implemented the Capital Funds Borrowing Plan in fiscal year 2003. The plan calls for annual reviews of all outstanding capital appropriations for their importance and priority. It also defines the life of a capital appropriation and establishes procedures so that capital borrowings meet the financial parameters established in the Capital Funds Borrowing Plan. The review of capital appropriations successfully resulted in the closing out of various capital accounts when projects were completed and funds remained unspent and un-obligated. In FY 2015, Capital Project Funds collectively had a net fund balance of \$43,104,595 which was an increase from the prior year fund balance of \$40,214,374.

## Education Grants

The City's Education Grant Funds reported revenues of \$95.5 million and expenses, revenues and other financing sources totaling \$99.9 million for a net negative operating result of \$1,586,512 and an ending fund balance of \$1,577,218.

## Tax Collections

**Current Taxes.** The City's tax collection rate for FY15 was 98.32%, a decrease from the prior year's rate of 98.35%. Total collections on current (Grand List 2013) taxes were as follows:

Real Estate	\$ 205,705,091
Personal Property	25,673,707
Motor Vehicle	13,952,367
Supplemental Motor Vehicle	2,543,569
Total	<u>\$ 247,874,734</u>

## Conclusion

The preparation of this report could not have been accomplished if it were not for the dedicated service of the staffs of the Department of Finance, Office of Management and Budget and members of other City departments who assisted in its compilation. I extend my appreciation to each of these individuals, and to Mayor Toni N. Harp Board of Aldermen President Jorge Perez, Finance Committee Chair Andrea Jackson-Brooks and the Board of Alders for their interest and support in the conducting of the financial operations of this City in a responsible and progressive manner.

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## **Basic Financial Statements**

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**Statement of Net Position**  
**June 30, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total *	Parking Authority	Solid Waste Authority
<b>Assets</b>					
Cash and cash equivalents	\$ 62,393,596	\$ 786,636	\$ 63,180,232	\$ 3,148,506	\$ 1,549,651
Investments	9,911,129	-	9,911,129	-	-
Receivables (net of allowance for uncollectible)	78,729,724	55,388	78,785,112	1,618,913	916,768
Inventories	68,206	-	68,206	-	-
Prepaid expenses and other assets	-	-	-	86,537	-
Due from component units	201,674	-	201,674	-	-
Internal balances	58,905	(58,905)	-	-	-
Restricted cash and cash equivalents	28,101,357	-	28,101,357	20,253,422	-
Restricted investments	-	-	-	2,910,102	3,094,722
Long-term intergovernmental receivables	24,732,515	-	24,732,515	-	-
Capital assets not being depreciated	108,966,417	-	108,966,417	5,067,296	2,455,000
Capital assets being depreciated, net	1,361,588,625	-	1,361,588,625	30,614,790	4,485,534
<b>Total assets</b>	<b>1,674,752,148</b>	<b>783,119</b>	<b>1,675,535,267</b>	<b>63,699,566</b>	<b>12,501,675</b>
<b>Deferred Outflows of Resources</b>					
Deferred pension expense	71,345,820	-	71,345,820	-	-
Deferred charges on refunding	3,787,529	-	3,787,529	14,927	-
	<b>75,133,349</b>	<b>-</b>	<b>75,133,349</b>	<b>14,927</b>	<b>-</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	68,526,361	313,760	68,840,121	5,516,642	971,367
Accrued interest payable	8,083,665	-	8,083,665	45,641	-
Due to fiduciary funds	23,240	-	23,240	-	-
Due to primary government	-	-	-	101,707	99,967
Unearned revenue	2,203,177	-	2,203,177	-	-
Long-term Liabilities:					
Due within one year	82,722,984	-	82,722,984	3,852,409	470,000
Due in more than one year	1,369,154,689	-	1,369,154,689	8,164,000	7,945,000
<b>Total liabilities</b>	<b>1,530,714,116</b>	<b>313,760</b>	<b>1,531,027,876</b>	<b>17,680,399</b>	<b>9,486,334</b>
<b>Deferred inflows of resources</b>					
Advanced tax collections	3,888,782	-	3,888,782	-	-
<b>Total deferred inflows of resources</b>	<b>3,888,782</b>	<b>-</b>	<b>3,888,782</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	918,930,231	-	918,930,231	28,527,290	1,467,704
Restricted for:					
Expendable:					
Education	1,509,012	-	1,509,012	-	-
Public Service	6,247,306	-	6,247,306	-	-
General government	3,391,344	-	3,391,344	-	-
Public Works	-	-	-	15,397,162	152,552
Nonexpendable:					
Permanent funds	2,381,320	-	2,381,320	-	-
Unrestricted (deficit)	(717,176,614)	469,359	(716,707,255)	2,109,642	1,395,085
<b>Total net position</b>	<b>\$ 215,282,599</b>	<b>\$ 469,359</b>	<b>\$ 215,751,958</b>	<b>\$ 46,034,094</b>	<b>\$ 3,015,341</b>

See Notes to Financial Statements.

\* After internal receivable and payables have been eliminated.

City of New Haven, Connecticut

Statement of Activities  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ (45,019,352)	\$ 17,277,799	\$ 9,145,090	\$ -
Education	(471,239,560)	49,841	281,309,181	34,613,709
Public Safety	(118,802,515)	2,962,747	-	-
Public Works	(36,357,486)	17,693,664	10,317,032	1,656,305
Public Services	(35,959,603)	2,902,559	26,789,085	1,864,957
Economic Development	(14,227,659)	-	-	-
Interest on Long-Term Debt	(25,948,757)	-	-	-
<b>Total governmental activities</b>	<b>(747,554,932)</b>	<b>40,886,610</b>	<b>327,560,388</b>	<b>38,134,971</b>
<b>Business-Type Activities</b>				
Golf course	(935,543)	865,175	-	-
Skating rink	(224,317)	210,432	-	-
East Rock Communications Tower	(47,083)	99,548	-	-
<b>Total business-type activities</b>	<b>(1,206,943)</b>	<b>1,175,155</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>(748,761,875)</b>	<b>42,061,765</b>	<b>327,560,388</b>	<b>38,134,971</b>
<b>Component Units:</b>				
Parking Authority	(22,054,075)	23,753,947	-	-
Solid Waste Authority	(5,939,676)	6,420,351	-	-
<b>Total component units</b>	<b>(27,993,751)</b>	<b>30,174,298</b>	<b>-</b>	<b>-</b>

General revenues:  
Property taxes  
Grants and contributions not restricted to  
specific programs  
Investment earnings  
Transfers  
Total general revenues and transfers

Change in net position

Net position, beginning as restated (Note 1)  
Net position - ending

See Notes to Financial Statements.



**Exhibit B**

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Parking Authority	Solid Waste Authority
\$ (18,596,463)	\$ -	\$ (18,596,463)	\$ -	\$ -
(155,266,829)	-	(155,266,829)	-	-
(115,839,768)	-	(115,839,768)	-	-
(6,690,485)	-	(6,690,485)	-	-
(4,403,002)	-	(4,403,002)	-	-
(14,227,659)	-	(14,227,659)	-	-
(25,948,757)	-	(25,948,757)	-	-
(340,972,963)	-	(340,972,963)	-	-
-	(70,368)	(70,368)	-	-
-	(13,885)	(13,885)	-	-
-	52,465	52,465	-	-
-	(31,788)	(31,788)	-	-
(340,972,963)	(31,788)	(341,004,751)	-	-
-	-	-	1,699,872	-
-	-	-	-	480,675
-	-	-	1,699,872	480,675
251,874,699	-	251,874,699	-	-
61,506,528	-	61,506,528	-	-
(7,977)	-	(7,977)	172,927	6,190
110,000	(110,000)	-	-	-
313,483,250	(110,000)	313,373,250	172,927	6,190
(27,489,713)	(141,788)	(27,631,501)	1,872,799	486,865
242,772,312	611,147	243,383,459	44,161,295	2,528,476
\$ 215,282,599	\$ 469,359	\$ 215,751,958	\$ 46,034,094	\$ 3,015,341

**Balance Sheet - Governmental Funds**  
**June 30, 2015**

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 25,714,375	\$ 4,503,622	\$ 14,017,182	\$ 16,445,930	\$ 60,681,109
Investments	2,664,569	-	-	7,246,560	9,911,129
Restricted cash	-	-	28,101,357	-	28,101,357
Receivables from other governments	28,404,746	8,633,082	33,479,216	2,348,283	72,865,327
Receivables, net	24,732,515	349,326	412,390	1,545,438	27,039,669
Due from other funds	7,021,675	-	12,284,414	-	19,306,089
Inventories	-	68,206	-	-	68,206
<b>Total assets</b>	<b>\$ 88,537,880</b>	<b>\$ 13,554,236</b>	<b>\$ 88,294,559</b>	<b>\$ 27,586,211</b>	<b>\$ 217,972,886</b>
<b>Liabilities</b>					
Accounts payable	\$ 23,676,072	\$ 4,272,814	\$ 11,747,965	\$ 5,225,165	\$ 44,922,016
Accrued liabilities	16,317,260	2,122,624	52,350	198,946	18,691,180
Due to other funds	-	5,466,324	-	12,575,623	18,041,947
Due to other governments	236,456	643	-	427,752	664,851
Unearned revenue	2,022,410	-	-	180,767	2,203,177
Other liabilities	-	-	-	2,317,746	2,317,746
<b>Total liabilities</b>	<b>42,252,198</b>	<b>11,862,405</b>	<b>11,800,315</b>	<b>20,925,999</b>	<b>86,840,917</b>
<b>Deferred inflows of resources</b>					
Advanced tax collections	3,888,782	-	-	-	3,888,782
Unavailable revenues	40,670,899	114,613	33,389,649	188,201	74,363,362
<b>Total deferred inflows of resources</b>	<b>44,559,681</b>	<b>114,613</b>	<b>33,389,649</b>	<b>188,201</b>	<b>78,252,144</b>
<b>Fund balances (deficits)</b>					
Nonspendable	-	68,206	-	2,381,320	2,449,526
Restricted	-	1,509,012	43,104,595	8,912,656	53,526,263
Unassigned (Deficits)	1,726,001	-	-	(4,821,965)	(3,095,964)
<b>Total fund balances (deficits)</b>	<b>1,726,001</b>	<b>1,577,218</b>	<b>43,104,595</b>	<b>6,472,011</b>	<b>52,879,825</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 88,537,880</b>	<b>\$ 13,554,236</b>	<b>\$ 88,294,559</b>	<b>\$ 27,586,211</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,470,555,042
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(8,083,665)
Deferred Charges	3,787,529
Deferred Inflows of Resources	74,363,362
Deferred pension expense	71,345,820
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(7,384,506)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,442,180,808)

Net Position of Governmental Activities \$ 215,282,599

See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds**  
**For the Year Ended June 30, 2015**

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 249,968,781	\$ -	\$ -	\$ -	\$ 249,968,781
Licenses and permits	25,735,463	-	-	-	25,735,463
Intergovernmental	248,893,667	92,774,796	29,676,077	56,212,162	427,556,702
Charges for services	4,234,548	13,113	-	3,130,028	7,377,689
Fines	5,127,968	-	-	-	5,127,968
Investment earnings	(12,940)	702	-	4,261	(7,977)
Payment in lieu of taxes	1,436,103	-	-	-	1,436,103
Contributions and other	13,211,082	2,745,939	465,669	4,696,033	21,118,723
<b>Total revenues</b>	<b>548,594,672</b>	<b>95,534,550</b>	<b>30,141,746</b>	<b>64,042,484</b>	<b>738,313,452</b>
<b>Expenditures</b>					
Current:					
General government	27,105,536	-	203,625	5,187,848	32,497,009
Public Safety	76,868,915	-	-	-	76,868,915
Public Works	15,056,249	-	393,191	12,819,565	28,269,005
Public Services	6,448,093	-	-	21,623,457	28,071,550
Other departments	1,085,037	-	-	-	1,085,037
Employee benefits and insurance	143,188,467	-	-	-	143,188,467
Economic Development	6,611,902	-	4,931,699	2,684,058	14,227,659
Education	214,438,961	98,500,970	2,874,499	20,982,000	336,796,430
Debt Service:					
Principal	32,101,674	-	6,262,008	390,000	38,753,682
Interest	25,303,951	-	720,521	35,255	26,059,727
Capital outlay	-	-	53,956,863	-	53,956,863
<b>Total expenditures</b>	<b>548,208,785</b>	<b>98,500,970</b>	<b>69,342,406</b>	<b>63,722,183</b>	<b>779,774,344</b>
<b>Revenues over (under) expenditures</b>	<b>385,887</b>	<b>(2,966,420)</b>	<b>(39,200,660)</b>	<b>320,301</b>	<b>(41,460,892)</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of bonds	-	-	37,425,000	-	37,425,000
Issuance of master vehicle leases	-	-	2,360,839	-	2,360,839
Premium on bond issuances	12,228,959	-	2,195,042	-	14,424,001
Transfers in	-	1,379,908	110,000	64,834	1,554,742
Transfers out	(1,444,742)	-	-	-	(1,444,742)
Payment to escrow agent	(68,191,150)	-	-	-	(68,191,150)
Issuance of refunding bonds	58,725,000	-	-	-	58,725,000
<b>Total other financing sources (uses)</b>	<b>1,318,067</b>	<b>1,379,908</b>	<b>42,090,881</b>	<b>64,834</b>	<b>44,853,690</b>
<b>Net change in fund balances (deficits)</b>	<b>1,703,954</b>	<b>(1,586,512)</b>	<b>2,890,221</b>	<b>385,135</b>	<b>3,392,798</b>
Fund Balances (Deficits), Beginning	22,047	3,163,730	40,214,374	6,086,876	49,487,027
Fund Balances (Deficits), Ending	<u>\$ 1,726,001</u>	<u>\$ 1,577,218</u>	<u>\$ 43,104,595</u>	<u>\$ 6,472,011</u>	<u>\$ 52,879,825</u>

See Notes to Financial Statements.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2015**

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Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of activities (Exhibit B)  
are different because:

Net change in fund balances-total governmental funds (Exhibit D)	\$ 3,392,798
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	7,568,915
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Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(18,358,232)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(6,938,568)
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Changes in some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(23,959,542)
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Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	10,804,916
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Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (27,489,713)</u>
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See Notes to Financial Statements.

**Statement of Net Position (Deficit) - Proprietary Funds**  
**June 30, 2015**

	Business-Type Activities - Enterprise Funds	Governmental Activities Internal Service Funds
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 786,636	\$ 1,712,487
Accounts receivable (net allowance for uncollectible)	55,388	3,557,243
Due from other funds	-	9,222
<b>Total assets</b>	<b>842,024</b>	<b>5,278,952</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	313,760	1,728,894
Due to other funds	58,905	1,237,699
Accrued estimated healthcare claims	-	5,873,865
Claims and judgments payable	-	2,035,500
<b>Total current liabilities</b>	<b>372,665</b>	<b>10,875,958</b>
Noncurrent liabilities		
Claims and judgments payable	-	1,787,500
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>1,787,500</b>
<b>Total liabilities</b>	<b>372,665</b>	<b>12,663,458</b>
<b>Net Position (Deficit)</b>		
Unrestricted	469,359	(7,384,506)
<b>Total net position (deficit)</b>	<b>\$ 469,359</b>	<b>\$ (7,384,506)</b>

See Notes to Financial Statements.

**Statement of Activities - Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Other Enterprise Funds	Internal Service Funds
Operating Revenues		
Charges for sales and services:		
Employer's contribution	\$ -	\$ 100,726,853
Charges for services	-	15,645,987
Other revenue	1,175,155	4,595,034
<b>Total operating revenues</b>	<b>1,175,155</b>	<b>120,967,874</b>
Operating Expenses		
Costs of sales and services	1,206,943	-
Insurance claims and other expenses	-	110,162,958
<b>Total operating expenses</b>	<b>1,206,943</b>	<b>110,162,958</b>
<b>Net income (loss) before transfers</b>	<b>(31,788)</b>	<b>10,804,916</b>
Transfers		
Transfers out	(110,000)	-
<b>Total transfers</b>	<b>(110,000)</b>	<b>-</b>
<b>Change in net position</b>	<b>(141,788)</b>	<b>10,804,916</b>
Fund Net Position (Deficit), Beginning	611,147	(18,189,422)
Fund Net Position (Deficit), Ending	<b>\$ 469,359</b>	<b>\$ (7,384,506)</b>

See Notes to Financial Statements.

**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
	Other Enterprise Funds	
Cash Flow From Operating Activities		
Charges for services	\$ -	\$ 104,222,602
Charges for services from users	1,214,821	12,944,748
Payments to suppliers	(1,076,216)	-
Cash payment to other funds	-	423,161
Claims and other expenses paid	-	(116,109,594)
<b>Net cash provided by operating activities</b>	<b>138,605</b>	<b>1,480,917</b>
Cash Flows From Non-Capital Activities		
Transfers to other funds	(110,000)	-
<b>Increase in cash and cash equivalents</b>	<b>28,605</b>	<b>1,480,917</b>
Cash and Cash Equivalents		
Beginning	758,031	231,570
Ending	<u>\$ 786,636</u>	<u>\$ 1,712,487</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Operating income (loss)	(31,788)	\$ 10,804,916
Adjustments to reconcile operating income (loss) to net cash		
provided by (used in) operating activities:		
Change in assets and liabilities:		
Increase in accounts receivable, net	(26,574)	(1,099,285)
Increase in accounts payable	133,345	1,712,665
Increase in due from other funds	-	(9,222)
Decrease in claims and judgments payable	-	(577,000)
Decrease in accrued estimated healthcare payments	-	(266,789)
Increase (decrease) in due to other funds	63,622	(9,084,368)
<b>Net cash provided by operating activities</b>	<b>\$ 138,605</b>	<b>\$ 1,480,917</b>

See Notes to Financial Statements.

**Statement of Fiduciary Net Position - Fiduciary Funds**  
**June 30, 2015**

	Trust Funds	Agency Funds
<b>Assets</b>		
Cash and short-term investments	\$ 46,889,051	\$ 1,065,924
Interest and dividends receivable	904,128	-
Accounts receivable - investment sales	19,511,752	-
Accounts receivable - other	245,437	-
Due from other funds	286,556	-
	<u>67,836,924</u>	<u>1,065,924</u>
Investments:		
Government agencies	16,971,070	-
Government securities	7,533,819	-
Common stock	159,095,215	-
Fixed income funds	15,536,156	-
Corporate bonds	20,892,716	-
Equity Mutual Funds	110,351,221	-
Hedge funds	14,604,671	-
Asset-backed securities	4,889,335	-
Venture capital partnerships	55,907,631	-
Private equity - real estate funds	24,640,531	-
<b>Total investments</b>	<u>430,422,365</u>	<u>-</u>
<b>Total assets</b>	<u>498,259,289</u>	<u>1,065,924</u>
<b>Liabilities</b>		
Accounts payable - vendors	520,111	-
Accounts payable - investment purchases	4,868,284	-
Accounts payable - other	75,698	-
Accrued liabilities	721,439	-
Due to other funds	263,316	-
Amounts held for others	-	1,065,924
<b>Total liabilities</b>	<u>6,448,848</u>	<u>1,065,924</u>
<b>Net Position - Restricted for Pension Benefits</b>	<u>\$ 491,810,441</u>	<u>\$ -</u>

See Notes to Financial Statements.



**Statement of Changes in Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2015**

	Trust Funds
Additions	
Contributions:	
Employer contributions	\$ 68,859,228
Plan members	15,128,274
<b>Total contributions</b>	<u>83,987,502</u>
Investment Gain:	
Net depreciation in fair value of investments	(7,958,806)
Interest and dividends	14,023,902
Miscellaneous Income	46,435
<b>Total investment income</b>	<u>6,111,531</u>
Less investment expenses	<u>2,637,868</u>
<b>Net investment income</b>	<u>3,473,663</u>
<b>Total additions</b>	<u>87,461,165</u>
Deductions	
Benefits	107,941,101
<b>Total deductions</b>	<u>107,941,101</u>
<b>Changes in net position</b>	(20,479,936)
Net Position - Restricted for Pension Benefits	
Beginning of year	<u>512,290,377</u>
End of year	<u>\$ 491,810,441</u>

See Notes to Financial Statements.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

**Reporting entity:** The City of New Haven, Connecticut (the City) was incorporated as a City in 1784. The City covers an area of 21.1 square miles, and is located 75 miles east of New York City. The City operates under a Mayor-Board of Aldermen form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification 2100 have been considered, as a result, the component units discussed below are included in the City's reporting entity because of their operational significance or financial relationship with the City.

**Discretely presented component units:** Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. They are financially accountable to the City, or have relationships with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For each discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the City as a result of the existence of the component unit. For the discretely presented component units included in the City's financial statements, the City, generally acting through the Mayor, appoints a voting majority of the component units' governing boards.

**New Haven Parking Authority:** The New Haven Parking Authority (the Parking Authority) was created and established in 1951 by a special act of the General Assembly of the State for the purpose of developing, maintaining, and operating parking facilities for the City. One of the individuals who serves on the Board of Commissioners of the Authority is also an employee of the City. This individual monitors the functioning of the Authority on behalf of the City and provides input from the City on various matters. All members of the Authority's Board of Commissioners are appointed by the Mayor of New Haven. Separately issued financial statements are available.

**New Haven Solid Waste and Recycling Authority:** The New Haven Solid Waste Authority is a public body politic and corporate of the state and is a political subdivision of the State established and created for the performance of the essential public and governmental function of furthering health, safety and welfare of the residents of the City. The City appoints a voting majority of the Board. Separately issued financial statements are available.

Complete financial statements of the individual component units can be obtained from their respective administrative offices

#### The City adopted the following accounting standards in the current year:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB Statement No. 71, were implemented on July 1, 2014. These statements revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their total obligation for pension benefits as a liability for the first time and calls for recognition of more pension expense than is currently required. The effects of the implementation of these statements are as follows: The beginning net position was decreased by \$540,557,333, a net pension liability of \$554,274,956 was added and a net pension obligation of \$13,717,623 was removed.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The adoption of these GASB standards also provided additional disclosures for the State Teachers' Retirement Plan in which the City has no liability as it is a special funding situation.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the City's financial statements.

**Measurement focus, basis of accounting and financial statement presentation:** The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for governmental accounting and financial reporting principles. These principles require that the City report government-wide and fund financial statements, which are described below.

*Government-wide and fund financial statements:* The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain discretely presented component units.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

All internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues reported in governmental activities Statement of Activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency fund financial statements are on the accrual basis with no measurement focus.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and expenditures related to compensated absences, pension obligations and other post-employment obligations and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues, when eligibility requirements have been met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be measurable only when cash is received.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City's government. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The Education Grants Fund is used to account for and report the expenditures of State and Federal grants, as well as other sources of school-based income, received for a variety of school programs.

The Capital Project Fund is used to account for and report resources that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

Additionally, the City reports the following fund types:

#### **Governmental Funds:**

Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt.

Debt Service Fund: Used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Permanent Funds: Used to account for and report the resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs.

#### **Proprietary Funds:**

**Enterprise Funds**: Used to account for operations as follows:

- a. Financed and operated in a manner similar to private business enterprises;
- b. Where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The City's enterprise funds are its commercial and intergovernmental transactions associated with its Golf Course, the Skating Rink, and the East Rock Communication Tower.

Internal Service Funds: Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are its Self-Insurance Reserve Fund, Workers' Compensation and Medical Self-Insurance Fund. The Self-Insurance Reserve Fund covers general liability not covered by any third party insurance.

#### **Fiduciary Funds:**

Agency Funds: Agency Funds account for monies held as a custodian for outside student and senior groups. Agency Funds use the accrual basis of accounting, and have no measurement focus.

Pension Trust Funds: Pension Trust Funds consist of the City Employees', the Police and Fire, and other miscellaneous retirement funds.

Other Post Employment Benefit (OPEB) Trust Fund: Used to account for retired City employee benefits, other than pension benefits such as medical and life insurance benefits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, claims, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Accounting estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosures in the financial statements. Actual results could differ from those estimates.

**Cash and cash equivalents:** The City considers cash on hand, deposits, and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

**Investments:** Investments are stated at fair value, based on quoted market prices, except as disclosed below.

The pension and OPEB trust funds allow for investments in certain alternative investments and commingled funds. Such investments may include private equity partnerships, hedge and absolute return funds for which there may be no readily available market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. Investments in 2a7 like pools are stated at the position in the pool, and are the same as the value of the pool shares, amortized cost.

**Property taxes:** Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they are levied for. For this purpose, the City considers property tax revenue to be available if it is collected within 60 days of the end of the fiscal year.

**Internal payables and receivables:** Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Due To/From Other Funds" (current portion of interfund loans) or "Advances To/From Other Funds" (noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

**Allowance for doubtful accounts:** Accounts receivable including property taxes for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

**Inventories:** All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**Restricted assets:** At June 30, 2015, the City had approximately \$28,101,000 in restricted assets. This amount relates to unspent grant anticipation notes which are to be used for the acquisition of capital assets.

At June 30, 2015, the Parking Authority had approximately \$23,164,000 in restricted assets. In accordance with the resolutions of each bond issue, certain assets of their Union Station Facility are restricted and held by a trustee for the protection of the bondholders. Additionally, certain assets of the Union Station Facility are restricted in accordance with the Lease and Funding Agreement.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

At June 30, 2015 the Solid Waste Authority also had approximately \$3,095,000 in restricted assets. The restricted assets were held in deposits and maintained to meet legal obligations of debt service and other repairs and maintenance reserve funds.

**Capital assets:** Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets, not including infrastructure assets, as assets with an individual cost exceeding the capitalization thresholds as listed below, and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Description	Capitalization Dollar Thresholds	Estimated Lives (Years)
Computers	\$ 5,000	5
Machinery, equipment, furniture, fixtures and other related assets	10,000	5-20
Motor vehicles	5,000	8
Land improvements	50,000	20
Buildings and other structures	50,000	50
Infrastructure	250,000	10-50

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

**Compensated absences:** It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay and certain sick leave benefits are accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Long-term obligations:** In the government-wide financial statements and proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the unamortized bond premium or discount. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and bond principal payments are reported as debt service expenditures.

**Net pension liability:** The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows related to pension in the government-wide statement of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs and differences between expected and actual investment earnings. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to advanced tax collections in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated.

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available, in accordance with the modified accrual basis of accounting.



## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Net position:** In government-wide and proprietary fund financial statements, net position is classified in the following categories:

*Net investment in capital assets:* The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted net position:* These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

*Unrestricted net position (deficit):* This category represents the net position of the City which is not restricted and which is not reported in the other two categories. A deficit will require future funding.

**Fund balance:** In the governmental fund financial statements, the City reports the following fund balance classifications:

*Nonspendable fund balance:* Amounts which cannot be spent either because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

*Restricted fund balance:* These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

*Committed fund balance:* This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (City of New Haven Board of Aldermen) in the form of a resolution. Once adopted, amounts remain committed until a similar action (resolution) is taken by the Board of Aldermen to remove or revise the limitations.

*Assigned fund balance:* Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the City's fund balance policy, the City Council has by resolution authorized the Controller or Chief Accountant to assign fund balance.

*Unassigned fund balance:* The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Other post-employment obligations (OPEB) accounting:

OPEB Trust: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. Plan members began contributing on July 1, 2007.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The City makes annual contributions based on the Board of Aldermen's decisions using the actuaries' recommendation.

#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements

**Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net position:** The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

The details of this difference are as follows:

Bonds payable	\$ 515,645,466
Premium on bond issuance	23,802,523
Notes payable	775,000
GANs	50,290,885
Capital leases payable	5,432,147
Contractual obligation	9,331,488
Compensated absences	20,087,944
Accrued workers compensation	27,663,621
Retainage payable	2,302,895
Net pension liability	646,639,223
Net OPEB obligation	138,999,300
Landfill post-closure costs	750,000
Pollution remediation	460,316
<b>Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities</b>	<b>\$ 1,442,180,808</b>

City of New Haven, Connecticut

Notes to Financial Statements

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:**

Exhibit E presents a reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities which includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 53,917,900
Depreciation expense	(45,964,692)
Loss on disposal of capital assets	<u>(384,293)</u>
<b>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b><u>\$ 7,568,915</u></b>

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (37,425,000)
Issuance of general obligation refunding bonds	(58,725,000)
Deferred loss on refunding	4,066,150
Capital lease	(2,360,839)
Premium on bond issuance	(14,424,001)
Principal repayments:	
Bond principal payment	27,168,710
Payment to escrow	68,191,150
Amortization of bond premium	2,406,065
Payment on GANS	6,262,008
Capital lease payments	186,832
Notes payable	390,000
Amortization of deferred items	<u>(2,674,643)</u>
<b>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b><u>\$ (6,938,568)</u></b>

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds." The details of changes in various liability accounts that represent this difference are as follows:

Compensated absences	\$ 1,650,624
GNHWPCA clean water fund notes	866,814
Accrued workers' compensation	802,952
Retainage	(988,716)
Net pension liability	(92,364,267)
OPEB obligation	(6,924,300)
Landfill closure and post-closure	150,000
Pollution remediation	1,162,522
Deferred outflows	71,345,820
Accrued interest	339,009
<b>Net adjustment to decrease net changes in fund balances - total</b>	
<b>governmental funds to arrive at changes in net position of</b>	
<b>governmental activities</b>	<u><u>\$ (23,959,542)</u></u>

#### Note 3. Cash, Cash Equivalents and Investments

Deposits: The City's policy for deposits other than pension plan and OPEB investments is to follow the State of Connecticut statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market funds and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Connecticut General Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Interest rate risk: The City's and the pension and OPEB plans' policies are to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual fund, or similar investment pools.

Concentrations of credit risk: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 3. Cash, Cash Equivalents and Investments (Continued)

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30, 2015:

Vanguard MSCI EAFE ETF	\$24,478,483
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#### Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The bank balances of the Primary Government's cash accounts at June 30, 2015, were approximately \$145,510,000. The amount of the bank balances covered under federal depository insurance was \$3,756,000. The remaining \$141,754,000 of deposits was uninsured. Provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2015, approximately \$14,175,000 of uninsured deposits was collateralized under the provision.

The New Haven Parking Authority's bank balance totaled approximately \$23,423,000, of which approximately \$524,000 was covered by FDIC protection and the remaining \$22,899,000 is uninsured. As of June 30, 2015, approximately \$9,575,000 of the uninsured deposits was collateralized.

The New Haven Solid Waste Authority's bank balance totaled approximately \$291,000, of which approximately \$250,000 was insured and collateralized and \$41,000 was uninsured and uncollateralized.

Investments: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City or Plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's or Plan's individual investments in fixed income securities, equities, U.S. treasury securities, domestic corporate bonds, foreign bonds, and U.S. government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's or Pension Plan's name. The City's or Plan's other investments are held in alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination. The City or the Pension and OPEB plans do not have a custodial credit risk policy for investments.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

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**Note 3. Cash, Cash Equivalents and Investments (Continued)**

The City's Primary Government cash, cash equivalents and investments consist of the following at June 30, 2015:

**Cash and Cash Equivalents**

Deposits with financial institutions	\$ 138,379,176
State of Connecticut Short-Term Investment fund	857,388
<b>Total cash and cash equivalents</b>	<b>139,236,564</b>

**Investments**

General Fund	
Corporate bonds	928,256
Municipal bonds	39,745
Other Bond Fund	143,714
Common Stock	1,552,854
<b>Total General Fund</b>	<b>2,664,569</b>

**Other Nonmajor Funds**

Fixed income funds	1,499,274
Corporate bonds	1,120,005
Municipal bonds	47,955
Other Bond Funds	173,400
Common Stock	4,405,926
<b>Total other nonmajor funds</b>	<b>7,246,560</b>

**Pension Trust Funds:**

Fixed income Funds	15,536,156
Government agency	16,971,070
Government securities	7,533,819
Common stock	159,095,215
Corporate bonds	20,892,716
Equity mutual funds	110,351,221
Hedge funds	14,604,671
Asset-backed securities	4,889,335
Venture capital partnerships	55,907,631
Private Equity - Real estate funds	24,640,531
<b>Total pension trust funds</b>	<b>430,422,365</b>

<b>Total investments</b>	<b>440,333,494</b>
<b>Total cash, cash equivalents and investments</b>	<b>\$ 579,570,058</b>

**City of New Haven, Connecticut**

**Notes to Financial Statements**

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**Note 3. Cash, Cash Equivalents and Investments (Continued)**

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 63,180,232
Investments	9,911,129
Restricted cash	28,101,357
	<u>101,192,718</u>
 Fiduciary Funds	
Cash and cash equivalents	47,954,975
Investments	430,422,365
	<u>478,377,340</u>
 <b>Total cash, cash equivalents and investments</b>	<u><u>\$ 579,570,058</u></u>

The Component Unit deposits are presented in the accompanying balance sheets as follows:

Cash and Cash Equivalents	
New Haven Parking Authority	\$ 23,401,928
New Haven Solid Waste Authority	1,549,651
<b>Total deposits</b>	<u><u>\$ 24,951,579</u></u>

At June 30, 2015, the New Haven Parking Authority cash and cash equivalents included \$20,253,422 of restricted cash and cash equivalents.

At June 30, 2015, the Solid Waste Authority's cash and cash equivalents included \$1,318,834 of restricted short-term investments classified as cash equivalents.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

##### Investments:

**Interest rate risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt-type investments primarily held in pension trust funds to this risk using the segmented time distribution model is as follows:

	Investment Maturities (In Years)				
	Fair Value	Less than 1	1-5	6-10	More Than 10
Asset backed securities	\$ 4,889,335	\$ -	\$ 958,856	\$ 3,930,479	\$ -
Corporate bonds	22,940,977	6,589,843	4,897,778	8,913,364	2,539,992
Government agency	16,971,070	52,160	1,369,202	1,884,283	13,665,425
Government securities	7,533,819	-	4,783,834	1,815,396	934,589
Municipal bonds	87,700	-	52,407	-	35,293
Other bond funds	317,114	-	-	-	317,114
Fixed income funds	17,035,430	17,035,430	-	-	-
Pooled fixed income	857,388	857,388	-	-	-
<b>Total</b>	<b>\$ 70,632,833</b>	<b>\$ 24,534,821</b>	<b>\$ 12,062,077</b>	<b>\$ 16,543,522</b>	<b>\$ 17,492,413</b>

**Credit risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The following table provides a summary of the City's investments primarily held in pension trust funds (excluding U.S. Governmental Guaranteed Obligations) as rated by a nationally recognized rating organization.

Actual Rating	Asset Backed Securities	Corporate Bonds	Government Agency	Government Securities	Municipal Bonds	Other Bonds	Fixed Income Funds	Pooled Fixed Income
AAA	\$ 4,233,103	\$ 205,487	\$ 723,522	\$ -	\$ -	\$ -	\$ 2,981,318	\$ 857,388
AA	-	1,620,728	2,606,254	7,533,819	-	-	664,547	-
A	-	4,730,110	2,340,942	-	52,407	-	1,665,944	-
BBB	-	3,272,804	2,407,952	-	-	-	5,765,884	-
BB	-	4,372,704	1,113,424	-	-	-	2,390,079	-
B	-	3,643,241	-	-	-	-	1,382,986	-
CCC	-	566,444	-	-	-	-	877,781	-
CC	-	-	-	-	-	-	100,642	-
D	-	-	-	-	-	-	91,926	-
Unrated	656,232	4,529,459	7,778,976	-	35,293	317,114	1,114,323	-
	<b>\$ 4,889,335</b>	<b>\$ 22,940,977</b>	<b>\$ 16,971,070</b>	<b>\$ 7,533,819</b>	<b>\$ 87,700</b>	<b>\$ 317,114</b>	<b>\$ 17,035,430</b>	<b>\$ 857,388</b>



## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Foreign currency risk:** The City Employee's Retirement Fund allows American Depository Receipts which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges in proportions which each investment manager shall deem appropriate.

The City's exposure to foreign currency risk is as follows:

Investment	Currency	Maturity	Fair Value
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Mexican Peso	6/11/2020 - 1/23/2046	\$ 314,622
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Indonesian Rupiah	4/15/2023 - 2/17/2037	226,123
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Turkish Lira	1/15/2020 - 4/16/2026	61,903
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Columbian Peso	7/12/2021 - 3/21/2023	77,176
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Russian Ruble	1/16/2019 - 4/1/2022	140,636
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Hungarian Forint	6/24/2020	243,775
Cash & Cash Equivalents, Government/Municipal Bonds, Corporate Bonds	Brazilian Real	7/24/2023	107,091
Cash & Cash Equivalents	Indian Rupee	N/A	177,375
Cash & Cash Equivalents	South African Rand	N/A	112,422
Cash & Cash Equivalents	Polish Zloty	N/A	85,992
Cash & Cash Equivalents	Uruguayan Peso	N/A	63,768
Cash & Cash Equivalents	Peruvian Nuevo Sol	N/A	58,642
			<u>\$ 1,669,525</u>

The Pension Trust Funds have additional commitments to invest in certain alternative investments of approximately \$16,196,000 at June 30, 2015.

**Component unit investments:** As of June 30, 2015, the New Haven Parking Authority's sole investment was in a Federal Home Loan Mortgage Corp. (FHLMC) Discount Note with a carrying value of \$2,910,102 and a maturity date of December 1, 2014.

As of June 30, 2015, the Solid Waste Authority had restricted investments of \$3,094,722 in Money Market Mutual Funds.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 4. Receivables

Receivables at June 30, 2015 were as follows:

	General	Education Grants	Capital Projects	Other Nonmajor Funds	Total Governmental Funds
Property taxes and interest	\$ 26,739,213	\$ -	\$ -	\$ -	\$ 26,739,213
Amount due from component unit, Yale University and other receivables	15,180,361	349,327	412,390	5,158,069	21,100,147
Intergovernmental	28,387,548	8,633,081	33,479,216	2,348,283	72,848,128
Gross receivables	70,307,122	8,982,408	33,891,606	7,506,352	120,687,488
Allowance for doubtful accounts	(17,169,861)	-	-	-	(17,169,861)
<b>Total receivables, net</b>	<b>\$ 53,137,261</b>	<b>\$ 8,982,408</b>	<b>\$ 33,891,606</b>	<b>\$ 7,506,352</b>	<b>\$ 103,517,627</b>

The New Haven Parking Authority, a component unit, has accounts receivable of \$1,618,913 which includes amounts due from customers for monthly parking and from tenants under lease agreements. These receivables are net of an allowance for doubtful accounts of \$491,063. The reserve method is used by the Authority based on historical experience and review of existing receivables.

The New Haven Solid Waste Authority, a component unit, has accounts receivable of \$916,768 which includes amounts due from customers for disposal of solid waste at the Authority's Transfer Station. These receivables are net of an allowance for doubtful accounts of \$100,000. The reserve method is based on historical experience and review of existing receivables.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 5. Unearned Revenue/Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds and governmental activities were as follows:

	Deferred Inflows	Unearned
General Fund		
Taxes and accrued interest on delinquent property taxes	\$ 9,551,633	\$ -
School construction receivable	28,387,548	-
Miscellaneous receivable	2,731,718	-
Tax overpayments	-	2,022,410
Advance tax collection	3,888,782	-
Capital Projects Fund		
Intergovernmental grants receivable	33,389,649	-
Education Grants Fund		
Intergovernmental grants receivable	114,613	-
Nonmajor Governmental Funds		
Miscellaneous receivable	-	180,767
Intergovernmental grants receivable	188,201	-
<b>Total</b>	<b>\$ 78,252,144</b>	<b>\$ 2,203,177</b>

#### Note 6. Loans Receivable

Loans receivable, net of allowance, are for amounts disbursed from U.S. Department of Housing and Urban Development grant proceeds and Economic Development Committee proceeds, which consist of direct loans that bear interest at rates ranging from 0.0 percent to 10.0 percent with maturities through June 2028.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 7. Interfund Balances, Interfund Transfers and Subsequent Event**

**Interfund balances:** As of June 30, 2015, interfund balances were as follows:

	Due From	Due To
Primary Government		
General Fund	\$ 7,021,675	\$ -
Major Funds:		
Education Grants	-	5,466,324
Capital Project Funds	12,284,414	-
	<u>12,284,414</u>	<u>5,466,324</u>
Other Nonmajor Funds:		
Community Development	-	1,628,829
Improvement	-	8,272,819
Human Resources	-	549,158
Other	-	2,063,737
Other ETF	-	61,080
	<u>-</u>	<u>12,575,623</u>
Internal Service Funds	<u>9,222</u>	<u>1,237,699</u>
Pension Trust Funds	<u>286,556</u>	<u>263,316</u>
Enterprise Funds	<u>-</u>	<u>58,905</u>
<b>Total primary government</b>	<u><u>\$ 19,601,867</u></u>	<u><u>\$ 19,601,867</u></u>

All balances result from a time lag between payment and reimbursement occurring between funds. All amounts are expected to be collected within one year.

**Interfund transfers:** For the year ended June 30, 2015, amounts transferred between funds were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,444,742
Education Grant Funds	1,379,908	-
Capital Projects Funds	110,000	-
Enterprise Funds	-	110,000
Other nonmajor governmental funds	64,834	-
	<u>\$ 1,554,742</u>	<u>\$ 1,554,742</u>

Transfers from Enterprise Funds were to reimburse Capital Projects Funds for capital expenditures on behalf of Enterprise Funds. Transfers from the General Fund to the Education Grant Funds were to write-off advances that were deemed uncollectable, and to the other non-major governmental funds to cover deficits in those funds.

# City of New Haven, Connecticut

## Notes to Financial Statements

### Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 44,140,306	\$ -	\$ -	\$ 44,140,306
Construction in progress	39,810,516	25,015,595	-	64,826,111
<b>Total capital assets, not being depreciated</b>	<b>83,950,822</b>	<b>25,015,595</b>	<b>-</b>	<b>108,966,417</b>
Capital assets, being depreciated:				
Buildings and improvements	1,589,943,024	5,608,456	-	1,595,551,480
Land improvements	20,036,755	2,219,222	-	22,255,977
Vehicles	48,932,867	3,468,769	5,256,104	47,145,532
Machinery, equipment, furniture, fixtures and other related assets	34,138,320	10,951,585	49,979	45,039,926
Infrastructure	244,602,677	6,654,273	-	251,256,950
<b>Total capital assets being depreciated</b>	<b>1,937,653,643</b>	<b>28,902,305</b>	<b>5,306,083</b>	<b>1,961,249,865</b>
Less accumulated depreciation for:				
Buildings and improvements	349,654,176	34,391,029	-	384,045,205
Land improvements	13,591,441	649,122	-	14,240,563
Vehicles	40,141,766	2,106,371	4,871,811	37,376,326
Machinery, equipment, furniture, fixtures and other related assets	17,007,641	2,569,966	49,979	19,527,628
Infrastructure	138,223,314	6,248,204	-	144,471,518
<b>Total accumulated depreciation</b>	<b>558,618,338</b>	<b>45,964,692</b>	<b>4,921,790</b>	<b>599,661,240</b>
<b>Total capital assets, being depreciated, net</b>	<b>1,379,035,305</b>	<b>(17,062,387)</b>	<b>384,293</b>	<b>1,361,588,625</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,462,986,127</b>	<b>\$ 7,953,208</b>	<b>\$ 384,293</b>	<b>\$ 1,470,555,042</b>

Current period depreciation expense was charged to functions of the primary government as follows:

Governmental activities	
Education	\$ 31,883,926
General government	5,090,518
Public Safety	1,885,063
Public Works	6,306,370
Culture and Recreation	798,815
<b>Total depreciation expense - governmental activities</b>	<b>\$ 45,964,692</b>

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 8. Capital Assets (Continued)**

Component units	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,561,000	\$ -	\$ -	\$ 2,561,000
Construction in progress	2,214,864	9,775,609	(7,029,177)	4,961,296
<b>Total capital assets, not being depreciated</b>	<b>4,775,864</b>	<b>9,775,609</b>	<b>(7,029,177)</b>	<b>7,522,296</b>
Capital assets, being depreciated:				
Buildings and improvements	96,267,289	4,142,120	-	100,409,409
Equipment and motor vehicles	6,191,194	2,887,057	-	9,078,251
<b>Total capital assets being depreciated</b>	<b>102,458,483</b>	<b>7,029,177</b>	<b>-</b>	<b>109,487,660</b>
Less accumulated depreciation for:				
Buildings and improvements	65,981,729	3,645,685	-	69,627,414
Equipment and motor vehicles	3,937,262	822,660	-	4,759,922
<b>Total accumulated depreciation</b>	<b>69,918,991</b>	<b>4,468,345</b>	<b>-</b>	<b>74,387,336</b>
<b>Total capital assets, being depreciated, net</b>	<b>32,539,492</b>	<b>2,560,832</b>	<b>-</b>	<b>35,100,324</b>
<b>Capital assets, net</b>	<b>\$ 37,315,356</b>	<b>\$ 12,336,441</b>	<b>\$ (7,029,177)</b>	<b>\$ 42,622,620</b>

**Construction commitments:** The City has the following major active construction projects as of June 30, 2015, the primary source of funding these projects will come from grants and bond proceeds:

Capital Project	Cumulative Authorization	Cumulative Expenditures	Remaining Construction Commitment Balance June 30, 2015	Expected Date of Completion
Bowen Field	\$ 11,600,000	\$ 1,375,069	\$ 10,224,931	12/03/15
New Haven Academy	40,000,000	14,163,326	25,836,674	05/15/16
Helene Grant	43,000,000	9,451,164	33,548,836	08/01/16
UNH Science Academy	85,500,000	23,258,472	62,241,528	04/01/17
Farmington Canal	1,536,206	405,854	1,130,352	01/01/18
	<b>\$ 181,636,206</b>	<b>\$ 48,653,885</b>	<b>\$ 132,982,321</b>	

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 9. Long-Term Liabilities

A summary of changes in long-term liabilities during the year ended June 30, 2015 is as follows:

	Balance July 1, 2014, as restated**	Issued/ Additions	Reductions	Balance June 30, 2015	Due Within One Year
Government activities					
Long-term debt:					
General obligation bonds payable	\$ 514,855,326	\$ 96,150,000	\$ 95,359,860	\$ 515,645,466	\$ 40,646,641
Premiums/discounts on bonding, net	11,784,587	14,424,001	2,406,065	23,802,523	-
Notes payable	1,165,000	-	390,000	775,000	365,000
GANs	56,552,893	-	6,262,008	50,290,885	-
Capital leases	3,258,140	2,360,839	186,832	5,432,147	1,080,968
Other long-term liabilities					
Clean water fund notes-GNHWPCA	10,198,302	-	866,814	9,331,488	848,863
Compensated absences	21,738,568	19,333,065	20,983,689	20,087,944	19,908,774
Accrued workers' compensation	28,466,573	7,314,085	8,117,037	27,663,621	7,000,000
Accrued claims and other	10,540,654	101,779,132	102,622,921	9,696,865	10,000,000
Retainage	1,314,179	1,726,856	738,140	2,302,895	2,262,422
Net pension liability	554,274,956	92,364,267	-	646,639,223	-
Unfunded OPEB obligations	132,075,000	6,924,300	-	138,999,300	-
Landfill closure and post-closure	900,000	-	150,000	750,000	150,000
Pollution remediation	1,622,838	706,922	1,869,444	460,316	460,316
<b>Total long-term liabilities</b>	<b>\$ 1,348,747,016</b>	<b>\$ 343,083,467</b>	<b>\$ 239,952,810</b>	<b>\$ 1,451,877,673</b>	<b>\$ 82,722,984</b>
Component unit activities					
Long-term debt:					
Revenue bonds*	\$ 19,125,432	\$ 9,900,000	\$ 8,594,023	20,431,409	\$ 8,555,000
<b>Total component unit</b>	<b>\$ 19,125,432</b>	<b>\$ 9,900,000</b>	<b>\$ 8,594,023</b>	<b>\$ 20,431,409</b>	<b>\$ 8,555,000</b>

\* The New Haven Parking Authority's debt balance at June 30, 2015 is net of a premium on refunding of \$9,562

\*\* Restated for GASB No. 68

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 9. Long-Term Liabilities (Continued)

**General obligation bonds:** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, general obligation bonds totaling \$96,150,000 were issued, \$36,425,000 of which is for various capital projects and \$58,725,000 of which is refunding bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year or 20-year serial bonds, and are payable from taxes levied on all taxable property located within the City. The City has not pledged any assets as collateral for general obligation bonds. General obligation bonds currently outstanding are as follows:

Purpose/Maturity	Interest Rate	Governmental Activities
General Purpose Bonds		
Maturity Dates Ranging From		
August 2012 to August 2031	2.00-5.7%	\$ 213,537,552
School Bonds		
Maturity Dates Ranging From		
August 2012 to August 2031	.34-5.7%	282,615,628
Urban Renewal Bonds		
Maturity Dates Ranging From		
August 2012 to August 2031	2.00-5.7%	19,492,286
		515,645,466
Less current portion		40,646,641
Long-term portion		<u>\$ 474,998,825</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	Principal	Interest
2016	\$ 40,646,641	\$ 23,212,286
2017	42,775,695	21,354,423
2018	42,467,523	19,422,603
2019	42,332,001	17,408,410
2020	41,660,840	15,480,698
2021 through 2025	187,612,766	49,575,238
2026 through 2030	85,490,000	18,266,820
2031 through 2035	32,660,000	2,990,284
	<u>\$ 515,645,466</u>	<u>\$ 167,710,762</u>



## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 9. Long-Term Liabilities (Continued)

Qualified Zone Academy Bonds (QZAB) were issued pursuant to Section 1397E of the Internal Revenue Code. As such, a tax credit will be offered to the security provider and the City receives a reduction in interest payments. The QZAB's are general obligation bonds and require that annual payments be made to an escrow account where the City is guaranteed a fixed interest rate. On the termination date, these payments, together with the interest earnings, will be used to satisfy the Bonds. These bonds are included in general obligation bonds and the related debt service requirements. The City is guaranteed to earn \$125,373 in interest over the next year to be used to relinquish the principal portion of the debt during the current year; the escrow account earned \$113,237.

**School bond reimbursements:** The State of Connecticut reimburses the City for eligible principal and interest costs of the capital improvement bond issues used for school reconstruction. The amount of such reimbursements for the year ended June 30, 2015 was approximately \$4,163,000. The City expects to receive approximately \$28,388,000 in principal payments and approximately \$3,261,000 in interest payments over the next 16 years.

**Bonds authorized/unissued:** At June 30, 2015, the City had approximately \$217,000,000 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2015.

#### Advance and current refunding:

2015 general obligation refunding bond in-substance defeasance: In August 2014, the City issued \$58,725,000 of general obligation refunding bonds with interest rates of 2 to 5%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the City (the Refunding Bonds). Net proceeds of \$68,191,150 (after payment of expenses of \$213,768), was placed in an irrevocable trust under an Escrow Agreement dated August 2014 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,303,968, and a cash savings of \$1,303,493 between the old debt payments and the new debt payments.

The balance of the defeased bonds was approximately \$50,200,000 million at June 30, 2015. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-substance defeasance – prior years: In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2015, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, is approximately \$149,215,000.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 9. Long-Term Liabilities (Continued)

**Conduit debt:** The City has issued limited obligation industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Accordingly, the bonds and related receivables are not reported in the general purpose financial statements.

As of June 30, 2015, there were 6 series of limited obligation industrial bonds outstanding, with an aggregate principal amount of approximately \$3,935,000.

**Revenue bonds – component units:** On August 1, 2014 the Authority issued \$9,900,000 in Parking System Revenue Bonds, Series 2014. A portion of the proceeds were used to advance refund \$4,705,393 of Parking System Revenue Bonds, Series 2012. The remaining proceeds will be used for capital improvements throughout the unrestricted parking facilities. The Series 2014 bonds require quarterly principal payments of \$248,000 beginning November 1, 2014 with a final principal payment of \$228,000 due August 1, 2024. The interest rate on the bonds is 2.15% per annum paid quarterly beginning November 1, 2014 through the maturity date of August 1, 2024. Bond issuance costs of \$37,535 were charged to expense during the fiscal year ended June 30, 2015.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 3,857,000	\$ 265,854
2017	992,000	167,528
2018	992,000	146,200
2019	992,000	124,872
2020	992,000	103,544
2021 through 2025	4,196,000	202,122
	<u>\$ 12,021,000</u>	<u>\$ 1,010,120</u>

The New Haven Solid Waste Authority, a component unit of the City, also issued bonds to finance the acquisition of its solid waste facility assets. Through the New Haven Solid Waste Authority, the City has \$8,415,000 of outstanding revenue bond debt at June 30, 2015, with an interest rate ranging from 4% to 5.375%.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 470,000	\$ 438,094
2017	495,000	416,944
2018	520,000	391,575
2019	545,000	364,925
2020	575,000	336,994
2021 through 2025	3,345,000	1,210,182
2026 through 2028	2,465,000	269,557
	<u>\$ 8,415,000</u>	<u>\$ 3,428,271</u>

**Notes payable:** In addition to general obligation bonds, the City is liable for notes payable pledged under general obligations through the HUD Section 108 Loan Program.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

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**Note 9. Long-Term Liabilities (Continued)**

The annual debt service requirements on the above debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 365,000	\$ 26,812
2017	410,000	9,184
	<u>\$ 775,000</u>	<u>\$ 35,996</u>

**Capital leases:** The City has entered into two lease agreements for the financing of energy conservation equipment. In 2015, the City entered into a lease agreement for master vehicle lease equipment. These equipment leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception. The interest rate varies on these leases from 2.695% to 4.70% per annum.

The capitalized value of property under capital leases is approximately \$5,297,000, which has accumulated depreciation of approximately \$1,368,000 at year-end.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30,</u>	<u>General Government</u>
2016	\$ 1,080,968
2017	1,085,047
2018	1,089,248
2019	1,093,575
2020	945,008
2021 and thereafter	<u>815,848</u>
Total minimum lease payments	6,109,694
Less: Amount representing interest	<u>677,547</u>
Present value of minimum lease payment	<u>\$ 5,432,147</u>

**City of New Haven, Connecticut**

**Notes to Financial Statements**

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**Note 10. Fund Deficits**

The following funds had fund deficits as of June 30, 2015:

	<u>Fund Deficits</u>
Internal Service Funds	
Self-Insurance Reserve Fund	\$ 3,870,505
Medical Self-Insurance Fund	3,584,031
Special Revenue Funds	
Improvement	4,393,634
Other	428,331
Enterprise	
Skating Rink	14,783

The Internal Service Fund deficits will be funded in future years from increased premiums and/or permanent financing in accordance with City's plan to reduce the deficit. The Other Special Revenue Funds deficit will be funded through increased charges for services.

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans**

**Employee pension plans:** The City maintains two single employer contributory, defined benefit pension plans, the City Employees' Retirement Fund (CERF) and the Policemen's and Firemen's Retirement Fund. These funds cover substantially all City employees, including non-certified Board of Education employees. The City Employees' Retirement Fund was created in 1938. The Policemen's and Firemen's Retirement Fund was created in 1958 as a replacement for separate police and fire pension funds. The former Policemen's Relief Fund and the Firemen's Relief Fund were merged into the combined fund in 1990. Retirement benefits for certified teachers are provided by the Connecticut State Teachers' Retirement System. The City does not contribute to this Plan.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

The individual plan net position is as follows:

Statement of Net Position June 30, 2015					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
<b>Assets</b>					
Cash and short-term investments	\$ 8,082,020	\$ 37,282,704	\$ 1,186,189	\$ 338,138	\$ 46,889,051
Interest and dividends receivable	273,314	630,769	45	-	904,128
Accounts receivable-investment sales	19,424,598	87,154	-	-	19,511,752
Accounts receivable-other	77,584	167,836	7	10	245,437
Due from other funds	-	271,546	-	15,010	286,556
Investments	140,073,357	290,235,632	113,376	-	430,422,365
<b>Total assets</b>	<b>167,930,873</b>	<b>328,675,641</b>	<b>1,299,617</b>	<b>353,158</b>	<b>498,259,289</b>
<b>Liabilities</b>					
Accounts payable-vendors	139,997	323,565	11,549	45,000	520,111
Accounts payable-investment purchases	3,196,200	1,672,084	-	-	4,868,284
Accounts payable-other	75,698	-	-	-	75,698
Accrued liabilities	564,422	157,017	-	-	721,439
Due from other funds	263,316	-	-	-	263,316
<b>Total liabilities</b>	<b>4,239,633</b>	<b>2,152,666</b>	<b>11,549</b>	<b>45,000</b>	<b>6,448,848</b>
<b>Net Position</b>					
Restricted for Pension Benefits	\$ 163,691,240	\$ 326,522,975	\$ 1,288,068	\$ 308,158	\$ 491,810,441

City of New Haven, Connecticut

Notes to Financial Statements

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

Individual changes in plan net position was as follows:

Statement of Changes in Net Position - Trust Funds					
Year Ended June 30, 2015					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Additions					
Contributions:					
Employer contributions	\$ 17,592,663	\$ 25,259,846	\$ -	\$ 26,006,719	\$ 68,859,228
Plan members	4,568,385	7,873,208	-	2,686,681	15,128,274
<b>Total contributions</b>	<b>22,161,048</b>	<b>33,133,054</b>	<b>-</b>	<b>28,693,400</b>	<b>83,987,502</b>
Investment Earnings:					
Net increase (decrease) in fair value of investments	(4,636,595)	(3,329,470)	7,259	-	(7,958,806)
Interest and dividends	3,090,676	10,929,031	3,019	1,176	14,023,902
Miscellaneous Income	44,857	1,578	-	-	46,435
<b>Total investment income</b>	<b>(1,501,062)</b>	<b>7,601,139</b>	<b>10,278</b>	<b>1,176</b>	<b>6,111,531</b>
Less Investment Expenses:	890,523	1,746,888	457	-	2,637,868
<b>Net investment earnings (loss)</b>	<b>(2,391,585)</b>	<b>5,854,251</b>	<b>9,821</b>	<b>1,176</b>	<b>3,473,663</b>
<b>Total additions</b>	<b>19,769,463</b>	<b>38,987,305</b>	<b>9,821</b>	<b>28,694,576</b>	<b>87,461,165</b>
Deductions					
Benefits	29,565,217	49,650,762	31,722	28,693,400	107,941,101
<b>Total deductions</b>	<b>29,565,217</b>	<b>49,650,762</b>	<b>31,722</b>	<b>28,693,400</b>	<b>107,941,101</b>
<b>Net increase (decrease)</b>	<b>(9,795,754)</b>	<b>(10,663,457)</b>	<b>(21,901)</b>	<b>1,176</b>	<b>(20,479,936)</b>
Net Position, Beginning of Year	173,486,994	337,186,432	1,309,969	306,982	512,290,377
Net Position, End of Year	\$ 163,691,240	\$ 326,522,975	\$ 1,288,068	\$ 308,158	\$ 491,810,441

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

##### City Employees' Retirement Fund:

**Plan membership:** Membership in the plan consisted of the following at July 1, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,124
Terminated plan members entitled to but not yet receiving benefits	20
Active Plan Members	<u>910</u>
<b>Total</b>	<u><u>2,054</u></u>

**Plan description:** The City of New Haven is the administrator of a single employer Public Employee Retirement System (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue stand-alone statements.

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all full time employees or full-time elected or appointed officers are eligible if, (1) hired before age 55 (age 60 for some employee groups); (2) not receiving benefits from or eligible for participation in any other pension plan of the City or the State of Connecticut; and (3) makes employee contributions. Employees are 100 percent vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. The retirement benefit is calculated at 2 percent of the participant's highest average pay (average rate of pay or total earnings if greater, for the five years of service producing the highest average) for each year of service and fraction thereof up to 20 years plus 3% of highest average pay for each year of service and fraction thereof in excess of 20 thereafter subject to a maximum of 70% of highest average pay. Normal retirement age is: Age 60 or 65 (dependent on date of entry to the Plan) or earlier if the "Rule of 80" is satisfied. Benefits and contributions are established by the City and may be amended by the City.

**Contributions:** Cafeteria workers contribute 5% of all earnings, Public Works employees contribute 6.25% of all earnings, and all other employees contribute 6% of all earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. In 2015, the City contributed approximately \$17,593,000 to the plan.

##### **Summary of significant accounting policies, plan changes and plan asset matters:**

**Basis of accounting:** Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. See Note 3 for plan investment policies.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

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**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

**Plan provisions:**

**Effective date:** January 1, 1938 and dates of subsequent amendments.

**Plan year:** July 1 through June 30.

**Employees covered:** General Fund or Water Pollution Control Authority full time employees or full time elected or appointed officers if 1) hired before age 55 (60 for some employee groups); 2) not receiving benefits from, or eligible for, participation in any other pension plan of the City or the State of Connecticut; and 3) makes employee contributions.

Coverage is automatic for such full time employees.

**Credited service:** Employment with the City prior to January 1, 1938; employment with the City after January 1, 1938 during which time employee contributions were made.

**Form of benefit payment:** Life annuity with a 50% survivor benefit for service pensioners and disabled pensioners.

**Non-occupational disability:** Payable (after 10 years of credited service) upon medical proof of "permanently disabled from performing duties of the nature required by his job". Benefit is equal to the service retirement benefit with a minimum equal to 50% (or lower percentage for members hired after age 40) of the disabled member's rate of pay at time of disability. Benefits are subject to reductions for portions of any earnings received while disabled. Continuance of benefits are subject to periodic medical examinations.

**Occupational disability:** Same as non-occupational disability except there is no service requirement if disability arises "out of and in the course of employment". Disability benefits are reduced by weekly Worker's Compensation payments.

**Survivor benefits:** The benefit, payable to a qualified spouse or the qualified children of members with at least 10 years of credited service, is equal to either 50% of the benefit to which the member would have been entitled if he was approved for a permanent disabled pension on the date of his death, or 50% of the benefit the deceased member actually was receiving on his date of death. The minimum benefit, subject to only a six month service requirement, is set forth in a table based on the number of qualified survivors and the member's "highest average pay". The maximum monthly benefit in this table for average annual pay of \$16,800 or more, amounts to \$265, \$510 and \$800 respectively when there are one, two or three or more qualified survivors. (Prior to July 1, 1990 the highest average annual pay was \$12,000 which generated maximum survivors' benefits of \$225, \$430 and \$600 respectively.)



## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Death benefits:** If the accumulated employee contributions exceed the benefit payments made to a member and/or his survivors, the difference will be paid to the appropriate beneficiary, legal representative or estate in a lump sum.

**Termination benefits:** 100% of the accrued normal retirement benefit will be payable at age 65 for members who have completed 10 years of credited service (previously disabled members who have recovered from their disability and have not returned to work need not satisfy this 10 years of credited service requirement) and have not elected to withdraw their accumulated employee contributions. (Prior to July 1, 1980 previously disabled members had to satisfy the 10 years of credited service requirement.)

All other terminating members receive their accumulated contributions without interest in a lump sum. After March 31, 1991, members who have completed 10 years of credited service and who elect to receive their accumulated contributions instead of their accrued normal retirement benefit will also receive interest on their accumulated contributions at the rate of 3% compounded annually.

**Plan administration:** The City's pension plan is separately administered by its own respective pension board. The Mayor, Controller and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typically meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

**Concentrations:** The City does have a formal policy and their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

There are no investments in the pension plans that represent more than 5% of the plan's net position as of July 1, 2015.

**Net pension liability:** The components of the net pension liability of the City at June 30, 2015 were as follows:

City Employees' Retirement Fund	2015	2014
Total Pension Liability	\$ 449,262,186	\$ 430,199,726
Plan Fiduciary Net Position	163,691,240	173,486,994
Net Pension Liability	<u>\$ 285,570,946</u>	<u>\$ 256,712,732</u>
Plan Fiduciary Net Position as a percentage of total pension liability	36.44%	40.33%

**Rate of return:** For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (1.60)%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2015:

<i>Description of Actuarial Methods</i>	
Actuarial method used:	Entry age normal cost
Remaining amortization period:	28 year closed period
Investment rate of return:	8.00%
Asset valuation method:	Phase-in of investment gains and losses, 20% per year for 5 years
Mortality basis:	
Current	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.
Mortality improvement:	Projected to date of decrement using Scale AA (generational mortality).
Salary scale:	
Current:	The following adjusted table:

Age	Rate*
<20	6.50%
20	6.00%
25	5.75%
30	5.50%
35	4.50%
40	4.50%
45	4.25%
50	4.00%
55	3.75%
60	3.50%
65+	3.00%

\* Implicit inflation assumption implicit in both tables = 3.0%

Disability:	The assumed rates of disability are from the 1985 Pension Disability Table, Class 1 professional administrative, supervisory, sales and clerical occupations.
Survivorship:	85% of male employees and 63% of female employees assumed married, wives 2 years younger than husbands.
Cola buy-out:	0% of the eligible employees are assumed to buy out the Cost of Living provision upon retirement.
Administrative expenses:	Estimated expenses are added to annual budget estimates at the time of their preparation.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

<u>City Employees' Retirement Plan</u> <u>Asset Class</u>	Long-Term		Weighting
	Target Allocation	Expected Real Rate of Return	
US Large Cap Value	15.00%	6.00%	0.90%
US Large Cap Growth	10.00%	6.00%	0.60%
US Mid Cap	14.00%	6.50%	0.91%
International Equities	12.00%	5.80%	0.70%
Emerging Markets Equities	6.00%	6.80%	0.41%
US High Yield Bonds	4.00%	5.20%	0.21%
International Fixed Income	12.00%	2.30%	0.28%
US REITs	7.00%	5.00%	0.35%
Global REITs	5.20%	5.10%	0.27%
Managed Futures	5.90%	3.00%	0.18%
Hedged Strategies	2.20%	3.10%	0.07%
Hedged Strategies Global Macro	6.70%	1.60%	0.11%
	<u>100.00%</u>		
Long-Term Inflation Expectation			2.70%
Long-Term Expected Nominal Return			7.69%

**Discount rate:** The discount rate used to measure the total pension liability as of June 30, 2015 was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of New Haven contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan's current contribution policy, the plan's net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 8.00% interest rate assumption was used to discount plan liabilities.

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

**Changes from prior valuation:** The funding method changed to the Entry Age Normal Actuarial Cost Method with a closed 28-year amortization of unfunded liabilities. The investment return assumption has been changed from 8.25% to 8.00%. The payroll growth rate has been changed from 4.00% to 2.00%. Also, the Actuarial Value of assets was reset to the Market Value of assets on July 1, 2014.

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of New Haven City Employees' Retirement Plan, calculated using the discount rate of 8.00% as well as what the City of New Haven City Employees' Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

Changes in the Net Pension Liability

	City Employees' Retirement Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 430,199,726	\$ 173,486,994	\$ 256,712,732
Changes for the year:			
Service cost	6,161,890	-	6,161,890
Interest	34,804,446	-	34,804,446
Differences between expected and actual experience	524,113	-	524,113
Change in benefit terms	7,136,944	-	7,136,944
Contributions - employer	-	17,592,663	(17,592,663)
Contributions - members	-	4,568,385	(4,568,385)
Net investment income	-	(1,977,266)	1,977,266
Benefit payments, including refunds of employee contributions	(29,564,933)	(29,564,933)	-
Administrative expense	-	(459,176)	459,176
Other	-	44,573	(44,573)
<b>Net changes</b>	<b>19,062,460</b>	<b>(9,795,754)</b>	<b>28,858,214</b>
<b>Balances at 6/30/15</b>	<b>\$ 449,262,186</b>	<b>\$ 163,691,240</b>	<b>\$ 285,570,946</b>

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

For the year ended June 30, 2015, the City recognized pension expense of \$27,486,926. As of June 30, 2015, the City's reported deferred outflows of resources related to pensions in the statement of net position from the following sources:

City Employees' Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 423,322	\$ -
Changes of assumptions	5,764,455	-
Net difference between projected and actual earnings on pension plan investments	12,776,174	-
<b>Total</b>	<b>\$ 18,963,951</b>	<b>\$ -</b>

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>City Employees' Pension Plan</u>
2016	\$ 4,667,323
2017	4,667,323
2018	4,667,323
2019	4,667,325
2020	294,657
Thereafter	-

**Policemen and Firemen Retirement Fund:**

**Plan membership:** Membership in the plan consisted of the following at July 1, 2014, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	1,275
Terminated plan members entitled to but not yet receiving benefits	7
Active plan members	634
<b>Total</b>	<b>1,916</b>

**Plan description:** The City of New Haven is the administrator of a single employer Public Employee Retirement System (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue stand-alone statements.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### **Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all policemen and firemen are eligible. Employees are 100 percent vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. Normal Retirement Age is after 20 years of continuous service, 25 years for new hires. Benefits and contributions are established by the City and may be amended by the City.

#### **Summary of significant accounting policies, plan changes and plan asset matters:**

**Basis of accounting:** Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. See Note 3 for plan investment policy.

#### **Plan provisions:**

**Effective date:** January 1, 1958 and dates of subsequent amendments.

**Plan year:** July 1 through June 30.

**Eligibility:** Automatic for policemen and firemen hired after December 31, 1957.

#### **Employee contributions:**

11% for Fire after July 1, 2014.

12% for Police effective after December 18, 2012.

In 2015, the City contributed approximately \$25,260,000 to the plan.

**Continuous service:** Uninterrupted employment with the Police or Fire Departments. Also, members may purchase up to 5 years sick leave credit at retirement.

**Service retirement date:** 20 years of continuous service. 25 years for Police hired after 12/18/2012.

**Mandatory retirement date:** Age 67 with no service requirement (was 65).

**Final average pay:** Average total annual earnings for the 4 highest plan years of earnings (was 5 years for Police prior to July 1, 2004 and for Fire prior to July 1, 2006), or budgeted annual salary at time of retirement, whichever is greater. Total annual earnings includes 50% of extra duty compensation earned on and after July 1, 1994. For Police hired after November 1, 2009, and for Fire hired after August 28, 2013, earnings include only base wages for pension purposes.

**Service retirement benefits:** For members actively employed after June 30, 1994: 2½% (2% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof up to 20 years plus 3% (2.5% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof in excess of 20 years all subject to a maximum of 80% (effective July 1, 2004: 83% for Police retiring with at least 30 years of actual service, if cash in 30 sick days from the sick leave payout maximum at retirement) of final average pay, 70% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014).

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Disability:** For a non-service connected disability 5 years of continuous service is required in order to receive a disability benefit of 50% of final average pay. For service connected disability there is no service requirement and there is a minimum disability benefit of 50% of the employee's rate of pay at time of disability.

After August 31, 1984 policemen and firemen who retire on disability with less than 13 years of service will have their disability benefits reduced if their earnings while on disability exceed a certain level. No reductions will apply after the attainment of age 65.

**Death benefits:** The monthly benefits payable to the widow and/or children are summarized as follows:

##### Pre-retirement death benefit:

1. Widow only - 50% (25% prior to July 1, 1987) of rate of pay being received at date of death;
2. Widow and one child - 60% (35% prior to July 1, 1987) of rate of pay being received at date of death; or
3. Widow and two or more children - 70% (45% prior to July 1, 1987) of rate of pay being received at date of death.

Special benefits for service connected deaths (equal to 100% of final salary less Worker's Compensation payments) are payable out of the City's General Fund.

##### Post-retirement death benefit:

1. Widow only - for members actively employed after June 30, 1994: 65% of pension being paid at date of death - for other members: 50% of pension being paid at date of death;
2. Widow and one child - for members actively employed after June 30, 1994: 75% of pension being paid at date of death - for other members: 70% of pension being paid at date of death; or
3. Widow and two or more children - for members actively employed after June 30, 1994: 85% of pension being paid at date of death for other members: 90% of pension being paid at date of death.

In any event, the total cumulative benefit payments paid out of the Pension fund will amount to no less than the total contributions made by the employee to the plan.

**Termination benefits:** Subject to the following requirements, a benefit equal to 2% times average total earnings for the 10 highest plan years of earnings times years of actual service will be payable starting on the date the terminated member would have become eligible for a normal service pension:

1. Completed 10 years of continuous service.
2. Elected to leave his accumulated contributions in the plan.

All other members will receive their accumulated employee contributions at their date of termination.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Cost of living adjustment:** Policemen and Firemen, who retire after June 30, 1984 with a service retirement benefit which requires at least 20 years (25 years for members who retire before July 1, 1994) of service or who retire after June 30, 1984 as a result of a service connected disability with 20 years of service, and their eligible survivors will have their benefits increased or decreased every other January 1st starting on January 1, 1987 according to the U.S. Consumer Price Index subject to the following restrictions:

1. Each increase or decrease will be limited to 4% (2% for Police hires after 3/28/1997 and 1.5% for Police hires after 10/20/2012), (3% for Fire hired after 4/23/2004 and 1.5% for Fire hired after 4/23/2014);
2. The overall increase in benefits will be limited to 25% (20% for members who retired before July 1, 1994); and
3. The cost of living adjustments will never reduce the benefit below its original level.
4. Accumulated maximum of 25% for Police retirees after July 1, 2011 and were hired prior to 3/28/1997 applies, and a maximum of 10% applies for such Police retirees hired after 3/28/1997. Accumulated maximum of 15% for Fire retirees hired after 4/23/2004 and 10% for Fire hired after 4/23/2014. No cap for Fire if retire with 25 years.
5. The Police retiree has the option to receive 40% of the actuarial value of the Cost of Living feature in exchange for forgoing the COLA.

**Sick leave:** Policemen and Firemen may exchange up to 150 days of sick leave for pension credit. (30 days equal one year of pension service.) For Police hired after 7/1/2001, 50 days equal one year of pension service. Police hired after 10/20/2012 are not eligible for sick leave buyback.

**Plan administration:** The City's pension plan is separately administered by its own respective pension board. The Mayor, Controller and a City Council member serve as permanent members on all pension boards. The non-permanent Pension Board members are appointed by the Mayor and must be an active employee of their respective pension plan. The pension boards typically meet monthly or as needed to review retirement/disability requests and/or investment recommendations. The "joint pension board" which comprises of members from all pension boards meets at least quarterly with the City's Investment Advisor to review and modify investments accordingly. Changes in investments are not effective until voted favorably by each of the pension boards.

**Concentrations:** The City does have a formal policy; however, their practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer. See Note 3 for issuer concentration.

**Net pension liability:** The components of the net pension liability of the City at June 30, 2015 were as follows:

Policemen and Firemen Retirement Fund	2015	2014
Total Pension Liability	\$ 687,591,252	\$ 634,748,656
Plan Fiduciary Net Position	326,522,975	337,186,432
Net Pension Liability	<u>\$ 361,068,277</u>	<u>\$ 297,562,224</u>
Plan Fiduciary Net Position as a percentage of total pension liability	47.49%	53.12%



## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Rate of return:** For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 0.73%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2015:

<i>Description of Actuarial Methods</i>																			
Actuarial method used:	Entry age normal cost																		
Remaining amortization period:	30 year closed period																		
Asset valuation method:	Phase-in of investment gains and losses, 20% per year for 5 years																		
Investment rate of return:	8.00%																		
Mortality basis:	RP-2000 mortality table with separate male and female rates, with blue collar adjustment (employees only), separate table for non-annuitants and annuitants, projected to the valuation date with Scale AA.																		
Mortality improvement:	Projected to date of decrement using Scale AA (generational mortality).																		
Salary scale:																			
Current basis:	The following adjusted table:																		
	<table><tr><th><u>Age</u></th><th><u>Rate*</u></th></tr><tr><td>20</td><td>11.50%</td></tr><tr><td>25</td><td>10.50%</td></tr><tr><td>30</td><td>8.00%</td></tr><tr><td>35</td><td>3.90%</td></tr><tr><td>40</td><td>3.50%</td></tr><tr><td>45</td><td>3.45%</td></tr><tr><td>50</td><td>3.20%</td></tr><tr><td>55 and above</td><td>3.00%</td></tr></table>	<u>Age</u>	<u>Rate*</u>	20	11.50%	25	10.50%	30	8.00%	35	3.90%	40	3.50%	45	3.45%	50	3.20%	55 and above	3.00%
<u>Age</u>	<u>Rate*</u>																		
20	11.50%																		
25	10.50%																		
30	8.00%																		
35	3.90%																		
40	3.50%																		
45	3.45%																		
50	3.20%																		
55 and above	3.00%																		

\* Implicit inflation assumption implicit in both tables = 3.0%

Disability benefits:	The 1985 Disability Pension Study, class 4 hazardous occupations.
Overtime, longevity, and private duty:	25% load on budgeted pay for Police and 17% load on budgeted pay for Fire.
Sick leave credit:	Members who reach retirement or become disabled are assumed to purchase 3.0 years of sick leave credit (1.5 years for Police hired after 7/1/2001 and 0 for Police hired post 12/18/2012.)

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

***Description of Actuarial Methods***

Survivorship:	80% of male employees and 80% of female employees assumed married, wives 2 years younger than husbands.
Administrative expenses:	Estimated expenses are added to annual budget estimates at the time of their preparation.
COLA buy-out assumption:	0% of the eligible employees are assumed to buy out the Cost of Living provision upon retirement.

The City's funding policy is to contribute the actuary's recommended contribution each year. The contribution is calculated as the normal cost under the entry age method, plus a closed amortization of the plan's unfunded liability over 30 years from July 1, 2014, as a level percentage of pay.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<b><u>Police and Firemen Retirement Plan</u></b>	<b>Long-Term</b>		
<b><u>Asset Class</u></b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return</b>	<b>Weighting</b>
US Large Cap Core Equities	12.50%	6.00%	0.75%
US Mid Cap Core Equities	10.00%	6.50%	0.65%
US Small Cap Core Equities	10.00%	7.00%	0.70%
International Equities	15.00%	5.80%	0.87%
Global Equities	9.00%	6.10%	0.55%
Private Equity	10.00%	8.80%	0.88%
US Investment Grade Bonds	15.00%	1.80%	0.27%
US High Yield Bonds	5.00%	5.20%	0.26%
US Private Real Estate	6.00%	3.10%	0.19%
Hedged Strategies	4.00%	3.10%	0.12%
Cash	3.50%	0.30%	0.01%
	<u>100.00%</u>		
Long-Term Inflation Expectation			2.70%
Long-Term Expected Nominal Return			7.95%

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Discount rate:** The discount rate used to measure the total pension liability as of June 30, 2015 was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of New Haven contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members (retired and active employees who qualify under the Plan) and their beneficiaries are included.

Based on the plan's current contribution policy, the plan's net fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, the 8.00% interest rate assumption was used to discount plan liabilities.

**Changes from prior valuation:** The funding method changed to the Entry Age Normal Actuarial Cost Method with a closed 30-year amortization of unfunded liabilities. The investment return assumption has been changed from 8.25% to 8.00%. The payroll growth rate has been changed from 4.00% to 3.00%. The salary scale rates were decreased by 0.5%. Also, the Actuarial Value of assets was reset to the Market Value of assets on July 1, 2014.

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability of the City of New Haven Policemen and Firemen Retirement Plan, calculated using the discount rate of 8.00% as well as what the City of New Haven Policemen and Firemen Retirement Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

Policemen and Firemen Retirement Fund	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 434,873,841	\$ 361,068,277	\$ 298,818,650

**City of New Haven, Connecticut**

**Notes to Financial Statements**

**Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)**

Changes in the Net Pension Liability

	Police and Firemen Retirement Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 634,748,646	\$ 337,186,432	\$ 297,562,214
Changes for the year:			
Service cost	12,179,952	-	12,179,952
Interest	51,364,099	-	51,364,099
Differences between expected and actual experience	24,925,021	-	24,925,021
Change in benefit terms	(221,580)	-	(221,580)
Changes of assumptions	14,245,876	-	14,245,876
Contributions - employer	-	25,259,846	(25,259,846)
Contributions - members	-	7,873,208	(7,873,208)
Net investment income	-	409,813	(409,813)
Benefit payments, including refunds of employee contributions	(49,650,762)	(49,650,762)	-
Administrative expense	-	(170,518)	170,518
Other	-	5,614,956	(5,614,956)
<b>Net changes</b>	<b>52,842,606</b>	<b>(10,663,457)</b>	<b>63,506,063</b>
<b>Balances at 6/30/15</b>	<b>\$ 687,591,252</b>	<b>\$ 326,522,975</b>	<b>\$ 361,068,277</b>

For the year ended June 30, 2015, the City recognized pension expense of \$36,384,040. As of June 30, 2015, the City's reported deferred outflows of resources related to pensions in the statement of net position from the following sources:

Police and Firemen Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,838,282	\$ -
Changes of assumptions	11,338,554	-
Net difference between projected and actual earnings on pension plan investments	21,205,033	-
<b>Total</b>	<b>\$ 52,381,869</b>	<b>\$ -</b>

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Police and Firemen Pension Plan</u>
2016	\$ 13,295,319
2017	13,295,319
2018	13,295,319
2019	12,495,912
2020	-
Thereafter	-

#### Connecticut State Teachers' Retirement System:

All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. These employees are eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are served in the public schools of Connecticut.

**Description of system:** Eligible employees within the City's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the City does not have a liability.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$35,803,000 as payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Benefits provided:** The benefits provided to participants by the System are as follows:

*Normal benefit:* A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

*Prorated benefit:* A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

*Minimum benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

**Contribution requirements:** The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$10,289,135 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$141,919,000.

Employers are not required to make contributions to the Plan.

**Actuarial assumptions:** The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Large cap U.S. equities	21.0%	7.3%
Developed non- U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
	<u>100.00%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate:** The following presents the State's proportionate share of the net pension liability associated with the City, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	<u>1% Decrease 7.50%</u>	<u>Current Discount Rate 8.50%</u>	<u>1% Increase 9.50%</u>
State's proportionate share of the NPL associated with the City	<u>\$449,905,829</u>	<u>\$352,551,770</u>	<u>\$269,797,936</u>

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the State net pension liability that was associated with the City was \$352,551,770 and 100% of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based, which is also the measurement date.

The City recognized the total pension expense associated with the City as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the City. For the fiscal year ended June 30, 2015, the City recognized \$32,974,508 as the amount expended by the State on behalf of the City to meet the State's funding requirements in the Statement of Activities.

**Other information:** Additional information is included in the required supplementary section of the financial statements.

#### Other Post-Employment Benefit Plans (OPEB):

Membership in the Plan consisted of the following at the date of the latest actuarial valuation, July 1, 2013:

Division	Active Participants	Retired Participants and Spouses	Total
General City	797	811	1,608
Police and Fire	651	1,308	1,959
BOE Non-Certified	148	185	333
Teachers and Administrator	1,873	824	2,697
<b>Total</b>	<b>3,469</b>	<b>3,128</b>	<b>6,597</b>

**Plan description:** The City of New Haven is the administrator of a single employer, contributory, defined benefit Other Post-Employment Benefits Plan (OPEB). The OPEB Plan provides medical coverage to eligible retirees and their spouses. The OPEB Plan also provides life insurance coverage to eligible retired School Administrators and Teachers. Eligibility under the plan varies depending on specific provisions for local unions. The OPEB is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a post-employment benefit trust fund.

**Funding policy:** The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rate of the employer and the members varies depending on the applicable agreement. The City currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the plan are paid by the City.



## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

The OPEB obtained its latest actuarial valuation as of July 1, 2013 upon which the annual required contribution for the fiscal year ended June 30, 2015 was determined based on a 5% discount rate.

#### Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
7/01/13	\$ 305,830	\$ 441,057,000	\$ 440,751,170	0.1%	\$ 239,239,541	184.2%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The accrued liability is equal to the portion of the present value of future benefits that is allocated to years of service before the valuation date. The accrued liability is amortized over 30 years, as a level dollar amount open.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funding status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Annual OPEB cost and net OPEB obligation:** The City's annual post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45 for employers in plans with more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

The calculation of the change in the net OPEB obligation for the year ended June 30, 2015 follows:

#### Actuarially Required

1. Contribution (ARC)	\$ 37,212,000
2. Interest on Net OPEB obligation	6,603,800
3. Adjustment To (ARC)	(8,183,100)
4. Annual OPEB Cost (AOC)	35,632,700
5. Contribution Made	28,708,400
6. Increase in Net OPEB obligation	6,924,300
7. Net OPEB obligation, beginning of year	132,075,000
8. Net OPEB obligation, end of year	<u>\$ 138,999,300</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

Annual OPEB Cost and Net OPEB Obligation  
Three-Year Trend Information

Fiscal Year Ending	Annual OPEB Cost (AOC)	Annual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/13	\$ 36,819,400	\$ 21,384,900	58%	\$ 119,433,000
6/30/14	37,127,900	24,485,900	66%	132,075,000
6/30/15	35,632,700	28,708,400	81%	138,999,300

City Employees' Other Post-Employment Benefit Plan:

**Eligibility:** Executive Management, local 3144; classified employees, local 884, locals 68 and 71; trade employees; and cafeteria workers; custodians, and local 217 are eligible for medical coverage upon meeting one of the following criteria:

1. 25 years of service of Rule of 80
2. 20 years with a service connected disability or
3. 15 years of service and meet total disability requirements of Social Security

Cafeteria workers must retire after 7/1/82 and still meet one of the eligibility requirements. Trade employees must retire after 7/1/87 and still meet one of the eligibility requirements.

School Administrators and Teachers must meet one of the following conditions: (1) age 50 with 25 years of service (2) age 55 with 20 years of service or (3) age 60 with 10 years of service.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70, except for local 884 and local 68 who are covered through age 65. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70, except for local 884 and local 68 who are covered through the date the retiree would turn age 65.

**Contributions:** The cost of medical coverage for eligible retirees and their spouses is as follows:

Executive Management, Local 3144: There is no retiree contribution for those who retired prior to July 1, 2001. Retirees on or after July 1, 2001 pay the same cost as an active participant at the time of retirement.

Local 884, 68: There is no retiree contribution for those who retired prior to July 1, 1998. Retirees on or after June 1, 1998 pay the same cost as an active participant at the time of retirement.

Local 71: There is no retiree contribution for those who retired prior to June 30, 1998. Retirees on or after June 30, 1998 pay a portion of the cost for medical coverage.

Trade: There is no retiree contribution for those who retired prior to June 30, 2004. Retirees on or after July 1, 2004 pay a portion of the cost for medical coverage.

Cafeteria Workers, Local 217: There is no retiree contribution.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Actuarial assumptions:** The actuarial assumptions to value benefits for all locations except Police, Fire, Teachers, and School Administrators as of July 1, 2013:

<i>Description of Actuarial Assumptions</i>	
Actuarial cost method:	Projected unit credit
Amortization method:	30 years, level dollar, open
Asset Valuation Method:	Market value
Mortality basis:	RP-2000 projected to the valuation year using Scale AA with separate male and female tables and separate tables for active employees and annuitants.
Disability:	The assumed rates of disability are from the 1985 Pension Disability Table Class, 1 professional administrative, supervisory, sales, and clerical occupations.
Discount rate:	5.0%
Medical inflation:	9.0% for 2013, decreasing 0.5% per year, to an ultimate rate of 5.0% for 2021 and later.
Survivorship:	85% of male employees and 65% of female employees are assumed married, wives are 2 years younger than husbands.
Percentage of actives eligible at retirement who continue with medical coverage:	100%

#### Policemen and Firemen Other Post-Employment Benefit Plan:

**Eligibility:** Policemen and Firemen are eligible for post-employment medical coverage when they meet 20 years of service and are eligible for full pension or are disabled from active service.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70.

**Contributions:** The cost of medical coverage for eligible retirees and their spouses is dependent on the medical plan selected and the coverage level as follows:

	Century Preferred	Blue Care 1	Blue Care 2
Police - Individual	\$50/mo.	\$45/mo.	-
Police - Employee and Spouse	\$105/mo.	\$85/mo.	-
Fire - Individual	\$55/mo.	\$45/mo.	\$40/mo.
Fire - Employee and Spouse	\$110/mo.	\$85/mo.	\$80/mo.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

**Actuarial assumptions:** The actuarial assumptions to value benefits for Police and Fire as of July 1, 2013:

<i>Description of Actuarial Assumptions</i>	
Actuarial cost method:	Projected unit credit
Amortization method:	30 years, level, open
Asset Valuation method:	Market value
Mortality basis:	RP-2000 projected using Scale AA to the valuation year with separate male and female tables, with blue collar adjustment for participants only, and separate tables for active members and annuitants.
Disability:	The 1985 Disability Pension Study, class 4 hazardous occupations.
Discount rate:	5.0%
Medical inflation:	9.0% for 2013, decreasing 0.5% per year, to an ultimate rate of 5.0% for 2021 and later.
Survivorship:	90% of employees and wives are two years younger than husbands.
Percentage of actives eligible at retirement who continue with medical coverage:	100%

#### School Administrators' and Teachers' Other Post-Employment Benefit Plan:

**Eligibility:** Medical coverage is provided for the retiree and their spouse until they reach the age of 65. For administrators and teachers hired before April 1, 1986, coverage may be continued for life if ineligible for Medicare. The spouse will be covered in the event of the retiree's death until the date the retiree would turn age 65.

The face amount of a life insurance policy for eligible Administrators and Teachers is \$75,000.

**Contributions:** Retirees pay a portion of the cost of medical coverage.

**Actuarial assumptions:** The actuarial assumptions to value benefits for Teachers and School Administrators as of July 1, 2013:

<i>Description of Actuarial Methods</i>	
Actuarial cost method:	Projected unit credit
Amortization method:	30 years, level dollar, open
Asset valuation method:	Market Value
Mortality basis:	As used in the Connecticut State Teachers' Retirement System 2010 OPEB Valuation; age 61 and under use the Pre-retirement rates, 62 and over the Postretirement rates
Disability:	None
Discount rate:	5.0%
Medical inflation:	9.0% for 2013, decreasing 0.5% per year, to an ultimate rate of 5.0% for 2021 and later.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 11. Employee Retirement Plans and Other Post-Employment Benefit Plans (Continued)

<i>Description of Actuarial Methods</i>	
Survivorship:	70% of male employees and 35% of female employees; wives are three years younger than husbands
Percentage of actives eligible at retirement who continue with medical coverage:	100%
Percentage of non-medicare eligible continuing after 65:	20%

#### Component unit:

**Parking authority pension plan:** Non-union, full-time employees of the Authority who have attained the age of 21 may participate in a contributory money accumulated pension plan. The Authority's contributions are calculated using 15 percent of nonunion salaries. Employees may elect to voluntarily contribute up to 16 percent of their salary. Employees vest 20 percent in the employer contribution after each full year in the plan and are fully vested after five years of participation.

Total payroll for nonunion employees amounted to approximately \$911,000 and the Authority's contributions amounted to \$133,768 for the year ended June 30, 2015.

The Authority also participates in the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Local 531 Pension Fund (the Fund). This Plan requires contributions to be made on behalf of all bargaining unit employees and all other employees on the payroll such as temporary and casual employees. Under the terms of the union agreement, the Authority's contributions to this Fund were based on 16.7% of union salaries.

The total payroll of all bargaining unit employees for the year ended June 30, 2015 amounted to approximately \$3,702,000. The Authority's contributions for the year ended June 30, 2015 amounted to \$618,188.

#### Note 12. Commitments and Contingencies

**General government:** The City is a defendant in various liability claims and lawsuits relating to deaths and personal injuries, civil rights violations, contractual obligations and other matters, which are incidental to performing governmental functions. The City has determined that it is probable that it has potential liability of approximately \$3,823,000 for such claims, which is recorded in the self-insurance reserve internal service fund. But the self-insurance reserve fund has a fund net position of approximately \$660,000; therefore, funding has not been provided for these potential liabilities (see Note 10 regarding fund deficits). The City's liabilities for claims and judgments were based on information available. It is reasonably possible that, as the cases evolve, the resulting estimates will be adjusted significantly in the near term.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed costs or claims, including amounts already received by the City, could become a liability of the City.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 12. Commitments and Contingencies (Continued)

**Operating lease agreements:** The City leases office space and garage under cancelable and non-cancelable operating leases with terms extending over the next one to nine years. As of June 30, 2015, total future minimum rental payments under these leases are as follows:

Year Ending June 30,

2016	\$ 2,831,440
2017	1,083,640
2018	498,625
2019	498,625
2020	169,170
Thereafter	169,170
	<u>\$ 5,250,670</u>

Rent expense related to these agreements amounted to approximately \$4,452,000 for the year ended June 30, 2015.

**Component unit:** The New Haven Parking Authority is a defendant in other litigation arising in the ordinary course of business. In the opinion of the Parking Authority's management, based upon the advice of legal counsel, the ultimate liability, if any, with respect to these matters will not be material. The Parking Authority intends to defend itself vigorously against these actions.

**Parking authority lease agreements:** The Parking Authority also leases the Granite Square Garage facility for a period of 25 years. The lease for the facility requires monthly rental payments which are based primarily upon the recovery of costs to finance the facility. This agreement was replaced by a new five year lease agreement effective July 1, 2015. The new lease for the facility requires monthly rental payments of \$37,500 for the years ended June 30, 2016 and 2017. The monthly rental payment for the years ended June 30, 2018- 2020 shall be increased by the percentage increase in the CPI Index on March 1st of each immediately preceding lease year over the CPI Index on March 1st of the preceding lease year. The new lease also allows for the option to renew for three additional five year terms. The estimated monthly rent at June 30, 2015 is \$37,500. The following is a schedule, as of June 30, 2015, of estimated future minimum rental payments, which are required of the Authority as lessee under this agreement:

Year Ending June 30,

2016	\$ 450,000
2017	450,000
2018	450,000
2019	450,000
2020	450,000
	<u>\$ 2,250,000</u>

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the statement of revenues, expenses and changes in fund net position and totaled approximately \$1,088,000 for the year ended June 30, 2015.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 12. Commitments and Contingencies (Continued)

The Parking Authority, as owner, or in its capacity as agent for the City, is also the lessor under the terms of various operating leases on property owned or operated by the Parking Authority. Such leases relate to the rental of commercial space located in the Crown Street, Temple-George, Air Rights Parking Facilities and commercial space, office space, and rail property within the Union Stations Transportation Center. Leasing arrangements generally require monthly rental payments and include terms ranging from three to seven years.

A schedule as of June 30, 2015 of minimum future rentals on non-cancelable leases, where the Parking Authority, as owner or in its capacity as agent, is the lessor, is summarized as follows:

#### Year Ending June 30,

2016	\$ 1,627,615
2017	1,116,381
2018	60,300
2019	60,300
2020	60,300
Thereafter	241,200
	<u>\$ 3,166,096</u>

The Parking Authority has entered into several long-term contracts for improvements to its parking facilities. As of June 30, 2015, there was approximately \$1,400,000 of commitments outstanding for improvements to unrestricted facilities, and approximately \$10,000,000 of commitments outstanding for improvements to restricted facilities.

**Subsidies:** The City has historically subsidized various non-related party activities through General Fund expenditures for development. The amount subsidized for fiscal-year-ended June 30, 2015 was approximately \$425,000 which included approximately \$325,000 for Tweed-New Haven Airport, and \$100,000 for the PILOT Pen tennis tournament. The Shubert and Tweed-New Haven Airport also receive a favorable lease agreement of \$1 per year for occupying City owned property. These expenditures are approved annually by the Board of Aldermen during the budgetary meetings.

#### Note 13. Landfill Post Closure Care Cost

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The estimated total current cost of the landfill post-closure care, aggregating \$750,000, is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfill as of June 30, 2015. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

#### Note 14. Risk Management

The City is self-insured for property, general and automobile liability, workers' compensation and employee health. Workers' compensation and employee health are administered by private insurance companies. Losses in the amount of \$1,000,000 or more for property, general and automobile liability are covered by insurance.

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 14. Risk Management (Continued)

The City contracts with a private insurance company to administer workers' compensation claims and provide an actuarial estimate of claims payable as of June 30, 2015. The liability for workers' compensation and heart and hypertension not expected to be paid with current available resources is reported in the government-wide statements in the amount of approximately \$27,676,000 with a discount rate of 4%. Employee health claims are funded based on estimates by the City's insurance consultants and expenses are recognized as incurred. These amounts are recorded in the Internal Service Fund as operating revenues and expenses.

Claims and claims incurred but not reported are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Coverage has not been reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

Changes in the balances of claim liabilities during the past two years are as follows:

Fiscal Year Ended	Self-Insurance Reserve Fund			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2015	\$ 4,400,000	\$ 624,728	\$ 1,201,728	\$ 3,823,000
2014	5,120,000	1,620,081	2,340,081	4,400,000

Fiscal Year Ended	Medical Self-Insurance Fund			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2015	\$ 6,140,654	\$ 101,154,404	\$ 101,421,193	\$ 5,873,865
2014	6,871,745	96,151,834	96,882,925	6,140,654

Fiscal Year Ended	Workers' Compensation and Heart & Hypertension			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2015	\$ 28,466,573	\$ 7,314,084	\$ 8,117,037	\$ 27,663,620
2014	27,634,502	8,827,212	7,995,141	28,466,573

#### Note 15. Related Party Transactions

**New Haven Parking Authority:** The City conducts activity with the New Haven Parking Authority (the Parking Authority). One of the individuals who serves on the Board of Commissioners of the Parking Authority is also an employee of the City. This individual monitors the functioning of the Parking Authority on behalf of the City and provides input from the City on various matters. All members of the Parking Authority's Board of Commissioners are appointed by the Mayor of the City of New Haven.



## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 15. Related Party Transactions (Continued)

Related party account balances at June 30, are as follows:

	<u>2015</u>
Accounts payable and accrued expenses to the City from the Authority	<u>\$ 101,707</u>

In March 2004, the State of Connecticut transferred ownership of several surface lots operated by the Parking Authority to the City of New Haven. The Parking Authority continued to operate these lots under an annual license agreement with the City. The Parking Authority also operated the State Street Surface lots on behalf of the City.

#### Related party rental expense of the Authority:

	<u>2015</u>
Under Air Rights	\$ 51,120
Dwight and Orchard	130,032
State Street Surface Lots	39,528
Orchard and Sherman	99,360
	<u>\$ 320,040</u>

During 2015, the City received a voluntary financial assistance payment of \$1,950,000 from the Parking Authority.

**Solid Waste Authority:** The City also conducts activity with the New Haven Solid Waste and Recycling Authority (the Solid Waste Authority). The Authority entered into an Asset Purchase Agreement with the City of New Haven in June 2008. Under the agreement, the City sold its Transfer Station assets and assigned all of its Transfer Station system responsibilities and liabilities to the Authority. Two officers of the Solid Waste Authority are also employees of the City. These individuals function as activity monitors for the City and provide input from the City on various matters. All members of the Solid Waste Authority's Board are appointed by the Mayor of the City of New Haven.

Related party activity of the Authority at June 30, 2015 is as follows:

	<u>2015</u>
Operating revenue received by Authority from the City for services	<u>\$ 2,801,851</u>

## City of New Haven, Connecticut

### Notes to Financial Statements

#### Note 16. Subsequent Events

In August 2015, the City issued \$46,700,000 in general obligation bonds. The proceeds of the general obligation bonds are to be used to fund the City's various public improvements, urban renewal and economic development projects. The general obligation bonds have an interest rate ranging from 2.125% to 5% and mature on September 1, 2035.

In December 2015, the City issued \$53,400,000 in general obligation refunding bonds. The refunding bonds have a net present value savings of \$1,408,850. The refunding bonds have an interest rate ranging from 3% to 5% and mature on August 15, 2028.

#### Note 17. Fund Balances (Deficits)

Below is a table of fund balance categories and classifications at June 30, 2015 for the City's governmental funds:

	General Fund	Education Grants	Capital Project Funds	Nonmajor Governmental Funds	Total
Fund balances (deficits):					
Non-spendable:					
Inventory	\$ -	\$ 68,206	\$ -	\$ -	\$ 68,206
Permanent funds	-	-	-	2,381,320	2,381,320
	-	68,206	-	2,381,320	2,449,526
Restricted:					
General government-parks	-	-	725,994	2,415,350	3,141,344
General government-City	-	-	-	250,000	250,000
Education	-	1,509,012	-	-	1,509,012
Public works	-	-	42,378,601	-	42,378,601
Public services-other	-	-	-	1,252,003	1,252,003
Public services-human resources	-	-	-	2,932,599	2,932,599
Public services-community	-	-	-	2,062,704	2,062,704
	-	1,509,012	43,104,595	8,912,656	53,526,263
Unassigned (deficits)	1,726,001	-	-	(4,821,965)	(3,095,964)
<b>Total fund balances (deficits)</b>	<b>\$ 1,726,001</b>	<b>\$ 1,577,218</b>	<b>\$ 43,104,595</b>	<b>\$ 6,472,011</b>	<b>\$ 52,879,825</b>

Notes to Financial Statements

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**Note 18. Governmental Accounting Standards Board (GASB) Statements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 74, for which there will be a material effect due to the underfunded opeb plan. See Note 12:

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
  - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
  - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 18. Governmental Accounting Standards Board (GASB) Statements (Continued)

- Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
  - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
  - The gross dollar amount of taxes abated during the period
  - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

## City of New Haven, Connecticut

### Notes to Financial Statements

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#### Note 18. Governmental Accounting Standards Board (GASB) Statements (Continued)

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

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**Required Supplementary  
Information (Unaudited)**

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## Required Supplementary Information

## Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) -

## General Fund

For the Year Ended June 30, 2015

(unaudited)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Revenues				
Current City Taxes:				
Real Estate	\$ 204,306,324	\$ 204,306,324	\$ 205,705,091	\$ 1,398,767
Personal Property	24,773,976	24,773,976	25,673,707	899,731
Motor Vehicle	14,257,902	14,257,902	13,952,367	(305,535)
Supplemental	2,035,000	2,035,000	2,543,569	508,569
Current Interest	1,100,000	1,100,000	1,023,450	(76,550)
Collection Fees	-	-	(176,254)	(176,254)
<b>Total Current City Taxes</b>	<b>246,473,202</b>	<b>246,473,202</b>	<b>248,721,930</b>	<b>2,248,728</b>
Tax Collection Initiatives:				
Real and Personal Property Initiatives	2,986,235	2,986,235	-	(2,986,235)
Delinquent City Taxes:				
Real and Personal Property	1,700,000	1,700,000	229,916	(1,470,084)
Interest and Penalties	725,000	725,000	1,016,935	291,935
<b>Total Delinquent City Taxes</b>	<b>2,425,000</b>	<b>2,425,000</b>	<b>1,246,851</b>	<b>(1,178,149)</b>
Education Grants:				
Education Cost Sharing	142,509,525	142,509,525	142,500,250	(9,275)
School Construction Reimbursement	6,147,820	6,147,820	4,471,963	(1,675,857)
School Transportation	3,804,514	3,804,514	2,474,228	(1,330,286)
Education of the Legally Blind	120,000	120,000	-	120,000
Health Services Non Public Schools	60,000	60,000	37,328	(22,672)
<b>Total Education Grants</b>	<b>152,641,859</b>	<b>152,641,859</b>	<b>149,483,769</b>	<b>(3,158,090)</b>
Other Government Grants:				
Distressed Cities Exemption	87,000	87,000	315,146	228,146
Homeowners Tax Relief - Elderly Circuit Breaker	437,000	437,000	426,816	(10,184)
Low Income Tax Abatement Program	205,000	205,000	84,958	(120,042)
Pequot Funds	6,414,427	6,414,427	6,537,304	122,877
Municipal Revenue Sharing	1,002,745	1,002,745	-	(1,002,745)
State Property Tax Relief	1,287,658	1,287,658	1,287,658	-
PILOT - Colleges & Hospitals	42,472,028	42,472,028	43,246,260	774,232
PILOT - State Property	6,872,702	6,872,702	6,879,419	6,717
PILOT- Low Income	54,000	54,000	54,311	311
PILOT - Disabled	12,000	12,000	10,428	(1,572)
Shell Fish	-	-	54,879	54,879
Tax Relief for the Elderly Freeze	10,000	10,000	2,000	(8,000)
Telecommunications Property Tax	622,019	622,019	642,594	20,575
Town Aid Roads	1,244,746	1,244,746	1,251,332	6,586
<b>Total Other Government Grants</b>	<b>60,721,325</b>	<b>60,721,325</b>	<b>60,793,105</b>	<b>71,780</b>
<b>Total State Aid</b>	<b>213,363,184</b>	<b>213,363,184</b>	<b>210,276,874</b>	<b>(3,086,310)</b>

(Continued on next page)



## Required Supplementary Information

## Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) -

## General Fund (Continued)

For the Year Ended June 30, 2015

(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues (Continued)				
Licenses, Permits and Other Fees:				
Animal Shelter	\$ 3,500	\$ 3,500	\$ 5,634	\$ 2,134
Building Inspections	10,000,000	10,000,000	17,446,258	7,446,258
Engineers- Cost Recovery	25,000	25,000	37,688	12,688
Fire Service	70,000	70,000	73,535	3,535
Fire Insurance Recoveries	120,000	120,000	58,726	(61,274)
Health Services	365,585	365,585	344,196	(21,389)
High School Athletics	25,000	25,000	36,728	11,728
Map/Bid Documents	4,000	4,000	3,619	(381)
Office of Technology	2,000	2,000	1,500	(500)
Parks - Lighthouse Carousel	3,000	3,000	1,210	(1,790)
Parks - Lighthouse Admissions & Concessions	100,000	100,000	80,594	(19,406)
Parks - Other Fees	75,000	75,000	59,702	(15,298)
Police Service	135,000	135,000	129,117	(5,883)
Public Works - Evictions	3,000	3,000	3,990	990
Public Works - Public Space, Licenses & Permits	175,000	175,000	202,109	27,109
Registrar of Vital Statistics	675,000	675,000	669,572	(5,428)
Residential Parking Permits	36,000	36,000	34,290	(1,710)
City Clerk	430,000	430,000	353,140	(76,860)
Traffic & Parking Meter Receipts	5,800,000	5,800,000	6,118,684	318,684
Bulk Trash Permits	45,000	45,000	36,291	(8,709)
Other Agencies	45,000	45,000	38,883	(6,117)
<b>Total Licenses, Permits and Other Fees</b>	<b>18,137,085</b>	<b>18,137,085</b>	<b>25,735,466</b>	<b>7,598,381</b>
Investment Income:				
Interest Income	25,000	25,000	(12,940)	(37,940)
Received From Fines:				
Coliseum Lots	240,000	240,000	300,000	60,000
Miscellaneous Community Development Rent	15,000	15,000	15,060	60
Parking Space Rental	3,000	3,000	3,300	300
Parking Tags	5,000,000	5,000,000	4,624,283	(375,717)
Parks Employees Rents	8,000	8,000	6,960	(1,040)
Fines False Alarm Ordinance	50,000	50,000	119,597	69,597
Public Works - Public Space Violations	5,000	5,000	4,188	(812)
Superior Court	75,000	75,000	54,580	(20,420)
<b>Total Received From Fines</b>	<b>5,396,000</b>	<b>5,396,000</b>	<b>5,127,968</b>	<b>(268,032)</b>

(Continued on next page)

## Required Supplementary Information

## Schedule of Revenues and Other Financing Sources - Budget and Actual - (Non-GAAP Budgetary Basis) -

## General Fund (Continued)

For the Year Ended June 30, 2015

(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Payment in Lieu of Taxes (PILOT):				
52 Howe Street	\$ 65,000	\$ 65,000	\$ 70,140	\$ 5,140
Air Rights Garage - Yale	43,200	43,200	183,333	140,133
Eastview PILOT	29,000	29,000	29,131	131
Hospital of St. Raphael	5,000	5,000	-	(5,000)
South Central Regional Water Authority	1,000,000	1,000,000	1,035,795	35,795
Air Rights Garage- Temple	-	-	44,410	44,410
Trinity Housing	65,000	65,000	73,292	8,292
<b>Total Payment in Lieu of Taxes (PILOT)</b>	<b>1,207,200</b>	<b>1,207,200</b>	<b>1,436,101</b>	<b>228,901</b>
Other Taxes and Assessments:				
Real Estate Conveyance Tax	1,654,067	1,654,067	1,538,813	(115,254)
Yale Payment For Fire Services	2,704,872	2,704,872	2,695,735	(9,137)
<b>Total Other Taxes and Assessments</b>	<b>4,358,939</b>	<b>4,358,939</b>	<b>4,234,548</b>	<b>(124,391)</b>
Miscellaneous:				
BABS Revenue	813,562	813,562	826,484	12,922
Controllers	750,000	750,000	529,597	(220,403)
GNHWPCA-Pilot	608,400	608,400	608,400	-
I-95 Highway Expansion	225,000	225,000	404,973	179,973
Neighborhood Preservation Loan Payments	3,000	3,000	274	(2,726)
NHPA: PILOT	2,000,000	2,000,000	1,950,000	(50,000)
NHPA: PILOT Defeasement	500,000	500,000	-	(500,000)
Off Track Betting	885,000	885,000	635,738	(249,262)
Personal Motor Vehicles Reimbursements	12,000	12,000	13,617	1,617
Other Contributions	8,170,313	8,170,313	8,240,275	69,962
Welfare Recoveries	-	-	1,723	1,723
<b>Total Miscellaneous</b>	<b>13,967,275</b>	<b>13,967,275</b>	<b>13,211,081</b>	<b>(756,194)</b>
Bond Premium Proceeds:				
Total Bond Premium Proceeds	-	-	1,251,358	1,251,358
<b>Total revenues and other financing sources</b>	<b>\$ 508,339,120</b>	<b>\$ 508,339,120</b>	<b>\$ 511,229,237</b>	<b>\$ 2,890,117</b>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	35,803,000
Refunding, net	69,702,601
Excess cost - student based	2,813,793

Total revenues and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.

\$ 619,548,631

See Note to Required Supplementary Information.

## Required Supplementary Information

## Schedule of Expenditures and Other Financing Uses - Budget and Actual - (Non-GAAP Budgetary Basis) -

## General Fund

For the Year Ended June 30, 2015

(unaudited)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Expenditures				
Current:				
General Government:				
Assessor's Office	\$ 969,124	\$ 969,124	\$ 789,139	\$ 179,985
Chief Administrators Office	1,822,472	1,822,472	1,639,452	183,020
City/Town	535,283	535,283	397,925	137,358
Corporation Counsel	1,865,011	1,885,011	1,758,129	126,882
Finance	11,464,904	11,500,341	11,141,153	359,188
Legislative Services	809,647	809,647	743,248	66,399
Library	3,788,688	3,788,688	3,802,366	(13,678)
Mayor's Office	1,204,226	1,204,226	1,190,314	13,912
Parks	4,982,359	4,982,359	5,097,755	(115,396)
Registrar of Voters	665,826	665,826	546,064	119,762
<b>Total General Government</b>	<b>28,107,540</b>	<b>28,162,977</b>	<b>27,105,545</b>	<b>1,057,432</b>
Public Safety:				
Fire	29,232,151	29,232,151	33,989,666	(4,757,515)
Police	38,588,931	38,869,931	39,499,730	(629,799)
Public Safety Communications	3,335,964	3,335,964	3,379,519	(43,555)
<b>Total Public Safety</b>	<b>71,157,046</b>	<b>71,438,046</b>	<b>76,868,915</b>	<b>(5,430,869)</b>
Public Works & Engineering:				
Engineering	3,130,000	3,130,000	3,223,890	(93,890)
Public Works	11,612,692	11,612,692	11,832,359	(219,667)
<b>Total Public Works</b>	<b>14,742,692</b>	<b>14,742,692</b>	<b>15,056,249</b>	<b>(313,557)</b>
Human Services:				
Community Services Admin	2,021,567	2,070,753	2,027,806	42,947
Disability Services	92,224	92,224	86,424	5,800
Elderly Services	714,670	714,670	646,721	67,949
Fair Rent Commission	66,201	66,201	70,434	(4,233)
Health	3,237,498	3,237,498	3,209,258	28,240
Youth Services	475,405	475,405	472,284	3,121
<b>Total Human Services</b>	<b>6,607,565</b>	<b>6,656,751</b>	<b>6,512,927</b>	<b>143,824</b>
Economic Development:				
Building Inspection & Enforcement	939,779	939,779	839,347	100,432
City Plan	533,634	533,634	505,245	28,389
Equal Opportunities	156,328	111,705	107,164	4,541
Development Operating Contributions	801,600	761,600	761,600	-
Economic Development	1,280,077	1,280,077	1,269,671	10,406
Livable City Initiative	676,871	676,871	624,375	52,496
Transportation/Traffic & Parking	2,518,965	2,518,965	2,504,499	14,466
<b>Total Economic Development</b>	<b>6,907,254</b>	<b>6,822,631</b>	<b>6,611,901</b>	<b>210,730</b>

(Continued on next page)

## Required Supplementary Information

## Schedule of Expenditures and Other Financing Uses - Budget and Actual - (Non-GAAP Budgetary Basis) -

## General Fund (Continued)

For the Year Ended June 30, 2015

(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Departments:				
Contract Reserve	\$ (497,605)	\$ (497,605)	\$ -	\$ (497,605)
Salary Reserve	1,000,000	1,000,000	-	1,000,000
Non-Public Transportation	465,000	465,000	547,742	(82,742)
Various Organizations	537,295	537,295	537,295	-
<b>Total Other Departments</b>	<b>1,504,690</b>	<b>1,504,690</b>	<b>1,085,037</b>	<b>419,653</b>
Pensions/Insurance/Benefits:				
Employee Benefits	77,198,206	83,295,072	83,821,367	(526,295)
Pensions	47,446,338	47,446,338	47,870,156	(423,818)
Self-Insurance	5,050,000	12,459,354	10,996,936	1,462,418
<b>Total Insurance Benefits</b>	<b>129,694,544</b>	<b>143,200,764</b>	<b>142,688,459</b>	<b>512,305</b>
Education:				
Total Education	177,219,297	177,219,297	177,202,076	17,221
Debt Service:				
Principal	45,952,428	45,952,428	32,101,674	13,850,754
Interest	24,946,064	10,441,745	24,173,258	(13,731,513)
Refunding	(500,000)	(500,000)	(380,758)	(119,242)
Rainy Day Replenishment	2,000,000	2,697,099	500,000	2,197,099
<b>Total Debt Service</b>	<b>72,398,492</b>	<b>58,591,272</b>	<b>56,394,174</b>	<b>2,197,098</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 508,339,120</b>	<b>\$ 508,339,120</b>	<b>\$ 509,525,283</b>	<b>\$ (1,186,163)</b>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted

35,803,000

Refunding, net

69,702,601

Excess Cost-student based

2,813,793

Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.

\$ 617,844,677

See Note to Required Supplementary Information.

**Required Supplementary Information - Unaudited**  
**Schedule of Contributions**  
**Last Fiscal Year**  
**June 30, 2015**

***Schedule of Employer Contributions - CERF***

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2006	\$ 9,254,000	\$ 9,254,000	\$ -	\$ 52,217,000	17.7%
2007	9,522,000	9,522,000	-	55,510,000	17.2%
2008	10,396,025	10,396,025	-	55,510,000	18.7%
2009	10,938,000	10,938,000	-	57,368,000	19.1%
2010	11,501,900	11,501,900	-	55,394,700	20.8%
2011	11,941,035	12,015,996	(74,961)	57,998,200	20.7%
2012	16,258,723	16,332,514	(73,791)	60,152,100	27.2%
2013	16,909,072	16,977,367	(68,295)	53,572,400	31.7%
2014	16,869,954	16,927,028	(57,074)	53,572,427	31.6%
2015	17,544,752	17,592,663	(47,911)	49,260,490	35.7%

***Schedule of Employer Contributions - P&F***

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2006	\$ 12,871,000	\$ 12,871,000	\$ -	\$ 52,998,500	24.3%
2007	13,481,000	13,481,000	-	64,713,000	20.8%
2008	15,000,000	15,000,000	-	55,602,000	27.0%
2009	16,687,000	16,687,000	-	58,017,427	28.8%
2010	17,811,000	17,811,000	-	54,570,400	32.6%
2011	18,692,000	18,692,000	-	57,301,700	32.6%
2012	23,331,000	23,331,000	-	63,313,700	36.8%
2013	24,258,000	24,258,000	-	56,661,400	42.8%
2014	24,286,140	24,358,055	(71,915)	56,661,371	43.0%
2015	25,251,586	25,259,846	(8,260)	51,378,227	49.2%

**Notes to schedule:**

**P&F**

**CERF**

Valuation date	07/01/2014	07/01/2014
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	28 years
Asset valuation method	5-year smoothed	5-year smoothed
Inflation	3.00%	3.00%
Salary increases	3% - 11.5%	3% - 6.5%
Investment rate of return	8.00%	8.00%
Mortality	RP-2000 Mortality Table projected by Scale AA	RP-2000 Mortality Table projected by Scale AA

**Required Supplementary Information - Unaudited**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last Two Fiscal Years**  
**June 30, 2015**

<b>Police and Firemen Retirement Plan</b>	<b>2015</b>	<b>2014</b>
Changes in Net Pension Liability		
Total Pension Liability		
Service cost	\$ 12,179,952	\$ 11,711,492
Interest	51,364,099	50,164,370
Change of benefit terms	(221,580)	-
Differences between expected and actual experience	24,925,021	-
Change of assumptions	14,245,876	-
Benefit payments, including refunds of member contributions	(49,650,762)	(46,025,365)
<b>Net change in total pension liability</b>	<b>52,842,606</b>	<b>15,850,497</b>
Total Pension Liability, beginning	634,748,646	618,898,149
<b>Total pension liability, ending (a)</b>	<b>687,591,252</b>	<b>634,748,646</b>
Fiduciary Net Position		
Employer contributions	25,259,846	24,358,055
Member contributions	7,873,208	6,728,075
Net investment income	(3,186,954)	54,822,571
Benefit payments, including refunds of member contributions	(49,650,762)	(46,025,365)
Administrative expenses	(170,518)	(845,314)
Other	5,614,956	8,524
<b>Net change in plan fiduciary net position</b>	<b>(14,260,224)</b>	<b>39,046,546</b>
Fiduciary Net Position, beginning	337,186,432	298,139,886
<b>Fiduciary net position, ending (b)</b>	<b>322,926,208</b>	<b>337,186,432</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 364,665,044</b>	<b>\$ 297,562,214</b>
Fiduciary net position as a % of total pension liability	46.96%	53.12%
Covered payroll	\$ 51,378,227	\$ 56,661,371
Net pension liability as a % of covered payroll	709.77%	525.16%

**Required Supplementary Information - Unaudited**  
**Schedule of Investment Returns**  
**June 30, 2015**

	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	0.73%	18.52%

**Required Supplementary Information - Unaudited**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last Two Fiscal Years**  
**June 30, 2015**

<b>City Employees' Retirement Plan</b>	<b>2015</b>	<b>2014</b>
Changes in Net Pension Liability		
Total Pension Liability		
Service cost	\$ 6,161,890	\$ 5,924,895
Interest	34,804,446	34,174,249
Change of benefit terms	-	(3,308,888)
Differences between expected and actual experience	524,113	-
Change of assumptions	7,136,944	-
Benefit payments, including refunds of member contributions	(29,564,933)	(29,218,925)
<b>Net change in total pension liability</b>	<b>19,062,460</b>	<b>7,571,331</b>
Total Pension Liability, beginning	430,199,726	422,628,395
<b>Total pension liability, ending (a)</b>	<b>449,262,186</b>	<b>430,199,726</b>
Fiduciary Net Position		
Employer contributions	17,592,663	16,927,028
Member contributions	4,568,385	4,104,738
Net investment income	(2,794,615)	23,978,199
Benefit payments, including refunds of member contributions	(29,564,933)	(29,218,925)
Administrative expenses	(459,176)	(377,446)
Other	44,573	31,927
<b>Net change in plan fiduciary net position</b>	<b>(10,613,103)</b>	<b>15,445,521</b>
Fiduciary Net Position, beginning	173,486,994	158,041,473
<b>Fiduciary net position, ending (b)</b>	<b>162,873,891</b>	<b>173,486,994</b>
<b>Net pension liability, ending = (a) - (b)</b>	<b>\$ 286,388,295</b>	<b>\$ 256,712,732</b>
Fiduciary net position as a % of total pension liability	36.25%	40.33%
Covered payroll	\$ 49,260,490	\$ 53,572,427
Net pension liability as a % of covered payroll	581.38%	479.19%

**Required Supplementary Information - Unaudited**  
**Schedule of Investment Returns**  
**June 30, 2015**

	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	-1.60%	14.17%

Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
OPEB Plan  
June 30, 2015  
(Unaudited)

**Schedule of Funding Progress - OPEB Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
07/01/07	\$ -	\$ 430,522,000	\$ 430,522,000	0.0%	\$ 272,235,306	158.1%
07/01/09	-	413,995,000	413,995,000	0.0%	284,120,415	145.7%
07/01/11	227,000	444,370,000	444,143,000	0.1%	285,140,448	155.8%
07/01/13	305,830	441,057,000	440,751,170	0.1%	239,239,541	184.2%

**Schedule of Employer Contributions - OPEB Plan**

Year Ended June 30,	Actuarially Determined Contribution	Percentage Contributed	Actual Contribution
2008	\$ 42,126,000	34.10%	\$ 14,350,000
2009	42,126,000	44.90%	18,931,531
2010	42,126,000	47.10%	19,835,300
2011	37,865,000	53.00%	20,232,800
2012	38,444,000	58.00%	22,471,000
2013	38,063,000	56.00%	21,384,900
2014	38,556,000	64.00%	24,485,900
2015	37,212,000	77.00%	28,708,400



**Required Supplementary Information - unaudited**  
**Schedule of the City's Proportionate Share of the Net Pension Liability -**  
**Teachers' Retirement System**  
**For the Year Ended June 30, 2015**

	2015
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	\$ 352,551,770
<b>Total</b>	<b>\$ 352,551,770</b>
City's covered-employee payroll	\$ 141,919,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%
System fiduciary net position as a percentage of the total pension liability	61.51%

**Notes to Schedule**

Change in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Methods and assumptions used in calculations of actuarially determined contributions	The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00%
Salary Increase	3.75-7.00%, including inflation
Investment Rate of Return	8.50%, net of investment expense

**Note to Required Supplementary Information - Unaudited  
June 30, 2015**

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**Note 1. Budgetary Information**

**General fund:** The Statement of Revenues and Expenditures, and Changes in Fund Balance - Budgetary Basis - Budget to Actual presented in the financial statements for the General Fund is on the budgetary basis of accounting, which is a basis of accounting other than the accrual basis and the modified accrual basis of accounting. The budgetary basis of accounting and the City's general budget policies are as follows:

- A. The budget is developed by the Mayor, and adopted by the Board of Aldermen on or before the first Monday in June. If the Board of Aldermen fails to act upon the recommended budget by the first Monday in June, the recommendations of the Mayor shall be the legal budget of the City. The Mayor may, within ten days subsequent to adoption of the budget, veto specific line items. Any veto by the Mayor may be overridden by a two-thirds vote of the Board of Aldermen.
- B. Concurrent with its submission to the Board of Aldermen, the budget is to be filed with the City Clerk. Within four business days after its filing, the clerk shall publish in a newspaper of general circulation in the City the proposed budget. The Board of Aldermen budget committee(s) shall hold at least two public hearings thereon. The first hearing shall be no later than 15 calendar days after the publication of the budget and another hearing shall be held at least 7 calendar days before the first reading by the Board of Aldermen.
- C. The Board of Aldermen can approve additional appropriations on the recommendation of the Mayor. However, the Board of Aldermen shall not reduce any item proposed by the Mayor for the payment of interest or principal on municipal debt.
- D. The total amount of the annual appropriations for any year shall not exceed the estimated income for that year.
- E. Formal budgetary integration is employed as a management control device during the year.
- F. Except for the use of encumbrance accounting and the classification of certain revenues and expenditures, budgets are adopted on a modified accrual basis of accounting.
- G. Budgeted amounts reported in the financial statements have been revised to include Board of Aldermen revisions that were approved during the 2014-2015 fiscal year. Budgetary comparison schedules are presented in the supplemental section as Required Supplemental Information.
- H. In general, all unobligated appropriations lapse at year end.
- I. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order was issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year whereas they are shown as assigned fund balance on a GAAP basis of accounting.

Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

**Note to Required Supplementary Information - Unaudited  
June 30, 2015**


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**Note 1. Budgetary Information (Continued)**

**Special Revenue Funds:** The City does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carryover until completion of the grants and, therefore, may comprise more than one fiscal year.

**Capital Projects Funds:** Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

During the year ended June 30, 2015, the following line items over expended their appropriations:

<u>Department</u>	<u>Amount</u>
Library	\$ (13,678)
Parks	(115,396)
Fire	(4,757,515)
Police	(629,799)
Public Safety Communications	(43,555)
Engineering	(93,890)
Public Works	(219,667)
Fair Rent Commission	(4,233)
Contract Reserve	(497,605)
Non-Public Transportation	(82,742)
Employee Benefits	(526,295)
Pensions	(423,818)
Interest	(13,731,513)
Refunding	(119,242)



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**Combining and Individual Fund  
Financial Statements and  
Other Schedules**

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## **Nonmajor Governmental Funds**

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## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds are established in the City pursuant to State Statutes and local ordinance or resolution. Special revenue funds are a governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Fund	Funding Source	Function
Community Development	Federal grants	Housing assistance
Improvement	State, federal, other grants	Various programs
Human Resources	State and federal grants	Human Resources
Redevelopment	State and federal grants	Redevelopment project
Other	Grants and contributions	Various
Other ETF	Various	Various

### **Debt Service Fund**

The debt service fund is used to report resources to pay down long-term debt of the City.

### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes as defined by the grantor.

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City of New Haven

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
<b>Assets</b>				
Cash and cash equivalents	\$ 3,749,387	\$ 5,724,136	\$ 1,993,436	\$ 19,545
Investments	1,167,510	-	-	-
Receivables, net	272,388	284,069	299,605	2,426
Receivables from other governments	1,440,649	75,940	590,849	-
<b>Total assets</b>	<b>\$ 6,629,934</b>	<b>\$ 6,084,145</b>	<b>\$ 2,883,890</b>	<b>\$ 21,971</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,451,680	\$ 2,002,858	\$ 204,653	\$ 9,750
Accrued liabilities	69,658	1,550	67,375	-
Due to other funds	1,628,829	8,272,819	549,158	-
Due to other governments	407,967	19,785	-	-
Unearned revenue	-	180,767	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>3,558,134</b>	<b>10,477,779</b>	<b>821,186</b>	<b>9,750</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	139,201	-	-	-
<b>Total deferred inflow of resources</b>	<b>139,201</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	2,932,599	-	2,062,704	12,221
Assigned	-	-	-	-
Unassigned	-	(4,393,634)	-	-
<b>Total fund balances</b>	<b>2,932,599</b>	<b>(4,393,634)</b>	<b>2,062,704</b>	<b>12,221</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,629,934</b>	<b>\$ 6,084,145</b>	<b>\$ 2,883,890</b>	<b>\$ 21,971</b>



**Schedule 1**

Special Revenue Funds			
Other	Other ETF	Permanent Funds	Total Nonmajor Governmental Funds (See Exhibit C)
\$ 2,422,229	\$ 1,831,413	\$ 705,784	\$ 16,445,930
-	2,512,041	3,567,009	7,246,560
637,919	49,031	-	1,545,438
240,845	-	-	2,348,283
<u>\$ 3,300,993</u>	<u>\$ 4,392,485</u>	<u>\$ 4,272,793</u>	<u>\$ 27,586,211</u>
\$ 1,556,224	\$ -	\$ -	\$ 5,225,165
60,363	-	-	198,946
2,063,737	61,080	-	12,575,623
-	-	-	427,752
-	-	-	180,767
-	1,666,055	651,691	2,317,746
<u>3,680,324</u>	<u>1,727,135</u>	<u>651,691</u>	<u>20,925,999</u>
49,000	-	-	188,201
<u>49,000</u>	<u>-</u>	<u>-</u>	<u>188,201</u>
-	-	2,381,320	2,381,320
-	2,665,350	1,239,782	8,912,656
-	-	-	-
(428,331)	-	-	(4,821,965)
<u>(428,331)</u>	<u>2,665,350</u>	<u>3,621,102</u>	<u>6,472,011</u>
<u>\$ 3,300,993</u>	<u>\$ 4,392,485</u>	<u>\$ 4,272,793</u>	<u>\$ 27,586,211</u>

City of New Haven, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
<b>Revenues</b>				
Intergovernmental	\$ 7,398,819	\$ 10,049,227	\$ 8,917,648	\$ -
Investment earnings	33,069	-	(31,043)	-
Charges for services	445,764	-	21,093	-
Other contributions	1,947,150	267,805	1,864,957	-
<b>Total revenues</b>	<b>9,824,802</b>	<b>10,317,032</b>	<b>10,772,655</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	212,270	-	-	21,233
Education	-	-	-	-
Public Works	-	12,819,565	-	-
Economic Development	-	-	-	-
Public Services	10,776,670	-	10,846,787	-
Debt Service:				
Principal	390,000	-	-	-
Interest	35,255	-	-	-
<b>Total expenditures</b>	<b>11,414,195</b>	<b>12,819,565</b>	<b>10,846,787</b>	<b>21,233</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,589,393)</b>	<b>(2,502,533)</b>	<b>(74,132)</b>	<b>(21,233)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	64,834	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>64,834</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>(1,589,393)</b>	<b>(2,502,533)</b>	<b>(9,298)</b>	<b>(21,233)</b>
Fund Balances (Deficits), Beginning	4,521,992	(1,891,101)	2,072,002	33,454
Fund Balances (Deficits), Ending	<b>\$ 2,932,599</b>	<b>\$ (4,393,634)</b>	<b>\$ 2,062,704</b>	<b>\$ 12,221</b>

**Schedule 2**

Special Revenue Funds			
Other	Other ETF	Permanent Funds	Total Nonmajor Governmental Funds (See Exhibit D)
\$ 29,846,468	\$ -	\$ -	\$ 56,212,162
991	1,244	-	4,261
2,663,171	-	-	3,130,028
280,622	186,131	149,368	4,696,033
32,791,252	187,375	149,368	64,042,484
4,954,345	-	-	5,187,848
20,982,000	-	-	20,982,000
-	-	-	12,819,565
2,684,058	-	-	2,684,058
-	-	-	21,623,457
-	-	-	390,000
-	-	-	35,255
28,620,403	-	-	63,722,183
4,170,849	187,375	149,368	320,301
-	-	-	64,834
-	-	-	64,834
4,170,849	187,375	149,368	385,135
(4,599,180)	2,477,975	3,471,734	6,086,876
\$ (428,331)	\$ 2,665,350	\$ 3,621,102	\$ 6,472,011

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## Nonmajor Enterprise Funds

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### **Nonmajor Enterprise Funds**

Nonmajor Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

**Golf Course** – is used to account for revenues and expenditures related to the City Golf Course.

**Skating Rink** – is used to account for revenues and expenditures related to the City Skating Rink.

**East Rock Communications Tower** – is used to account for revenues and expenditures related to the communication tower at East Rock.

**Combining Statement of Net Position - Nonmajor Enterprise Funds**  
**June 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 401,170	\$ 11,105	\$ 374,361	\$ 786,636
Accounts receivable	20,420	-	34,968	55,388
<b>Total assets</b>	<b>421,590</b>	<b>11,105</b>	<b>409,329</b>	<b>842,024</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	287,146	24,990	1,624	313,760
Due to other funds	28,744	898	29,263	58,905
<b>Total current liabilities</b>	<b>315,890</b>	<b>25,888</b>	<b>30,887</b>	<b>372,665</b>
<b>Net Position</b>				
Unrestricted	105,700	(14,783)	378,442	469,359
<b>Total net position (deficit)</b>	<b>\$ 105,700</b>	<b>\$ (14,783)</b>	<b>\$ 378,442</b>	<b>\$ 469,359</b>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position -  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
<b>Operating Revenues</b>				
Charges for services	\$ 865,175	\$ 210,432	\$ 99,548	\$ 1,175,155
<b>Total operating revenues</b>	<u>865,175</u>	<u>210,432</u>	<u>99,548</u>	<u>1,175,155</u>
<b>Operating Expenses</b>				
Cost of service	935,543	224,317	47,083	1,206,943
<b>Total operating expenses</b>	<u>935,543</u>	<u>224,317</u>	<u>47,083</u>	<u>1,206,943</u>
<b>Operating (loss) income</b>	<u>(70,368)</u>	<u>(13,885)</u>	<u>52,465</u>	<u>(31,788)</u>
<b>Transfers out</b>				
Transfers out	(110,000)	-	-	(110,000)
<b>Change in net position</b>	<u>(180,368)</u>	<u>(13,885)</u>	<u>52,465</u>	<u>(141,788)</u>
Fund Net Position, Beginning	286,068	(898)	325,977	611,147
Fund Net Position (Deficit), Ending	<u>\$ 105,700</u>	<u>\$ (14,783)</u>	<u>\$ 378,442</u>	<u>\$ 469,359</u>



**Combining Statement of Cash Flows - Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 887,819	\$ 220,035	\$ 106,967	\$ 1,214,821
Payments to suppliers and personnel	(744,424)	(283,400)	(48,392)	(1,076,216)
<b>Net cash provided by (used in) operating activities</b>	<u>143,395</u>	<u>(63,365)</u>	<u>58,575</u>	<u>138,605</u>
<b>Cash Flows From Investing Activities</b>				
Interest income	-	-	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>143,395</u>	<u>(63,365)</u>	<u>58,575</u>	<u>138,605</u>
<b>Cash Flows From Financing Activities</b>				
Transfers out to other funds	(110,000)	-	-	(110,000)
<b>Cash and Cash Equivalents</b>				
Beginning	<u>367,775</u>	<u>74,470</u>	<u>315,786</u>	<u>758,031</u>
Ending	<u>\$ 401,170</u>	<u>\$ 11,105</u>	<u>\$ 374,361</u>	<u>\$ 786,636</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (70,368)	\$ (13,885)	\$ 52,465	\$ (31,788)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Changes in assets and liabilities:				
Decrease in other receivables	(6,100)	8,705	(29,179)	(26,574)
Increase (Decrease) in accounts payable	191,119	(59,083)	1,309	133,345
Increase in due to other funds and advance	28,744	898	33,980	63,622
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 143,395</u>	<u>\$ (63,365)</u>	<u>\$ 58,575</u>	<u>\$ 138,605</u>

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## Internal Service Funds

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### **Internal Service Funds**

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the City, or to other governments, on a cost-reimbursement basis.

The City maintains three (3) internal service funds to account for the risk management program for employee benefits including retirees, municipal actives, workers' compensation, and general liability, including property damage.

**Combining Statement of Net Position (Deficit)**  
**Internal Service Funds**  
**June 30, 2015**

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit F)
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 839,843	\$ 464,399	\$ 408,245	\$ 1,712,487
Receivables, net	-	3,280,073	277,170	3,557,243
Due from other funds	-	9,222	-	9,222
<b>Total current assets</b>	<b>839,843</b>	<b>3,753,694</b>	<b>685,415</b>	<b>5,278,952</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	257,369	1,463,860	-	1,721,229
Due to other funds	622,314	-	615,385	1,237,699
Accrued estimated healthcare claims	-	5,873,865	-	5,873,865
Claims and judgments	2,035,500	-	-	2,035,500
Other liabilities	7,665	-	-	7,665
<b>Total current liabilities</b>	<b>2,922,848</b>	<b>7,337,725</b>	<b>615,385</b>	<b>10,875,958</b>
Noncurrent Liabilities:				
Claims and judgments	1,787,500	-	-	1,787,500
	1,787,500	-	-	1,787,500
<b>Total liabilities</b>	<b>4,710,348</b>	<b>7,337,725</b>	<b>615,385</b>	<b>12,663,458</b>
<b>Net Position (Deficit)</b>				
Unrestricted (deficit)	(3,870,505)	(3,584,031)	70,030	(7,384,506)
<b>Total net position (deficit)</b>	<b>\$ (3,870,505)</b>	<b>\$ (3,584,031)</b>	<b>\$ 70,030</b>	<b>\$ (7,384,506)</b>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)****Internal Service Funds****For the Year Ended June 30, 2015**

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit G)
Operating Revenues				
Employer's contribution	\$ 8,607,336	\$ 83,974,008	\$ 8,145,509	\$ 100,726,853
Charges for services	-	15,645,987	-	15,645,987
Other revenue	-	4,595,034	-	4,595,034
<b>Total operating revenues</b>	<b>8,607,336</b>	<b>104,215,029</b>	<b>8,145,509</b>	<b>120,967,874</b>
Operating Expenses				
Insurance claims and other expenses	624,728	101,421,193	8,117,037	110,162,958
<b>Total operating expenses</b>	<b>624,728</b>	<b>101,421,193</b>	<b>8,117,037</b>	<b>110,162,958</b>
<b>Change in net position (deficit)</b>	<b>7,982,608</b>	<b>2,793,836</b>	<b>28,472</b>	<b>10,804,916</b>
Net Position (Deficit), Beginning	(11,853,113)	(6,377,867)	41,558	(18,189,422)
Net Position (Deficit), Ending	<b>\$ (3,870,505)</b>	<b>\$ (3,584,031)</b>	<b>\$ 70,030</b>	<b>\$ (7,384,506)</b>

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit H)
Cash Flows from Operating Activities				
City's contribution	\$ 8,607,335	\$ 87,520,897	\$ 8,094,370	\$ 104,222,602
Cash received from users (including other funds)	-	12,944,748	-	12,944,748
Cash payments to other funds	-	-	423,161	423,161
Claims and other expenses paid	(7,768,435)	(100,224,122)	(8,117,037)	(116,109,594)
<b>Net cash provided by operating activities</b>	<b>838,900</b>	<b>241,523</b>	<b>400,494</b>	<b>1,480,917</b>
Cash and Cash Equivalents				
Beginning of year	943	222,876	7,751	231,570
End of year	<u>\$ 839,843</u>	<u>\$ 464,399</u>	<u>\$ 408,245</u>	<u>\$ 1,712,487</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 7,982,608	\$ 2,793,836	\$ 28,472	\$ 10,804,916
Change in Assets and Liabilities:				
Increase in receivables, net	-	(1,048,146)	(51,139)	(1,099,285)
Decrease in accrued estimated healthcare payments	-	(266,789)	-	(266,789)
Decrease in claims and judgments	(577,000)	-	-	(577,000)
Increase in accounts payable and other	248,805	1,463,860	-	1,712,665
Increase in due from other funds	-	(9,222)	-	(9,222)
Increase (decrease) in due to other funds and advances	(6,815,513)	(2,692,016)	423,161	(9,084,368)
<b>Net cash provided by operating activities</b>	<b>\$ 838,900</b>	<b>\$ 241,523</b>	<b>\$ 400,494</b>	<b>\$ 1,480,917</b>

**Combining Statement of Activities**  
**Internal Service Funds - Medical Self-Insurance Fund**  
**For the Year Ended June 30, 2015**

	Medical Self-Insurance Current Employees	Medical Self-Insurance Retirees	Total Medical Self-Insurance
Operating Revenues			
Employer's contribution	\$ 55,280,591	\$ 28,693,417	\$ 83,974,008
Charges for services and other	16,613,470	3,627,551	20,241,021
<b>Total operating revenues</b>	<b>71,894,061</b>	<b>32,320,968</b>	<b>104,215,029</b>
Operating Expenses			
Insurance claims and expenses	69,100,225	32,320,968	101,421,193
<b>Total operating expenses</b>	<b>69,100,225</b>	<b>32,320,968</b>	<b>101,421,193</b>
<b>Change in net position (deficit)</b>	<b>2,793,836</b>	<b>-</b>	<b>2,793,836</b>
Net Position (Deficit), Beginning	(6,377,867)	-	(6,377,867)
Net Position (Deficit), Ending	<b>\$ (3,584,031)</b>	<b>\$ -</b>	<b>\$ (3,584,031)</b>





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## Fiduciary Funds

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**Combining Statement of Trust Fund Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post-Employment Benefit Plan Fund	Combined Trust Funds (See Exhibit I)
<b>Assets</b>					
Cash and short-term investments	\$ 8,082,020	\$ 37,282,704	\$ 1,186,189	\$ 338,138	\$ 46,889,051
Interest and dividends receivable	273,314	630,769	45	-	904,128
Accounts receivable-investment sales	19,424,598	87,154	-	-	19,511,752
Accounts receivable- other	77,584	167,836	7	10	245,437
Due from other funds	-	271,546	-	15,010	286,556
	<u>27,857,516</u>	<u>38,440,009</u>	<u>1,186,241</u>	<u>353,158</u>	<u>67,836,924</u>
<b>Investments</b>					
Government agencies	16,971,070	-	-	-	16,971,070
Government securities	-	7,533,819	-	-	7,533,819
Common stock	46,935,657	112,159,558	-	-	159,095,215
Fixed income funds	7,924,596	7,611,560	-	-	15,536,156
Corporate bonds	11,286,557	9,606,159	-	-	20,892,716
Equity Mutual Funds	33,233,972	77,003,873	113,376	-	110,351,221
Hedge Fund	11,732,276	2,872,395	-	-	14,604,671
Asset-backed securities	-	4,889,335	-	-	4,889,335
Venture capital partnerships	11,989,229	43,918,402	-	-	55,907,631
Private Equity - Real estate funds	-	24,640,531	-	-	24,640,531
<b>Total investments</b>	<u>140,073,357</u>	<u>290,235,632</u>	<u>113,376</u>	<u>-</u>	<u>430,422,365</u>
<b>Total assets</b>	<u>167,930,873</u>	<u>328,675,641</u>	<u>1,299,617</u>	<u>353,158</u>	<u>498,259,289</u>
<b>Liabilities</b>					
Accounts payable-vendors	139,997	323,565	11,549	45,000	520,111
Accounts payable-investment purchases	3,196,200	1,672,084	-	-	4,868,284
Accounts payable-other	75,698	-	-	-	75,698
Accrued liabilities	564,422	157,017	-	-	721,439
Due to other funds	263,316	-	-	-	263,316
<b>Total liabilities</b>	<u>4,239,633</u>	<u>2,152,666</u>	<u>11,549</u>	<u>45,000</u>	<u>6,448,848</u>
<b>Net Position</b>					
Restricted for Pension Benefits	<u>\$ 163,691,240</u>	<u>\$ 326,522,975</u>	<u>\$ 1,288,068</u>	<u>\$ 308,158</u>	<u>\$ 491,810,441</u>

**Combining Statement of Changes in Trust Fund Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2015**

	City Employees' Retirement Fund	Policemen's and Firemen's Retirement Fund	Other Retirement Fund	Post-Employment Benefit Plan Fund	Combined Trust Funds (See Exhibit J)
<b>Additions</b>					
Contributions:					
Employer contributions	\$ 17,592,663	\$ 25,259,846	\$ -	\$ 26,006,719	\$ 68,859,228
Plan members	4,568,385	7,873,208	-	2,686,681	15,128,274
<b>Total contributions</b>	<b>22,161,048</b>	<b>33,133,054</b>	<b>-</b>	<b>28,693,400</b>	<b>83,987,502</b>
Investment Earnings:					
Net appreciation in fair value of investments	(4,636,595)	(3,329,470)	7,259	-	(7,958,806)
Interest and dividends	3,090,676	10,929,031	3,019	1,176	14,023,902
Miscellaneous Income	44,857	1,578	-	-	46,435
<b>Total investment income</b>	<b>(1,501,062)</b>	<b>7,601,139</b>	<b>10,278</b>	<b>1,176</b>	<b>6,111,531</b>
Less Investment Expense:	890,523	1,746,888	457	-	2,637,868
<b>Net investment earnings</b>	<b>(2,391,585)</b>	<b>5,854,251</b>	<b>9,821</b>	<b>1,176</b>	<b>3,473,663</b>
<b>Total additions</b>	<b>19,769,463</b>	<b>38,987,305</b>	<b>9,821</b>	<b>28,694,576</b>	<b>87,461,165</b>
<b>Deductions</b>					
Benefits	29,565,217	49,650,762	31,722	28,693,400	107,941,101
<b>Total deductions</b>	<b>29,565,217</b>	<b>49,650,762</b>	<b>31,722</b>	<b>28,693,400</b>	<b>107,941,101</b>
<b>Net increase (decrease)</b>	<b>(9,795,754)</b>	<b>(10,663,457)</b>	<b>(21,901)</b>	<b>1,176</b>	<b>(20,479,936)</b>
Restricted for Pension Benefits:					
Fund Net Position, Beginning of Year	173,486,994	337,186,432	1,309,969	306,982	512,290,377
Fund Net Position, End of Year	<b>\$ 163,691,240</b>	<b>\$ 326,522,975</b>	<b>\$ 1,288,068</b>	<b>\$ 308,158</b>	<b>\$ 491,810,441</b>

**Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>Student Activity Funds</b>				
Assets:				
Cash and cash equivalents	\$ 525,456	\$ 1,393,717	\$ (1,369,188)	\$ 549,985
<b>Total assets</b>	<b>\$ 525,456</b>	<b>\$ 1,393,717</b>	<b>\$ (1,369,188)</b>	<b>\$ 549,985</b>
Liabilities:				
Due to student groups	\$ 525,456	\$ 1,393,717	\$ (1,369,188)	\$ 549,985
<b>Total liabilities</b>	<b>\$ 525,456</b>	<b>\$ 1,393,717</b>	<b>\$ (1,369,188)</b>	<b>\$ 549,985</b>
<b>Performance Bond</b>				
Assets:				
Cash and cash equivalents	\$ 477,774	\$ 171,294	\$ (133,129)	\$ 515,939
<b>Total assets</b>	<b>\$ 477,774</b>	<b>\$ 171,294</b>	<b>\$ (133,129)</b>	<b>\$ 515,939</b>
Liabilities:				
Amounts held for others	\$ 477,774	\$ 171,294	\$ (133,129)	\$ 515,939
<b>Total liabilities</b>	<b>\$ 477,774</b>	<b>\$ 171,294</b>	<b>\$ (133,129)</b>	<b>\$ 515,939</b>
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,003,230	\$ 1,565,011	\$ (1,502,317)	\$ 1,065,924
<b>Total assets</b>	<b>\$ 1,003,230</b>	<b>\$ 1,565,011</b>	<b>\$ (1,502,317)</b>	<b>\$ 1,065,924</b>
Liabilities:				
Amounts held for others	\$ 1,003,230	\$ 1,565,011	\$ (1,502,317)	\$ 1,065,924
<b>Total liabilities</b>	<b>\$ 1,003,230</b>	<b>\$ 1,565,011</b>	<b>\$ (1,502,317)</b>	<b>\$ 1,065,924</b>

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## Other Schedules

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City of New Haven, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding  
For the Year Ended June 30, 2015

Grand List	Uncollected Taxes July 1, 2014	Current Levy	Lawful Corrections Additions/ Deductions	Transfers to Suspense	Net Amount Collectible
1998	\$ 64,588	\$ -	\$ (64,588)	\$ -	\$ -
1999	63,104	-	(6,693)	-	56,411
2000	65,246	-	(6,599)	-	58,647
2001	79,324	-	(7,335)	-	71,989
2002	93,385	-	(7,684)	-	85,701
2003	101,776	-	(8,977)	-	92,799
2004	111,856	-	(10,429)	-	101,427
2005	169,556	-	(11,462)	-	158,094
2006	215,126	-	(17,694)	-	197,432
2007	279,295	-	(55,115)	-	224,180
2008	368,800	-	(61,844)	-	306,956
2009	420,626	-	(79,980)	-	340,646
2010	1,762,576	-	(100,881)	(1,159,695)	502,000
2011	2,385,262	-	(1,391,604)	-	993,658
2012	5,041,915	-	(1,731,612)	-	3,310,303
Prior Years' Total	11,222,435	-	(3,562,497)	(1,159,695)	6,500,243
2013	-	257,145,463	(4,524,890)	-	252,620,573
	<u>\$ 11,222,435</u>	<u>\$ 257,145,463</u>	<u>\$ (8,087,387)</u>	<u>\$ (1,159,695)</u>	<u>\$ 259,120,816</u>



Schedule 13

Collections					Uncollected Taxes June 30, 2015
Taxes	Interest and Lien Fees	Lien Fees	Total		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
552	1,374	-	1,926	55,859	
552	1,275	-	1,827	58,095	
1,552	1,769	-	3,321	70,437	
2,681	2,449	-	5,130	83,020	
540	967	-	1,507	92,259	
3,572	9,598	-	13,170	97,855	
5,937	8,967	-	14,904	152,157	
16,450	19,486	-	35,936	180,982	
(26,322)	8,192	-	(18,130)	250,502	
41,969	68,361	-	110,330	264,987	
67,347	69,165	-	136,512	273,299	
137,433	93,743	-	231,176	364,567	
(844,906)	147,185	-	(697,721)	1,838,564	
1,121,989	443,921	-	1,565,910	2,188,314	
529,346	876,452	-	1,405,798	5,970,897	
247,382,319	925,366	-	248,307,685	5,238,254	
\$ 247,911,665	\$ 1,801,818	\$ -	\$ 249,713,483	\$ 11,209,151	

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**Statistical Section  
(Unaudited)**

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## **Statistical Section - Unaudited**

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

*Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.

*Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).

*Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

*Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

*Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the financial reports for the relevant year.

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City of New Haven, Connecticut

**Net Position by Component  
Last Ten Fiscal Years  
(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 475,295,189	\$ 590,164,856	\$ 690,783,952	\$ 795,545,245
Restricted	34,516,475	27,821,177	15,289,232	12,887,497
Unrestricted	(68,687,186)	(70,483,768)	(108,981,890)	(148,878,781)
<b>Total governmental activities</b>	<b>441,124,478</b>	<b>547,502,265</b>	<b>597,091,294</b>	<b>659,553,961</b>
Business-Type Activities				
Unrestricted	3,619,367	3,835,849	1,785,564	1,647,934
<b>Total business-type activities</b>	<b>3,619,367</b>	<b>3,835,849</b>	<b>1,785,564</b>	<b>1,647,934</b>
City Net Position				
Net Invested in capital assets,	475,295,189	590,164,856	690,783,952	795,545,245
Restricted	34,516,475	27,821,177	15,289,232	12,887,497
Unrestricted (deficit)	(65,067,819)	(66,647,919)	(107,196,326)	(147,230,847)
<b>Total governmental activities</b>	<b>\$ 444,743,845</b>	<b>\$ 551,338,114</b>	<b>\$ 598,876,858</b>	<b>\$ 661,201,895</b>

Source: Department of Finance

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 790,216,721	\$ 889,013,623	\$ 933,256,161	\$ 950,575,226	\$ 952,587,372	\$ 918,930,231
12,550,193	16,979,104	13,770,223	16,333,526	20,765,758	13,528,982
(37,143,425)	(97,426,220)	(136,664,640)	(154,091,504)	(190,023,485)	(717,176,614)
765,623,489	808,566,507	810,361,744	812,817,248	783,329,645	215,282,599
652,000	520,387	552,158	453,546	611,147	469,359
652,000	520,387	552,158	453,546	611,147	469,359
790,216,721	889,013,623	933,256,161	950,575,226	952,587,372	918,930,231
12,550,193	16,979,104	13,770,223	16,333,526	20,765,758	13,528,982
(36,491,425)	(96,905,833)	(136,112,482)	(153,637,958)	(189,412,338)	(716,707,255)
\$ 766,275,489	\$ 809,086,894	\$ 810,913,902	\$ 813,270,794	\$ 783,940,792	\$ 215,751,958

City of New Haven, Connecticut

**Statement of Activities**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
General government	\$ 37,587,972	\$ 32,110,858	\$ 37,693,461	\$ 33,128,676
Education	256,839,100	267,469,133	345,341,470	281,171,745
Public Safety	60,927,432	64,576,785	68,514,288	70,113,405
Public Works	24,219,150	25,542,135	24,673,176	25,800,652
Public Services	35,216,619	35,211,562	42,186,718	41,512,155
Employee benefits and insurance	73,886,275	82,174,588	114,344,620	115,508,082
Culture and Recreation	-	9,273,135	9,927,948	9,665,487
Economic Development	-	23,549,651	21,962,659	39,221,060
Health and Welfare	8,465,545	-	-	-
Other	24,432,970	-	-	-
Interest on long-term debt	19,686,081	20,141,346	24,529,443	21,900,866
<b>Total governmental expenses</b>	<b>541,261,144</b>	<b>560,049,193</b>	<b>689,173,783</b>	<b>638,022,128</b>
Business-type activities:				
Recreation	67,698,317	1,379,843	1,772,097	1,255,002
<b>Total business-type expenses</b>	<b>67,698,317</b>	<b>1,379,843</b>	<b>1,772,097</b>	<b>1,255,002</b>
<b>Total expenses</b>	<b>608,959,461</b>	<b>561,429,036</b>	<b>690,945,880</b>	<b>639,277,130</b>
Program Revenues:				
Governmental activities:				
Charges for services	54,068,180	69,016,817	65,209,673	48,839,095
Operating grants and contributions	233,395,097	230,990,261	310,303,937	273,622,190
Capital grants and contributions	71,712,343	123,116,731	108,404,390	110,706,951
<b>Total governmental activities</b>	<b>359,175,620</b>	<b>423,123,809</b>	<b>483,918,000</b>	<b>433,168,236</b>
Business-type activities:				
Recreation	(22,072,109)	1,596,325	(278,188)	1,117,372
<b>Total business-type activities</b>	<b>(22,072,109)</b>	<b>1,596,325</b>	<b>(278,188)</b>	<b>1,117,372</b>
<b>Total program revenues</b>	<b>337,103,511</b>	<b>424,720,134</b>	<b>483,639,812</b>	<b>434,285,608</b>
Net (expense)/revenue				
Governmental activities	(182,085,524)	(136,925,384)	(205,255,783)	(204,853,892)
Business-type activities	(89,770,426)	216,482	(2,050,285)	(137,630)
<b>Total net expenses</b>	<b>(271,855,950)</b>	<b>(136,708,902)</b>	<b>(207,306,068)</b>	<b>(204,991,522)</b>

Source: Department of Finance



Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 38,324,187	\$ 38,378,265	\$ 42,912,415	\$ 44,273,863	\$ 42,374,815	\$ 45,019,352
369,049,226	387,620,341	398,188,801	422,504,443	441,022,674	471,239,560
95,866,212	100,362,361	100,752,656	100,514,476	103,204,821	118,802,515
46,150,257	43,462,757	29,571,591	28,086,703	36,849,330	36,357,486
36,094,387	34,963,806	35,226,515	34,109,046	37,089,015	35,959,603
-	-	-	-	-	-
12,194,921	11,008,820	-	-	-	-
8,599,509	7,778,651	7,748,513	16,022,738	20,216,634	14,227,659
-	-	-	-	-	-
-	-	-	-	-	-
22,380,844	22,625,151	24,802,662	26,153,935	25,334,747	25,948,757
628,659,543	646,200,152	639,203,153	671,665,204	706,092,036	747,554,932
883,496	1,269,621	1,086,086	1,178,023	811,193	1,206,943
883,496	1,269,621	1,086,086	1,178,023	811,193	1,206,943
629,543,039	647,469,773	640,289,239	672,843,227	706,903,229	748,761,875
32,703,214	23,694,252	25,775,734	36,907,521	35,291,621	40,886,610
304,571,883	290,018,680	281,391,602	299,280,981	309,425,898	327,560,388
69,966,267	94,495,718	43,861,614	49,720,146	30,467,436	38,134,971
407,241,364	408,208,650	351,028,950	385,908,648	375,184,955	406,581,969
1,353,464	1,137,624	1,227,809	1,189,355	1,078,769	1,175,155
1,353,464	1,137,624	1,227,809	1,189,355	1,078,769	1,175,155
408,594,828	409,346,274	352,256,759	387,098,003	376,263,724	407,757,124
(221,418,179)	(237,991,502)	(288,174,203)	(285,756,556)	(330,907,081)	(340,972,963)
469,968	(131,997)	141,723	11,332	267,576	(31,788)
(220,948,211)	(238,123,499)	(288,032,480)	(285,745,224)	(330,639,505)	(341,004,751)

(Continued)

City of New Haven, Connecticut

**Statement of Activities (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other				
Changes in Net Position:				
Governmental activities:				
Property taxes	\$ 170,130,655	\$ 179,455,921	\$ 189,489,128	\$ 205,341,992
Grants and contributions not restricted to specific purposes	51,943,898	58,812,019	56,177,412	53,565,509
Investment income	3,642,522	4,925,231	3,068,272	823,478
Miscellaneous	-	-	-	7,475,580
Transfers	27,242,000	110,000	6,110,000	110,000
<b>Total governmental activities</b>	<b>252,959,075</b>	<b>243,303,171</b>	<b>254,844,812</b>	<b>267,316,559</b>
Business-type activities:				
Investment income	-	-	-	1,818
Transfers	-	-	-	(110,000)
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(108,182)</b>
<b>Total general revenues</b>	<b>252,959,075</b>	<b>243,303,171</b>	<b>254,844,812</b>	<b>267,208,377</b>
Change in Net Position:				
Governmental activities	70,873,551	106,377,787	49,589,029	62,462,667
Business-type activities	(89,770,426)	216,482	(2,050,285)	(245,812)
Change in net position	<b>\$ (18,896,875)</b>	<b>\$ 106,594,269</b>	<b>\$ 47,538,744</b>	<b>\$ 62,216,855</b>

Source: Department of Finance

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 213,331,992	\$ 223,589,061	\$ 229,270,651	\$ 232,021,388	\$ 245,329,193	\$ 251,874,699
54,721,798	53,781,158	60,472,827	55,960,782	55,924,054	61,506,528
192,676	114,301	115,962	119,890	56,231	(7,977)
3,775,000	3,450,000	-	-	-	-
1,466,241	-	110,000	110,000	110,000	110,000
273,487,707	280,934,520	289,969,440	288,212,060	301,419,478	313,483,250
339	384	48	56	25	-
(1,466,241)	-	(110,000)	(110,000)	(110,000)	(110,000)
(1,465,902)	384	(109,952)	(109,944)	(109,975)	(110,000)
272,021,805	280,934,904	289,859,488	288,102,116	301,309,503	313,373,250
52,069,528	42,943,018	1,795,237	2,455,504	(29,487,603)	(27,489,713)
(995,934)	(131,613)	31,771	(98,612)	157,601	(141,788)
\$ 51,073,594	\$ 42,811,405	\$ 1,827,008	\$ 2,356,892	\$ (29,330,002)	\$ (27,631,501)

City of New Haven, Connecticut

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved/unassigned	13,023,677	14,722,550	15,508,258	16,025,789
<b>Total general fund</b>	<b>\$ 13,023,677</b>	<b>\$ 14,722,550</b>	<b>\$ 15,508,258</b>	<b>\$ 16,025,789</b>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	135,103,246	164,214,106	162,569,834	119,254,075
Unreserved, reported in:				
Special revenue funds	(379,035)	3,270,197	(1,030,960)	(4,394,417)
Capital projects funds	(165,069,421)	(187,149,898)	(194,775,989)	(166,587,369)
Permanent funds	2,862,116	3,253,463	2,992,757	2,447,525
<b>Total all other governmental funds</b>	<b>\$ (27,483,094)</b>	<b>\$ (16,412,132)</b>	<b>\$ (30,244,358)</b>	<b>\$ (49,280,186)</b>

\* In fiscal year 2011, the City implemented GASB Statement No. 54, which requires fund balance to be reported as nonspendable, restricted, committed, assigned or unassigned. See Notes to the Financial Statements for definitions of each type of fund balance.

Source: Department of Finance

Fiscal Year						
2010	2011*	2012	2013	2014	2015	
\$ -	\$ 7,000,000	\$ 5,000,000	\$ 4,000,000	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	9,827,620	3,791,796	-	-	-	
7,000,000	-	-	-	-	-	
9,177,717	-	-	(8,721,555)	22,047	1,726,001	
<u>\$ 16,177,717</u>	<u>\$ 16,827,620</u>	<u>\$ 8,791,796</u>	<u>\$ (4,721,555)</u>	<u>\$ 22,047</u>	<u>\$ 1,726,001</u>	
\$ -	\$ 2,495,040	\$ 2,415,247	\$ 2,501,388	\$ 2,501,388	\$ 2,449,526	
-	13,149,999	12,577,203	13,952,206	56,816,595	53,526,263	
-	2,480,268	2,480,268	-	-	-	
-	858,106	696,429	783,844	-	-	
-	(42,124,903)	(41,238,667)	(48,281,991)	(9,830,956)	(3,095,964)	
74,673,938	-	-	-	-	-	
(10,990,440)	-	-	-	-	-	
(107,306,164)	-	-	-	-	-	
2,536,873	-	-	-	-	-	
<u>\$ (41,085,793)</u>	<u>\$ (23,141,490)</u>	<u>\$ (23,069,520)</u>	<u>\$ (31,044,553)</u>	<u>\$ 49,487,027</u>	<u>\$ 52,879,825</u>	

City of New Haven, Connecticut

**Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues</b>				
Property taxes	\$ 171,146,908	\$ 180,637,982	\$ 186,365,020	\$ 203,404,742
Licenses and permits	11,883,627	17,057,976	15,747,687	17,319,960
Intergovernmental	371,419,567	433,493,464	493,274,346	434,232,125
Charges for services	3,557,427	2,875,699	2,331,720	4,575,057
Fines	4,673,454	4,623,108	5,316,063	5,351,710
Investment income	3,642,523	4,925,231	3,068,272	823,478
Payments in lieu of taxes	2,595,622	2,490,936	2,596,308	2,435,344
Other	21,562,436	26,241,897	26,342,819	25,035,449
<b>Total revenues</b>	<b>590,481,564</b>	<b>672,346,293</b>	<b>735,042,235</b>	<b>693,177,865</b>
<b>Expenditures</b>				
Current:				
General government	29,437,559	31,265,330	33,766,223	32,908,251
Public Safety	59,561,325	63,189,813	67,413,221	68,810,405
Public Works	16,922,969	18,683,458	18,283,955	19,439,170
Public services	35,216,619	35,211,562	42,186,718	41,512,155
Other departments	-	-	-	-
Culture and Recreation	7,931,044	8,659,659	9,367,840	9,110,439
Employee benefits and insurance	75,337,706	79,590,747	84,643,661	91,498,136
Economic Development	-	-	-	-
Education	246,352,583	254,693,814	331,066,638	265,877,829
Other expenditures	24,432,970	23,549,651	21,962,659	39,221,060
Debt service:				
Principal	38,155,809	40,728,447	40,587,130	42,147,976
Interest	20,271,490	20,424,798	22,116,729	21,669,413
Capital outlay	121,969,478	123,189,179	127,803,979	132,086,908
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>675,589,552</b>	<b>699,186,458</b>	<b>799,198,753</b>	<b>764,281,742</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(85,107,988)</b>	<b>(26,840,165)</b>	<b>(64,156,518)</b>	<b>(71,103,877)</b>
<b>Other Financing Sources (Uses)</b>				
Capital related debt	51,798,041	39,500,000	45,000,000	45,000,000
Bond proceeds	-	-	-	-
Issuance of grant anticipation notes	-	-	-	-
Bond proceeds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	7,475,580
Payment to escrow	-	(75,015,706)	(35,074,324)	-
Premium on bonds issued	-	-	-	-
Transfers in	29,478,961	-	6,110,000	110,000
Transfers out	(2,236,961)	1,110,000	-	-
Issuance of capital leases	-	(1,000,000)	-	-
Bond premium on refunding	-	-	-	-
Refunding bonds proceeds	-	-	32,250,000	-
Refunding bonds issued	-	69,570,000	-	-
Bond issue premium	-	5,445,706	2,824,324	-
<b>Total other financing sources (uses)</b>	<b>79,040,041</b>	<b>39,610,000</b>	<b>51,110,000</b>	<b>52,585,580</b>
<b>Net change in fund balances</b>	<b>(6,067,947)</b>	<b>12,769,835</b>	<b>(13,046,518)</b>	<b>(18,518,297)</b>
Fund Balance at Beginning of Year	(8,391,500)	(14,459,417)	(1,689,582)	(14,736,100)
Fund Balance at End of Year	\$ (14,459,447)	\$ (1,689,582)	\$ (14,736,100)	\$ (33,254,397)
Debt Service as a Percentage of Noncapital Expenditures	9.47%	9.58%	8.51%	9.11%

Source: Department of Finance

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 206,824,921	\$ 218,720,737	\$ 226,146,445	\$ 230,988,343	\$ 243,999,342	\$ 249,968,781
18,844,871	13,195,587	12,562,691	16,207,851	15,715,800	25,735,463
413,032,296	405,712,082	375,716,436	368,505,030	395,251,811	427,556,702
7,249,401	7,816,539	7,900,287	11,658,305	8,868,596	7,377,689
5,077,231	5,709,988	5,312,756	4,502,154	4,713,752	5,127,968
192,676	114,301	115,962	119,890	56,231	(7,977)
5,364,603	1,820,138	2,018,863	1,943,383	1,975,822	1,436,103
19,212,240	28,910,176	18,346,222	19,833,644	23,187,286	21,118,723
675,798,239	681,999,548	648,119,662	653,758,600	693,768,640	738,313,452
32,228,453	30,704,867	33,414,390	34,051,946	31,933,933	32,497,009
70,769,960	73,739,649	72,617,616	72,103,165	72,312,347	76,868,915
29,061,135	27,581,215	16,076,971	21,643,596	27,151,726	28,269,005
33,753,120	31,895,908	29,207,328	28,020,430	27,256,339	28,071,550
-	677,539	1,825,846	1,437,285	797,221	1,085,037
8,700,514	106,160,244	-	-	-	-
97,698,274	8,576,710	120,102,608	128,736,336	124,811,581	143,188,467
8,599,509	7,778,651	7,748,513	16,022,738	20,216,234	14,227,659
273,173,543	276,049,421	276,988,897	299,236,689	311,955,067	336,796,430
-	-	-	-	-	-
41,333,551	41,618,348	40,676,028	42,855,066	41,858,092	38,753,682
22,380,844	23,333,353	24,482,136	22,955,367	20,423,668	26,059,727
115,394,256	69,472,533	83,765,276	57,765,250	42,297,623	53,956,863
-	-	-	-	-	-
733,093,159	697,588,438	706,905,609	724,827,868	721,013,831	779,774,344
(57,294,920)	(15,588,890)	(58,785,947)	(71,069,268)	(27,245,191)	(41,460,892)
50,400,000	-	-	-	-	-
-	-	44,500,000	43,000,000	53,870,000	96,150,000
-	-	-	-	56,552,893	-
-	44,265,000	-	-	24,235,000	-
3,775,000	3,450,000	3,663,000	4,500,000	-	-
-	(16,569,312)	-	(51,372,532)	(25,602,585)	(68,191,150)
-	3,037,408	2,549,093	1,538,351	1,749,713	14,424,001
3,813,094	6,218,541	2,465,303	9,118,246	2,584,489	1,554,742
(2,346,853)	(6,218,541)	(2,355,303)	(9,008,246)	(2,474,489)	(1,444,742)
-	-	-	-	-	2,360,839
-	-	-	4,105,065	1,583,305	-
-	-	-	47,700,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,641,241	34,183,096	50,822,093	49,580,884	112,498,326	44,853,690
(1,653,679)	18,594,206	(7,963,854)	(21,488,384)	85,253,135	3,392,798
(23,254,397)	(24,908,076)	(6,313,870)	(14,277,724)	(35,766,108)	49,487,027
\$ (24,908,076)	\$ (6,313,870)	\$ (14,277,724)	\$ (35,766,108)	\$ 49,487,027	\$ 52,879,825
9.52%	10.27%	10.15%	9.99%	9.34%	8.31%

**City of New Haven, Connecticut**

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Amounts Expressed in Thousands) (Unaudited)**

Fiscal Year	Real Property		Personal Property	
	Residential Property	Commercial Property	Motor Vehicles	Other
2006	\$ 1,802,062,890	\$ 1,621,556,170	\$ 278,942,500	\$ 422,021,275
2007	1,819,398,620	1,597,853,900	67,486,299	(37,058,790)
2008	3,411,397,150	2,260,828,080	313,342,830	404,019,919
2009	3,428,850,340	2,310,515,125	321,996,973	396,358,880
2010	3,437,114,420	2,208,958,215	315,393,301	407,674,964
2011	3,973,614,568	1,840,721,855	321,478,498	409,367,741
2012	3,571,992,829	2,395,227,050	343,992,459	509,570,687
2013	2,772,894,791	2,496,147,879	361,250,916	605,119,213
2014	2,777,322,135	2,482,446,816	358,091,434	659,574,253
2015	2,734,178,958	2,430,337,559	390,045,199	711,254,231

Source: City Assessor's Office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.



Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Mill Rate)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 146,505,344	\$ 3,978,077,491	42.53	\$ 5,892,261,193	70%
146,291,211	3,301,388,818	44.85	4,925,257,184	70%
1,983,059,263	4,406,528,716	42.21	9,127,982,827	70%
1,512,930,290	4,944,791,028	42.21	9,225,316,169	70%
1,019,742,733	5,349,398,167	42.21	9,098,772,714	70%
1,095,687,099	5,449,495,563	43.90	9,350,260,946	70%
1,669,479,635	5,151,303,390	43.90	9,743,975,750	70%
240,681,083	5,994,731,716	38.88	8,907,732,570	70%
148,748,005	6,128,686,633	40.80	8,967,763,769	70%
175,265,543	6,090,550,404	41.55	8,951,165,639	70%

City of New Haven, Connecticut

Principal Taxpayers  
Current Year and Ten Years Ago  
(Unaudited)

	Current Fiscal year			Ten Years Ago		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
United Illuminating Co	\$ 270,574,797	1	4.424 %	\$ 74,464,795	3	0.187 %
Winn-Stanley	150,526,833	2	2.461	-	-	-
Fusco	131,921,579	3	2.157	66,660,373	5	0.168
Yale University	106,381,993	4	1.740	74,148,093	4	0.186
PSEG Power Connecticut LLC	102,787,477	5	1.681	91,065,108	1	0.229
Carabetta	71,638,418	6	1.171	-	-	-
MEPT Chapel Street LLC	46,554,056	7	0.761	-	-	-
SNET	45,195,156	8	0.739	76,000,101	-	0.191
Intercontinental Fund IV	43,345,750	9	0.709	-	-	-
Chase Enterprises	32,195,970	10	0.526	-	2	-
	<u>\$ 1,001,122,029</u>		<u>16.371 %</u>	<u>\$ 382,338,470</u>		<u>0.961 %</u>

Source: City Assessor's Capital Office

**City of New Haven, Connecticut**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 168,035,275	\$ 165,513,357	98.50	\$ 1,059,612	\$ 166,572,969	99.13
2007	179,529,208	176,093,542	98.09	2,292,293	178,385,835	99.36
2008	185,890,697	182,089,417	97.96	2,180,821	184,270,238	99.13
2009	204,055,698	199,464,168	97.75	2,835,785	202,299,953	99.14
2010	206,066,188	201,314,351	97.69	2,131,714	203,446,065	98.73
2011	219,290,220	213,902,372	97.54	2,751,595	216,653,967	98.80
2012	226,835,431	220,502,270	97.21	3,426,388	223,928,658	98.72
2013	233,426,979	227,626,731	97.52	564,095	228,190,826	97.76
2014	245,563,608	240,521,693	97.95	1,121,989	241,643,682	98.40
2015	252,620,573	247,382,319	97.93	-	247,382,319	97.93

Source: Department of Finance, Office of the Tax Collector

**City of New Haven, Connecticut**

**Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	General Obligation Bonds (in 000's)	Percentage of Actual Taxable Value of Property	Debt Per Capita	Percentage of Personal Income
2006	\$ 503,308	8.54%	3,954	20.06%
2007	490,897	9.97%	3,976	18.89%
2008	497,008	5.44%	3,994	19.12%
2009	501,192	5.43%	4,064	18.70%
2010	511,288	5.62%	3,938	18.31%
2011	499,238	5.34%	3,852	18.96%
2012	503,382	5.17%	3,783	16.21%
2013	510,590	5.73%	3,934	16.86%
2014	525,053	6.04%	4,018	17.22%
2015	524,976	6.03%	4,017	17.21%

Source: Department of Finance

City of New Haven, Connecticut

**Schedule of Debt Limitation  
For the Year Ended June 30, 2015  
(Unaudited)**

Total tax collections (including interest and lien fees) received for the year ended June 30, 2015	\$ 249,713,481
Reimbursement for revenue loss from: Elderly tax relief	2,000
<b>BASE</b>	<b>\$ 249,715,481</b>

	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding	Total
<b>Debt Limitation</b>						
2-1/4 times base	\$ 561,859,832	\$ -	\$ -	\$ -	\$ -	\$ 561,859,832
4-1/2 times base	-	1,123,719,665	-	-	-	1,123,719,665
3-3/4 times base	-	-	936,433,054	-	-	936,433,054
3-1/4 times base	-	-	-	811,575,313	-	811,575,313
3 times base	-	-	-	-	749,146,443	749,146,443
Total debt limitation	561,859,832	1,123,719,665	936,433,054	811,575,313	749,146,443	4,182,734,307
<b>Indebtedness</b>						
Bonds payable	213,537,552	282,615,628	-	19,492,287	-	515,645,467
Grant anticipation note	-	50,290,885	-	-	-	50,290,885
School grants receivable	-	(28,387,548)	-	-	-	(28,387,548)
Bonds authorized and unissued	-	216,805,187	-	-	-	216,805,187
Total indebtedness of the City	213,537,552	521,324,152	-	19,492,287	-	754,353,991
<b>Component Unit Indebtedness</b>						
New Haven Parking Authority	12,021,000	-	-	-	-	12,021,000
New Haven Solid Waste Authority	8,415,000	-	-	-	-	8,415,000
Total indebtedness	233,973,552	521,324,152	-	19,492,287	-	774,789,991
<b>Debt Limitation in Excess of Outstanding and Authorized Debt</b>	<b>\$ 327,886,280</b>	<b>\$ 602,395,513</b>	<b>\$ 936,433,054</b>	<b>\$ 792,083,026</b>	<b>\$ 749,146,443</b>	<b>\$ 3,407,944,316</b>

Source: Department of Finance

**City of New Haven, Connecticut**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)**

	2006	2007	2008	2009
Debt limit	\$ 1,198,488,158	\$ 1,264,844,147	\$ 1,304,875,551	\$ 1,424,007,039
Total net debt applicable to limit	676,866,724	677,462,562	688,741,505	692,566,863
Legal debt margin	\$ 521,621,434	\$ 587,381,585	\$ 616,134,046	\$ 731,440,176
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	56.48%	53.56%	52.78%	48.64%

Source: Department of Finance

	2010		2011		2012		2013		2014		2015
\$	2,984,366,075	\$	3,650,066,669	\$	3,760,220,716	\$	3,886,957,715	\$	4,093,343,175	\$	4,182,734,307
	770,266,215		743,923,424		723,700,313		793,344,746		776,296,792		774,789,991
\$	2,214,099,860	\$	2,906,143,245	\$	3,036,520,403	\$	3,093,612,969	\$	3,317,046,383	\$	3,407,944,316
	25.81%		20.38%		19.25%		20.41%		18.96%		18.52%

**City of New Haven, Connecticut**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age
2006	127,288	2,509,483	19,715	29.7
2007	123,475	2,598,037	21,041	29.5
2008	124,447	2,599,076	20,885	29.4
2009	123,314	2,680,476	21,737	28.6
2010	129,849	2,792,533	21,506	30.5
2011	129,591	2,633,289	20,320	30.2
2012	129,585	2,956,352	22,814	30.0
2013	130,749	3,055,212	23,367	29.0
2014	129,779	287,754	21,789	30.1
2015	130,282	2,982,194	23,339	30.4

Source: U.S. Department of Commerce, Census Bureau



Educational Attainment		School Enrollment	Unemployment Rate
High School	Bachelors Degree		
32.9%	12.6%	20,214	4.6%
31.0%	12.3%	20,033	4.8%
25.7%	16.5%	19,846	5.8%
26.7%	15.0%	19,050	8.2%
29.4%	14.8%	19,810	9.5%
30.0%	14.1%	19,841	9.2%
28.3%	14.7%	19,826	9.7%
29.3%	14.1%	20,794	10.1%
89.8%	33.5%	20,474	9.8%
81.3%	32.6%	21,439	6.40%

**City of New Haven, Connecticut**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

	Current Fiscal Year			Ten Years Ago		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hospital of Saint Raphael/YNHH	13,000	1	30.46%	9,123	1	43.35%
ASSA ABLOY America	9,400	2	22.03%	750	5	3.56%
Yale University	9,357	3	21.93%	8,071	2	38.35%
Covidien	3,000	4	7.03%	-		0.00%
Frontier Communications (Previous AT&T)	2,700	5	6.33%	700	6	3.33%
Pritchard Industries	1,200	6	2.81%	-		0.00%
Southern Connecticut State University	1,021	7	2.39%	941	3	4.47%
United Illuminating	1,000	8	2.34%	837	4	3.98%
New Alliance Bank/First Niagara	800	9	1.87%	-		0.00%
Knights of Columbus	750	10	1.76%	600	7	2.85%
Wal-Mart Stores	240	10	0.56%	-		0.00%
Higher One	125	11	0.29%	24	8	0.11%
Comcast Corporation	80	12	0.19%	-		0.00%
			<u>100.00%</u>			<u>100.00%</u>
Total City Employment	<u>42,673</u>			<u>21,046</u>		
		Estimate	<u>79,279</u>		Estimate	<u>55,779</u>

Sources:

Greater New Haven Chamber of Commerce  
SCSU Human Resources  
Yale University Website

**CITY OF NEW HAVEN, CONNECTICUT**

**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

**(Unaudited)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL GOVERNMENT</b>										
Mayor's Office	12	10	11	11	12	10	11	13	12	11
Legislative Services	10	10	10	10	10	10	10	10	10	10
Human Resources	-	-	-	-	7	7	7	7	6	5
Labor Relations	-	-	-	-	2	2	2	2	2	2
<b>ECONOMIC DEVELOPMENT</b>										
Economic Development	10	13	13	13	15	13	14	10	10	11
Transportation, Traffic and Parking	32	33	33	30	31	31	33	33	32	33
City Plan	6	8	8	8	9	9	11	11	11	10
Building Inspection and Enforcement	14	16	16	16	17	17	16	-	15	14
Livable City Initiative	9	40	40	40	43	44	54	72	66	59
Commission on Equal Opportunity	2	9	9	10	12	6	13	11	10	11
<b>ADMINISTRATIVE SERVICES</b>										
Chief Administrator's Office	11	11	12	12	6	5	7	7	9	6
Finance Department	60	67	69	70	75	73	80	79	63	64
Assessor's Office	12	12	12	12	13	13	7	7	7	7
Corporation Counsel	18	17	17	17	18	18	22	22	22	22
Town Clerk	6	5	5	5	5	5	5	5	5	5
Registrar of Voters	6	6	6	6	6	6	6	6	6	6
Fair Rent	1	1	1	1	1	1	1	1	1	1
Disability Services	1	1	1	1	2	2	2	2	2	2
<b>PUBLIC SAFETY</b>										
Police	551	554	554	551	577	613	617	619	606	551
Fire	376	376	376	376	382	415	419	420	418	420
Public Safety Communications	57	77	79	79	71	-	-	-	-	-
<b>PHYSICAL SERVICES</b>										
Public Works	114	115	116	113	116	115	132	130	129	126
Engineering	8	14	13	11	12	13	13	13	13	13
<b>HUMAN SERVICES</b>										
Youth & Family Services	1	5	5	5	7	6	7	7	18	17
Senior & Community Services	14	13	16	13	12	17	28	23	32	24
Public Health	56	86	88	88	95	96	103	105	104	103
<b>LEISURE/CULTURE</b>										
Parks & Recreation	55	59	59	59	63	63	73	73	72	73
Public Library	38	39	41	43	47	47	51	50	50	47
<b>EDUCATION</b>	<b>2,488</b>	<b>2,484</b>	<b>2,368</b>	<b>2,288</b>	<b>2,295</b>	<b>2,307</b>	<b>2,301</b>	<b>5,089</b>	<b>5,174</b>	<b>5,033</b>
<b>TOTAL TOWN &amp; EDUCATION</b>	<b>3,968</b>	<b>4,081</b>	<b>3,978</b>	<b>3,888</b>	<b>3,961</b>	<b>3,964</b>	<b>4,045</b>	<b>6,827</b>	<b>6,905</b>	<b>6,686</b>

\* Estimated. As of FY2012 board of education positions are not authorized by the Board of Aldermen in conjunction with the City's annual budget process.

Note: Information prior to 2006 is not available.

City of New Haven, Connecticut

Operating Indicators by Function/Program  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>Performance Indicator: Corporation Counsel</b>		
<b>A. Lawsuits:</b>		
i. Total New Cases Received During Year	284	268
ii. Total New Cases Closed During Year	452	606
iii. Settlement	68	107
iv. Withdrawal	72	95
v. Statute Expired, Bankruptcy & Workers Compensation)	276	345
vi. Dispositive Motion	9	14
vii. Dismissal/Win after Hearing	27	45
viii. Pending Active Cases (as of 12/7/12)	780	973
ix. CMN-19, MAW-69, ACK-271, RRW-116	78	108
<b>B. Notices Of Intent To Sue:</b>		
i. Notices Received	127	144
<b>C. Contracts:</b>		
i. Number of New Contracts Received	580	607
ii. Number of Contracts Completed	516	571
iii. Contracts Not Executed)	64	36
<b>D. Legal Opinions:</b>		
i. Legal Opinions Formally Delivered	3	4
<b>E. Freedom of Information Requests:</b>		
i. Freedom of Information Requests Received	181	161
<b>F. Subrogation Claims:</b>		
i. Claims Brought Against the City	26	25
ii. Amount Claimed	84,410	75,617
iii. Amount Paid by the City	21,391	23,877
<b>G. Property Damage Claims:</b>		
i. Claims Brought Against the City	155	140
ii. Amount Claimed	\$ 337,435	\$ 142,513
iii. Amount Paid By the City	\$ 33,523	\$ 15,278
<b>Performance Indicator: Department of Finance</b>		
<b>A. Accounts Payable:</b>		
i. No. of Checks Issued	23,175	23,370
ii. No. of 1099's Issued	580	1,424
<b>B. Internal Audit:</b>		
i. Operational Reviews	12	13
ii. Other Special Projects	40	32
<b>C. Accounting:</b>		
i. Total Bank Reconciliations	182	163
ii. Completion Date of Audit	12/31/2015	1/31/2015
iii. Journal Entries	21,626	\$ 22,115
<b>D. Tax Collector's Office</b>		
i. Collection Rate	98.35	98.35
ii. Delinquent Property Values	\$ 1,000,000	\$ 1,000,000

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>E. Payroll:</b>		
i. Payroll Checks Processed	212,017	205,435
ii. Employee Verifications	2,403	2,100
<b>F. Treasury:</b>		
i. Total Deposits Received	\$ 4,596	\$ 1,500
ii. Bond Issuance Debt	\$ 37,425,000	\$ 53,870,000
<b>G. Accounts Receivable:</b>		
i. Parking Tickets Paid	\$ 4,624,283	\$ 4,257,684
ii. Residential Permits Paid	\$ 34,290	\$ 33,285
iii. Police Private Duty Payments	\$ 7,225,720	\$ 6,600,136
<b>H. Purchasing:</b>		
i. Purchase Orders Processed	11,020	11,300
ii. Solicitations	185	185
<b>I. Labor Relations:</b>		
i. Contract Negotiations - To begin 01/01/15	4	4
ii. Grievances Filed	157	157
iii. MPPs Filed	49	49
<b>K. Workers Compensation:</b>		
i. Number of Cases Filed	911	859
ii. Number of Cases Resolved	687	621
<b>L. Management &amp; Budget:</b>		
i. Number of Grant Applications Processed	77	87
ii. Monthly/Annual Financial Reports	16	16
<b>Performance Indicator: Department of Assessments</b>		
A. Real Estate Corrections	625	636
B. Motor Vehicle Corrections	6,621	5,080
C. Supp Motor Vehicle Corrections	903	914
D. Personal Property Corrections	1,101	745
E. City Elderly Applications	470	256
F. State Elderly Applications	425	258
G. City Veterans Applications	146	121
H. State Veterans Applications	125	107
I. Change Mailing Address Apps	685	466
J. Number of Field Inspections	1,085	244
K. Personal Property Declarations	3,596	3,874
L. Income and Expense Reports	2,467	2,330
<b>Performance Indicator: Library</b>		
A. Hours/Week open to Public	178	178
B. Number of visits (Total)	620,058	618,821
i. Main	398,934	353,324
ii. Branches	221,124	265,497

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)**  
**For the Years Ended June 30, 2015 and 2014**  
**(Unaudited)**

	FY 2015	FY 2014
C. New Card Registrations	9,577	9,858
D. Circulation	420,128	377,618
E. Reference Activity	73,143	78,852
F. Database Usage	253,142	248,352
G. Library Programs	2,279	2,066
H. Attendance	44,881	39,892
I. Computer Usage (session log-ins)	143,924	150,592
J. Website Sessions (active engagement)	309,799	320,848
<b>Performance Indicator: Parks, Recreation, and Trees</b>		
<b>A. Parks System Profile:</b>		
i. Parks	142	142
ii. Playgrounds	65	65
iii. Acres per 1,000 Persons	15	15
<b>B. Park Services &amp; Programs:</b>		
i. # of Park Visits	635,000	625,000
ii. # of Playground Inspections Performed	360	360
iii. # of Trees Trimmed	1,011	1,017
iv. # of Trees Removed	140	145
v. # of Stumps Removed	215	218
vi. # of Trees Planted	350	350
<b>C. Recreation Programs:</b>		
i. Athletic Field Permits Issued	4,584	6,000
ii. # of Participants in Summer Day Camp (average per day)	1,650	1,600
iii. # of Participants in Youth Basketball	300	275
iv. # of Youth Programs	57	55
v. # of Adult Programs	17	15
vi. Total # of Participants	352,000	350,000
vii. # of Summer Day Camps	19	17
viii. # of Volleyball Participants (ages 12-15)	165	165
ix. Youth Basketball	275	275
x. Youth Baseball Little Leagues	7	7
<b>D. Revenue:</b>		
i. Skating Rinks	\$ 175,000	\$ 195,000
ii. Golf Course	\$ 925,000	\$ 950,000
iii. Lighthouse	\$ 80,000	\$ 130,000
<b>E. Other Park Services:</b>		
i. # of participations/Visitors Ranger Programs (non-school)	60,000	58,200
ii. # of Ranger Programs offered to the Public	525	523
iii. # of Park Permits	6,933	7,000
iv. # of School Groups Visit to Lighthouse Park	225	225
v. # of Lighthouse Park Permits Issued for Parking	5,200	5,200
vi. # of Permits Issued for Carousel Facility	82	80
vii. # of Volunteers in Park Programs/Services	2,500	2,500
viii. # of Organized Park Friends Groups	14	14

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>Performance Indicator: City/Town Clerk</b>		
i. # of deeds Recorded	11,500	12,522
ii.# of recording fees	275,350	304,768
iii. Conveyance fees	\$ 1,450,000	\$ 1,148,836
iv. City Land Preservation	\$ 11,200	\$ 10,073
v.Capital Projects Land Preservation	\$ 55,000	\$ 45,219
vi. Trade Name Certificates	\$ 1,450	\$ 2,390
vii. Liquor Permits	320	456
viii. Notary Fees	975	1,068
ix. Copies	35,500	44,130
x. Maps	325	386
xi. Dog Licenses	\$ 3,755.00	\$ 5,518.00
xii. Legal Documents - Scanned/Indexed	850	649
xiii. Absentee Ballots Issued	2,500	1,500
xiv. Aldermanic Committee Minutes	70% bound	100% bound
xv. Dog Licenses Issued	620	675
<b>Performance Indicator: Department of Public Safety</b>		
i. Number of 911 Calls Received	122,922	103,402
ii. Number of Dispatchers Crossed Trained	9	4
iii. Number of Complaints Received	14	10
iv. Percentage of 911 Calls Answered in less than 10 seconds	94.9	96
<b>Performance Indicator: Public Health</b>		
<b>A. Health Program Division</b>		
i. Syringes Distributed Through Needle Exchange	119,776	98,238
ii. Average # of Clients Served Through Needle Exchange	336	339
iii. HIV Tests Performed	105	117
iv. Child Home Safety Assessments	105	N/A
v. Child Passenger Safety Presentations	7	6
<b>B. Bureau of Nursing:</b>		
i. Schools Served	53	52
ii Students Served	23,950	23,647
iii. Students With Health Problems	8653	7,723
iv. Nurse/Student Ratio	1:684	1:788
<b>Information Services:</b>		
<b>C. Epidemiology</b>		
i. Average # of Reportable Disease and Lab Findings Reviewed Per Month	592	398
ii. Interviews Conducted for Enteric Pathogens, Hepatitis, TB and Legionella	N/A	N/A
iii. Data Requests for program planning & grant applications	10	11
iv. Presentations to City officials, community organizations & the public	4	7
v. Major documents (author or significant contributor)	0	2
vi. Infectious disease surveillance reports	12	12
<b>D. Infectious Disease Control Measures</b>		
i. Outbreak & contact investigations	N/A	12
ii. Foodborne disease patient interviews	N/A	44

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)**  
**For the Years Ended June 30, 2015 and 2014**  
**(Unaudited)**

	FY 2015	FY 2014
<b>E. Vital Statistics</b>		
i. Birth Certificates (Full Size)	17,809	17,045
ii. Death Certificates	10,755	10,757
iii. Burial, Cremation, Disinterment	2,508	2,549
iv. Marriage Licenses	1,274	1,419
v. Marriage Certificates	2,774	2,671
vi. State Copies Processed	2,719	3,121
vii. Resident Town Copies Processed	3,398	2,445
<b>F. Maternal &amp; Child Health Division:</b>		
i. Pregnant/Postpartum Women Enrolled in HUSKY	878	801
ii. Children Enrolled in HUSKY	571	547
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	679	620
iv. Woman Served Through Intensive Care Management	124	137
v. Children Served Through Intensive Care Management	130	137
vi. Home Visits Through CT Healthy Start	543	580
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	224	282
viii. Families Served Through Nurturing Families Program	47	42
ix. Home Visits Through Nurturing Families	886	1,074
<b>G. Bureau of Environmental Health:</b>		
i. Food Service Inspections & Re-Inspections	1,612	1,581
ii. Food Service Licenses	1,112	1,065
iii. Temporary Food Service Inspections & Licenses	1,698	1,250
iv. Child Daycare Inspections	32	37
v. Group Home Inspections	3	5
vi. Swimming Pool Inspections	61	144
vii. Bathing Area Inspections	106	92
viii. Lead Inspections of Housing Units- EBL	87	66
ix. New Cases of Lead Housing Units- EBL	90	95
x. Re-Inspections Performed During Lead Abatement	793	762
xi. Cases of Lead Poisoning Closed	26	54
xii. Housing Units Abated for Lead	26	39
xiii. Nuisance Complaints Investigated & Resolved	35	128
xiv. Food Service Complaints Investigated and Resolved	47	50
<b>H. HUD Lead Hazard Control Grant Activities:</b>		
i. Housing Units Inspected for Lead	137	56
ii. Housing Units Lead Abated	73	34
iii. Individuals Trained in Lead Abatement Field	86	162
iv. Education Outreach Events	27	59
v. Individuals Reached	18,231	17,833
<b>I. Office of Emergency Preparedness:</b>		
i. Flu Vaccinations Provided	600	510
ii. Number of Mass Vaccination Tabletop Exercises	0	0
iii. Number of Activation EOC Events	0	2



City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>Performance Indicator: Fair Rent</b>		
i. Number of Inquiries	*1,300	1,200
ii. Number of Complaints	39	60
iii. Number of Inspections	*60	60
iv. Number of Preliminary Hearings	48	60
v. Number of Public Hearings	12	30
vi. Walk-in Consultations	*50	NA
* Indicates Approximate Numbers		
<b>Performance Indicator: Elderly Services</b>		
<b>A. Estimated Service Population</b>		
i. 55 and Up	19,000	19,000
ii. 65 and Up	12,000	12,000
iii. 85 and Up	1,700	1,700
<b>B. Senior Centers:</b>		
i. Average Weekly Attendance	584	723
ii. Calls, case management and referrals weekly average - centers, outreach and City Hall	412	*
<b>C. Energy Assistance:</b>		
i. Seniors Served	82	84
ii. Number of Centers Providing Services	3	5
iii. Outreach Staff	2	*
<b>D. Rental Rebate</b>		
<b>Rental Rebate Applicants</b>	4,772	4868+pen inc app
i. Seniors Approved Total	4,532	
ii. Centers Providing Service	3	N/A
iii. Seniors over 65 approved	2,325	*
iv. Seniors 65 and under approved	2,207	*
v. Seniors 65 and under disallowed	5	*
vi. Seniors 65 and up disallowed	3	*
vii. Senior 65 and up not payable	74	*
viii. Seniors 65 and under not payable	158	*
ix. Outreach staff at libraries	2	*
<b>E. Share Program</b>		
i. Centers Providing Service	3	3
<b>F. Transportation Services:</b>		
i. Seniors Transported to Centers	204	115
ii. Trips	13,565	11,870
<b>G. Property Tax Credit/Tax Freeze</b>		
	154	146
*Information not available.		
<b>Performance Indicators: Youth Services Department</b>		
<b>A. Youth Commission:</b>		
i. Youth Commission Number of Meetings	5	9

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)**  
**For the Years Ended June 30, 2015 and 2014**  
**(Unaudited)**

	FY 2015	FY 2014
<b>B. Youth @ Work</b>		
i. Jobs Funding	0	595,000
ii. Number of School Year Employers	85	48
iii. Number of Summer Employers	678	80
iv. Number of Applicants Processed	1,165	1,128
v. Number of Students Employed School Year/ Summer	763	617
vi. % of Participants Job Ready: Pre Program	53%	40%
vii. % of Participants Job Ready: Post Program	85%	90%
<b>C. CDBG Programs:</b>		
i. CDBG Monitoring Number of Programs Monitored	11	13
<b>D. Open Schools:</b>		
iv. Programs offered	17	12
<b>E. Summer Busing:</b>		
i. Number of Organizations served	32	44
<b>F. Street Outreach Workers:</b>		
i. # of outreach workers	8	8
ii. # of youth served (undup)	197	210
iii. Ratio (Workers to Youth)	124	1:25
iv. Percentage of youth engaged in a program who have not recommitted a crime or acts of violence	89%	89%
v. % Employment of program participants	79%	32%
vi. % of Participants Enrolled in School	70%	65%
<b>G. Leadership Council</b>		
i. # of youth engaged/enrolled	0	20
ii. % attendance	0	80%
<b>H. Youth Map:</b>		
i. # of organizational partners registered	n/a	n/a
ii. # of website hits	n/a	n/a
<b>I. Youth Texting:</b>		
i. # of teens signed up	NA	NA
<b>J. Youth Guide</b>		
i. # of guides distributed	3000	5000
<b>Performance Indicator: Services for Persons With Disability</b>		
Disabilities Act. Pursuant to 42 USC 1201 et seq. and New Haven Ordinance 16 1/2 - 17 (c )(5)	18	15
to persons with disabilities are complied with the City. New Haven Ordinance 16 1/2 - 17 (c )(5)	3	3
iii. Upon request or complaint assist other department with various aspects of ADA compliance.	5	8
iv. Represent residents with disabilities at various local and statewide events, committees and conferences.	33	26
v. Advocate for legislative initiatives that will benefit New Haven residents with disabilities	1	1
understanding of individuals with disabilities. Recent trainings include Yale Medical School, UNH Diversity	6	12

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)**  
**For the Years Ended June 30, 2015 and 2014**  
**(Unaudited)**

	FY 2015	FY 2014
<b>Performance Indicator: Community Service Administration</b>		
i. Persons receiving SAGA Medical/ Medical LIA (SS)*	2,052	2,690
ii. Persons receiving SNAP's - Food Stamps (S)*	N/A	N/A
iii. Outreach to SNAP Recipients (S)	N/A	N/A
iv. Number of clients served through SNAP E&T (S)	N/A	N/A
v. Structured Job Skill Training	N/A	N/A
vi. Work Experience in Community Service Programs (S)	N/A	N/A
vii. SNAP Recipients Education Enrollment (S)	N/A	N/A
viii. Vocational/Occupational Skills Training Services (S)	N/A	N/A
ix. Number of Client Assessments Completed (SS)	325	426
x. Number of Client Assessments Completed (S)	N/A	N/A
xi. Number of Client Service Plans Created (SS)	325	426
xii. Number of Clients receiving transportation assistance	504	555
xiii. Instances of Clients receiving CT Drivers' License services	21	37
xiv. Number of Clients receiving CT Non-Drivers' Photo Identification	27	27
xv. Number of Client Service Plans Created (S)	N/A	N/A
basic needs (SS)*	90%	118%
xvii. % Clients in Program seeking employment that obtain employment (SS)*	1%	6%
xviii. Amt (\$) collected on liens and assignments of interest (Welfare)	219.07*	1,723.48
xix. Number of Clients Assisted with Gasoline Vouchers	2%	*
xx. Number of Clients assisted in obtaining Rx eyeglasses via Lens Crafters collaborative	2	*
xxi. Instances of clients receiving Justice of the Peace services	3	*
xxii. Number of clients assisted in obtaining under garments/toiletries - new service	6	*
Homeless :		
- Columbus House	597	*
- Continuum of Care	98	*
- Emergency Shelter Management Services	1,758	*
- New Reach	217	*
- Youth Continuum	159	*

\* Information not available\*

**Performance Indicator: Public Works**

**A. Administration**

i. Solid Waste and Recycling Authority Surplus/(Deficit)	\$	536,865	\$	613,047
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**B. Bridges (24 hour operation of three bridges):**

i. Maintenance cost: Ferry Street	\$	10,157	\$	2,850
ii. Maintenance cost: Chapel Street	\$	26,685	\$	3,100
iii. Maintenance cost: Grand Avenue	\$	22,930	\$	2,940
vi. Total number of closures	\$	10	\$	12

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)**  
**For the Years Ended June 30, 2015 and 2014**  
**(Unaudited)**

	FY 2015	FY 2014
<b>C. Solid Waste/Refuse Management:</b>		
i. Tons of residential solid waste	32,402	31,001
ii. Tons of residential recycling	6,384	5,976
iii. Recycling per household	1.09 lbs./day	1 lbs./day
iv. Percent Recycling	16.14%	16.19%
v. Number of litter barrels	400	400
vi. Number of residential transfer station customers served	2,712	2,454
vii. Number of commercial transfer station customers served	10,210	10,518
viii. Total tons of municipal solid waste	65,155	64,159
<b>D. Street Division:</b>		
i. Tons of pothole patching	3,500	2,093
ii. Pavement conditions rating	70	40
iii. Number of storms	17	16
iv. Overtime expenses	\$ 173,347	\$ 328,303
v. Cost of bulk trash pickup	\$ 250	\$ 300
<b>E. Storage and disposal of the possessions of evicted individuals:</b>		
i. Total labor hours	1,200	140
ii. Number of right of way warnings issued	1,300	1,100
iii. Number of right of way citations issued	1,000	500
<b>Performance Indicator: Engineering</b>		
<b>A. Sewer Separation:</b>		
i. Pollution Overflow	19.8	18
ii. Miles of Combined Sewer	52	52
iii. Miles of New Storm Sewers Installed	-	0.7
iv. Projects Under Design or Construction	5	4
<b>B. City Bridges</b>		
i. City Bridges	51	49
ii. Bridges in Poor Condition	2	1
iii. Projects Under Design or Construction	4	8
iv. Bridges Completed and Open	3	-
<b>C. Drainage:</b>		
i. Drainage Complaints	200	260
ii. Catch Basin Backlog	50	60
<b>D. Road Improvements:</b>		
i. Miles of Local Roads	224.8	225
ii. Road Design	1.6	1.6
iii. Road Reconstructed	-	0.25
<b>E. Support Service:</b>		
i. Department Support Service Project	95	105
ii. Property Inquires	200	200
iii. Plan Reviews	125	125

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>Performance Indicator: City Plan</b>		
<b>A. Zoning Board of Appeals:</b>		
i. Hearings	10	12
ii. Zoning Compliance Letter	192	244
iii. Agenda Items	95	138
<b>B. City Plan Commission:</b>		
i. CAL	5	7
ii. Meetings	11	15
iii. Total Number of Agenda Items	183	197
iv. Ordinance Text & Map Amendments	5	7
v. Items Associated with Planned Development	4	2
vi. Items Associated with Inland Wetlands Reviews	11	5
vii. Items Associated with Land Disposition	1	1
viii. Items Associated with Coastal Site Plans	17	3
ix. Items Associated with Site Plan Review	63	42
x. Items Referred by Zoning Board of Appeals	25	30
xi. Items Associated with Livable City Initiative	19	30
xii. Items Associated with Special Permits	6	12
xiii. Other Items referred to by the Board of Aldermen	41	37
<b>C. Walk-In Applicants Assistance:</b>		
i. Zoning & City Plan Inquiries	600est	660
<b>D. Project Management:</b>		
i. Development Projects	6	7
ii. Dollar Value of Development Projects Managed	\$72.5m	\$100m
<b>F. Neighborhood Plans:</b>		
i. Zoning Ordinance Amendments/Sections	5	3
ii. G.I.S. Maps provided to public	NA on web	NA
iii. G.I.S. Maps to City Departments	NA on web	NA
<b>G. Publications Sold:</b>		
i. Zoning Maps	NA on web	NA
<b>H. Zoning:</b>		
i. Applications/Historic District Commission - New	6	4
<b>Performance Indicator: Transportation, Traffic and Parking</b>		
<b>A. Traffic Signals:</b>		
i. Signalized Intersections	331	331
ii. Intersections Rebuilt	12	18
iii. Repair Visits	1500	1400
iv. % of Requests for Emergency Service on Traffic Control Equipment within 1 hour	100	100%
<b>B. Signs and Markings:</b>		
i. Inventory of Street Signs	110,000	110,000
ii. Signs Replaced	4,000	3,750
iii. Cost of Contact Service (Painting)	150,000	150,000

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>C. Enforcement &amp; Collection:</b>		
i. Tickets Written	141,603	133,008
ii. Revenue Collected	\$4,813,019	\$5,513,700
iii. Appeals Adjudicated	7,016	5,483
<b>D. Meters:</b>		
i. Total Collections	\$ 6,777,017	\$ 6,329,089
ii. Repair Visits	4,600	4,200(+/-)
iii. Total Replacements	-	-
<b>E. Other:</b>		
i. & of Plans Reviews within 30 days	100%	100%
ii. Zoning Changes	100%	100%
iii. Building Permits	100%	100%
iv. Planned Unit Development	100%	100%
v. Streetscape Projects	100%	100%
vi. Reported Crashes per 1000 population	100%	100%
<b>Performance Indicator: Office of Building Inspection and Enforcement</b>		
<b>A. Number of Permits Issued:</b>		
i. Building	1382	1434
ii. Electrical	972	1071
iii. HVAC	629	562
iv. Plumbing	576	583
v. Demolition	16	29
vi. Total	3575	3,679
<b>B. Building Permits Issued By Category:</b>		
i. Residential (new)	28	24
ii. Non-Residential (new)	15	21
iii. Mixed Use (new)	1	4
iv. Residential (Rehab)	840	913
v. Non-Residential (Rehab)	440	422
vi. Mixed Use(Rehab)	58	50
<b>C. Demolition</b>		
i. Residential	2	4
ii. Non-Residential	13	25
iii. Revenue from Permits & Fees	\$ 17,614,236.18	\$7,995,026.82
iv. Routine Building Inspections	9,069	7,090
v. Building & Zoning Code Violations Cited	375	380
vi. Auction	0	0
vii. Broker	13	17
viii. One Day Food Vendor	19	7
xi. Food Vendor	214	250
x. Parking Lot	14	11
xi. Peddler	31	52
xii. One Day Peddler	42	52
xiii. Rooming House	40	44
xiv. Excavation Permit	588	600
xv. Obstruction	369	347
xvi. Sidewalk License	49	51
xvii. Sandwich Board	11	11
xviii. Special Event	180	170
xix. Outdoor Seating	23	21

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)  
For the Years Ended June 30, 2015 and 2014  
(Unaudited)

	FY 2015	FY 2014
<b>Performance Indicator: Livable City Initiative</b>		
i. # of Complaints	52	48
ii. # of Letters	52	48
iii. # of Citations	18	25
iv. # of Foreclosures	2	8
v. # of Community Meetings Attended	235	227
vi. # of Complaints Addressed	2275	2410
vii. # of Vacant Homes Monitored	601	630
viii. # of Foreclosed Properties Registered	811	545
ix. # of Tons of Trash Removed	240	243
x. # of Properties Maintained	215	210
xi. # of Liens Placed as it relates to Property Maintenance	101	45
xii. # of Structures to be Demolished	5	6
xiii. # of Properties Demolished	7	6
xiv. # of Liens Placed as it Relates to Demolition of Private & City Owned Property	2	6
xv. # of Properties for Sale	215	224
xvi. # of Properties Sold	21	14
xvii. # of Properties Condemned due to Fire	17	7
xviii. # of Properties Condemned due to Code	14	11
xviii. # of Persons Temp Relocated Fire	37	3
xviii. # of Persons Temp Relocated Code	26	10
xix. # of Persons Permanently Relocated	83	16
xx. # of Liens Placed as it Relates to Relocation	4	7
xxi. # of For Profit Community Partners	6	6
xxii. # of Not-For-Profit Community Partners	17	17
xxiii. # of Projects in Development	21	23
xxiv. # of Units in Development	356	436
xxv. # of Rental Units Completed	39	45
xxvi. # of Homeownership Units Completed	60	39
xxvii. # of Individuals Completing Post Purchase/Homeownership/Counseling	0	32
xxviii. # of Down Payment Loans	16	14
xxix. # of Energy Improvement Loans	21	22
xxx. # of Elderly/Disabled Emergency Repair Loans	8	9
xxxi. # of Complaints as it Relates to Code Enforcement	1369	1473
xxxii. # of Cases Resolved	901	582
xxxiii. # of Units Inspected.	4747	4473
<b>Performance Indicator: Economic Development Administration</b>		
<b>A. Citywide Indicators</b>		
i. Employment Base-Total number of jobs in New Haven.	80,581	79,500
ii. Unemployment Rate-% of city residents who are unemployed.	7.3%	8.5%
iii. Business Start-Ups-Total number of business start-ups in the city.	75	63
iv. Downtown Retail Occupancy-% of downtown retail storefronts that are occupied.	90.1%	89.5%
v. Commercial Vacancy Rate-% of vacant citywide commercial office space.	12.2%	13.6%
<b>B. Department Indicators</b>		
i. Technical Assistance to Small- and MBE-Contractors-Number of contractors served in-person by ED.	304	324
ii. Registered Small- and MBE-Contractors-Number of contractors registered in SCD program.	127	140
iii. Contractor Participation Rate-% of City contracts awarded to non-women-owned MBEs.	9.7%	0
iv. Contractor Workshops-Number of contractor workshops conducted by ED.	9	11
v. Arts, Culture and Tourism Events-Number of people served.	39,400	10,750
vi. Project Storefronts Activity-Number of participating businesses.	94	62

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## **APPENDIX B**

### **SOCIOECONOMIC INFORMATION**

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# New Haven Economic Development Official Statement



Toni N. Harp  
Mayor

Matthew Nemerson  
Economic Development Administrator

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## Leading Employers

New Haven is home to many leading international companies:

Organization	Number of Employees	Industry
Yale University	13,875	Education and Research
Yale-New Haven Hospital	12,152	Healthcare Services
Yale Medical Group	1,500	Healthcare Services
Southern Connecticut State University	1,541	Educational Services
Alexion Pharmaceuticals	1,200	Pharmaceutical Company
New England Home Care Inc.	875	Healthcare Services
Knights of Columbus	750	Financial Services
Assa Abloy Inc.	750	Advanced Manufacturing
Performance Environmental Services	620	Maintenance Services
Cornell Scott-Hill Health Center	500	Healthcare Services
Comcast Corporation	450	Information Technology and Media
Sports Haven	385	Recreation
Patient Care	380	Healthcare Services
Easter Seals Goodwill Incorporated	360	Social Care
Walmart Corp	300	Retail Sales
Wiggin and Dana LLP	228	Professional Services

Sources: Dunn & Bradstreet; City of New Haven Office of Economic Development

# INTRODUCTION TO NEW HAVEN

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New Haven is the social and economic center of southern Connecticut. It is among the fastest growing cities in New England in terms of both population and economic significance. Economic drivers in education, the life sciences, advanced manufacturing, IT, and supporting service industries are providing new job growth. For the first time since 1991, there are now more than 80,000 jobs in the city, comprising approximately a quarter of the jobs in the New Haven MSA.

New Haven is a dynamic and growing city, placing its residents, employees and visitors at the crossroads of arts, culture, education, healthcare, and business. As the second-largest city in Connecticut, with a population of 130,322 (2015 est.), New Haven is also the economic center of a broader MSA region of 859,470 (2015 est.), and is home to an evolving mixed-use urban core, strong and diverse neighborhoods, and world-class institutions.

While already well-established in New Haven, the so-called "eds and meds" (medical, bioscience, and research/development) sector continues to grow. Yale University, Yale Medical School, and Yale-New Haven Hospital give the city stable jobs and world-class participation in these sectors. With ample spin-offs from these institutions, entrepreneurial activity in the bioscience field has grown exponentially. Thirty-four of Connecticut's 64 biotech firms are located in the Greater New Haven area with room for even more in coming years.

The Office of Economic Development, in collaboration with other groups in the city, maintains a variety of projects and programs to make the economy fertile for growth. The Economic Development Administration (EDA) oversees all business and regulatory departments, and works closely with the Economic Development Corporation of New Haven (EDC), which was founded eight years ago, to foster economic growth and expand the city's tax base. The Office of Economic Development leverages its own resources through public-private partnerships, engaging private investors and developers in projects to achieve greater results than the City could alone. These efforts have produced tangible results, helping to keep the city's economy stable: the Grand List currently stands at \$6,072,447,797.

New Haven continues to make great strides across a variety of indices while continuing to demonstrate great promise for future growth. The city has achieved nationally-recognized success in education reform, medical improvements, urban development, crime reduction and economic growth.

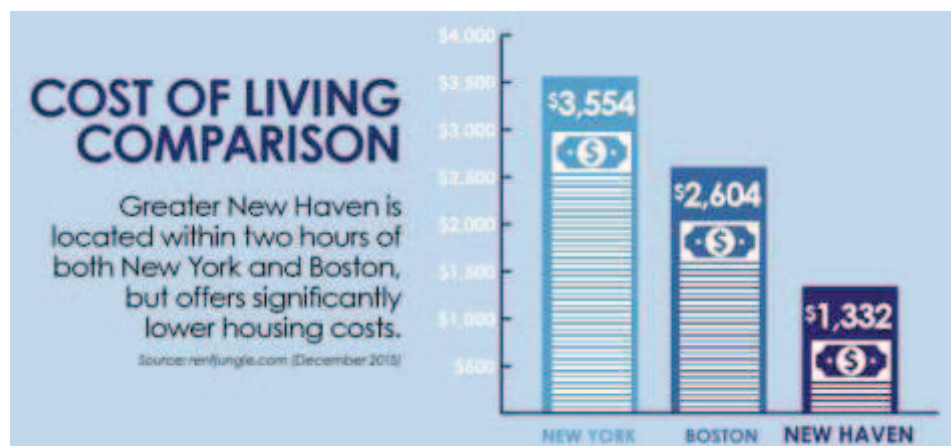
## REGIONAL CONTEXT

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New Haven is situated with quick and easy access to the two largest cities in the Northeast. With several major highways passing through the city and frequent service from Amtrak, Metro North, and Shoreline East, travel to and from New Haven is among the most convenient trips in the Northeast.



*New Haven is located on Long Island Sound between New York City (75 miles), Boston (140 miles) and Hartford (40 miles), and is directly connected to these cities by Interstates 95 and 91 and the northeast rail corridor.*



# DEMOGRAPHICS

New Haven is the center city for the New Haven - Milford Metropolitan Statistical Area (MSA), and is part of the larger New York - Newark, NY, NJ, CT, PA Combined Statistical Area (population 23,723,696). It is the social and economic center of south-central Connecticut as well as the state's youngest, most diverse, and fastest-growing city.

## POPULATION

	New Haven City	New Haven MSA	Connecticut
<b>Total Population</b>	130,322	859,470	3,590,886
<b>Growth Rate</b>	0.3%	-0.2%	0.5%

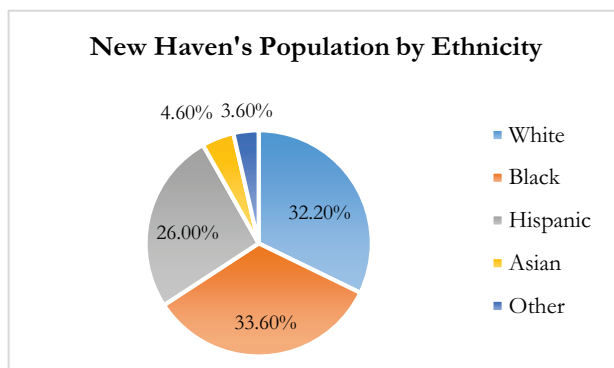
## AGE

	New Haven City	New Haven MSA	Connecticut
<b>Population below age 18</b>	22.8%	21.7%	21.6%
<b>Population between ages 18 &amp; 64</b>	68%	63.3%	62.9%
<b>Population older than 65</b>	9.2%	15%	15.5%

## RACE & ETHNICITY

	New Haven City	New Haven MSA	Connecticut
<b>White</b>	31.8%	73%	69.8%
<b>Black</b>	33.4%	13.1%	9.5%
<b>Hispanic</b>	27.4%	9.8%	14.3%
<b>Asian</b>	4.6%	2.7%	4.5%
<b>Other</b>	2.8%	1.4%	1.9%

Source: US Census Bureau







*The Smilow Cancer Center opened its 168 beds in fall 2008 and is one of only 45 comprehensive cancer centers in the United States, as recognized by the National Cancer Institute.*

## MAJOR INITIATIVES & PROJECTS

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Due to economic growth and the city's 2 percent residential vacancy rate, one of the lowest in the country, New Haven's rental market is undeniably hot. Private developers are continually interested and active in New Haven, and over the past 10 years, New Haven has seen a significant increase in private investment in its real estate. The diverse mix of long-time residents and constant influx of new employees and students supports the strong rental and homeownership markets. Smaller local and regional development interests have made more than \$35 million in investments into the city's smaller multi-family (3-20 unit) housing stock. These investments, in concert with the larger development activities by private developers and the New Haven Housing Authority (Elm City Communities), have helped keep the city's vacancy rate very low while increasing the overall quality of housing stock.

### **Downtown Crossing/ Route 34**

This project is the City of New Haven's ambitious effort to replace Route 34, a 0.8 mile limited-access highway that cuts through Downtown. Economic Development is working closely with City Plan, Transportation, Traffic and Parking, and Engineering to replace Route 34 between Union Avenue and York Street with two urban boulevards and new or rebuilt crossings at Orange Street, Church Street, Temple Street and College Street. Downtown Crossing is taking back approximately 10.5 acres of land formerly used as a highway and is putting them to good use generating jobs and growing our tax base.



*Downtown Crossing broke ground in March 2013 leading the way for the world headquarters of Alexion Pharmaceuticals, which opened in February 2016, and a new chapter in New Haven's development and growth in a competitive 21st century economy (Photos courtesy of the New Haven Register and New Haven Independent)*

### **Phase I Downtown Crossing and 100 College Street (College Street)**

The US DOT awarded the City a \$16 million TIGER grant in October 2010 and Phase I construction began in February 2013. This phase included:

- Conversion of North and South Frontage Roads to urban boulevards with various road, streetscape, bicycle and pedestrian enhancements between York Street and Union Avenue.
- Reconfiguration of local street connections.
- Removal of the existing College Street Bridge and replacing it with a fill structure.

All elements were designed to city-wide Complete Streets standards and supported the economic development of Connecticut's growing life sciences industry. Phase I construction activities were completed in 2015, including the streetscape improvements and new service drives. This enabled the completion of the 100 College Street development, new home of Alexion Pharmaceuticals and the first development in the former highway corridor. As previously mentioned, this project represents a unique opportunity to leverage the removal of Route 34 and convert much of the right of way into an economic engine designed to generate future growth, increase the tax base and create thousands of new jobs, both during construction and permanently thereafter.

### **Phase II Downtown Crossing and Coliseum Site (Orange Street)**

As previously mentioned, in December 2013 the City signed an agreement with LiveWorkLearnPlay (LWLP) to redevelop the former Coliseum site into an active mixed-use, mixed-income neighborhood with residential, retail and office components as well as a major hotel. This \$400 million project will essentially create a new neighborhood and is the linchpin of Downtown Crossing Phase 2, which will reconnect Orange Street across Route 34 by creating an at-grade street for pedestrians, cyclists and automobiles.



*LiveWorkLearnPlay, developer of the former Coliseum site, is currently in the final phases of design. Upon completion it will be a 1,000,000 square-foot mixed use development including space for a hotel, homeownership, residential rental units, retail, recreation and leisure.*

### **Phase III Downtown Crossing (Temple Street)**

The third and final phase of Downtown Crossing involves the reconnection of Temple Street from MLK Boulevard to South Frontage Road. The project, now in design, will open up new development parcels to the east and west of the new Temple Street crossing.

### **Smilow Cancer Hospital**

Completed in 2008, Smilow Cancer Hospital provides individualized cancer treatment regimens in twelve oncology disciplines, and integrates treatment and research with the Yale Cancer Center, a recognized leader in cancer care. The facility is one of just 45 comprehensive cancer centers recognized by the National Cancer Institute, and is transforming the city and its medical district into a destination for researchers, medical professionals and patients from around the world.

- Hospital Beds: 168
- Hospital Size: 497,000 square-feet
- Permanent Jobs: 500
- Project Cost: \$467 million

Yale-New Haven has been expanding significantly over the past few years. In September 2012, it acquired Saint Raphael's Hospital, also located in New Haven, to become the fourth-largest hospital in the country by bed count. Yale-New Haven also recently agreed to acquire Lawrence and Memorial Hospital in Norwich, CT – which is pending State approval.

### **Continuum of Care Headquarters**

The City's Office of Economic Development partnered with local nursing and home-care not-for-profit Continuum of Care and Centerplan Development to build a new, centralized headquarters on an existing surface parking lot on Route 34 in New Haven. Founded in New Haven in 1966, Continuum is a rapidly growing organization with strong local ties, and a reputation for providing top-notch care to those with mental illness and intellectual disabilities. The mixed-use office, retail and medical development opened in April 2016.

- Administrative and Home Health Services Space: 30,000 square-feet
- Permanent Jobs: 130
- Project Cost: \$20.5 million

### **350 George Street**

In November 2015, Yale University bought the former Frontier Communications switching-station site from Winstanley Enterprises, developer of 300 George and 100 College Streets, for \$16.5 million. The 116,000 square-foot building will be converted to biotech use and provide new laboratory space for Yale Medical School researchers.

### **55 Park Street**

Completed in 2008, this building provides complementary support space for Smilow Cancer Hospital and Yale-New Haven Hospital. Because the building is owned by Fusco Corporation, unlike most Yale buildings, it will remain taxable for thirty years per an agreement with the City. From an urban design perspective, the building is an important part of the overall conversion of Route 34 from a limited access expressway into an integrated part of the city's broader fabric.

- Medical Laboratory and Office Space: 150,000 square-feet
- Project Cost: \$80 million

### **2 Howe Street Mixed-Use Development**

In 2009 Boston-based Intercontinental Real Estate Corporation completed 2 Howe Street, the third element of the Smilow Cancer Hospital project. The project provides additional parking and office space for the hospital as well as residential units and retail components catering to employees.

- Office Space: 57,000 square-feet
- Ground Floor Retail: 15,560 square-feet
- Residential Units: 24
- Parking Spaces: 845
- Project Cost: \$70 million



### **Alexion Pharmaceuticals**

Founded in New Haven in 1992, Alexion has become the world's leading company focused on the discovery and commercialization of "orphan drugs" for rare diseases. Alexion Pharmaceuticals has made 100 College Street, built in the former Route 34 highway right-of-way for its proximity to Yale-New Haven Hospital and the Yale School of Medicine, its world headquarters. Alexion is a global biopharmaceutical company with a strong research pipeline, focused on developing and delivering therapies for patients with severe and life-threatening diseases.

- Medical / Lab Space: 495,000 square-feet
- Construction Jobs: 2,000
- Permanent Jobs: 1,200
- Project Cost: \$140 million

### **344 Winchester**

In 2009, Winstanley Enterprises expanded its commitment to Science Park by investing \$20 million into the shuttered US Repeating Arms Factory – the last remaining manufacturing building in use at the former Winchester / Science Park Campus. The facility now houses additional Yale University offices and personnel. Although these buildings are leased to not-for-profit institutional users, they are owned by for-profit commercial enterprises and thus remain on the city's tax rolls.

- Office Space: 245,000 square-feet
- Project Cost: \$30 million.

### **Science Park-Winchester Garage/Retail Facility**

In 2010 Winstanley Enterprises constructed a new 1,186-space parking garage with ground-level retail on Winchester Avenue to support the parking needs of 25 Science Park and 344 Winchester Avenue. The project also resulted in significant streetscape improvements including a raised median, planters, street trees, and pedestrian lighting. BL Companies, the developing firm, won the American Institute of Architects Connecticut 2010 People's Choice Award for their plan and design for this building.

- Retail Space: 15,000 square-feet
- Parking Spaces: 1,186
- Project Cost: \$30 million

### **SCSU Academic Science and Laboratory Building**

In 2015 SCSU completed its Academic Science and Laboratory Building. The building is a 103,608-square-foot, four-level academic and laboratory science facility with a construction cost of \$49 million. Embracing innovative sustainable design, it houses teaching and research training laboratories for nanotechnology, physics and optics, the earth sciences, the environmental sciences, cancer research, astronomy, molecular biology and chemistry.



*The new Academic Science and Laboratory Building, built in 2015, enhances the ongoing expansion of SCSU's science programs and the university's capacity to educate more students in the STEM disciplines – science, technology, engineering and mathematics.*

*City of New Haven Economic Development, Official Statement*

## **Recently Completed Projects**

### **The Novella**

The Novella is a newly-constructed mixed-use development on the site of a former parking lot at the corner of Chapel and Howe Streets. This six-story, modern-style building contains 136 studio, one-bedroom, and two-bedroom residential units and approximately 4,500 square-foot of ground-floor retail space. The development also includes three historic buildings on Dwight and Chapel Streets, which developer, RMS Companies, acquired and preserved as part of its project. It offers amenities such as a cinema-style movie theater, a rooftop sun terrace with grilling stations and an indoor lounge for tenants. The developer invested \$35 million of its own money and received no public subsidy for the project. The Novella opened in late summer 2015, and as of June 2016 is almost fully leased.

### **Winchester Lofts**

Leading Ohio development company, Forest City, transformed an abandoned rifle factory that was once the economic engine of Newhallville through a \$54 million historic rehab project that will result in 158 apartments, 20 percent of which will be affordable, government subsidized housing. The project started construction in summer 2013, opened to tenants in the summer of 2015, and as of June 2016 is almost fully leased.

### **The Union**

What is now known as simply The Union was once home to The Union & New Haven Trust Company. Constructed in 1927, this elegant building was the tallest in the city at the time. In 2013, Cooper Church LLC, a New York-based developer, purchased the 184,480 square-foot building from Hampshire Hotels & Resorts for \$13.5 million. Construction to convert the former office building to 138 market-rate rental apartments with first-class amenities began in April 2014. Leasing at The Union started in spring 2015, with a ribbon-cutting in July, 2016.

### **College & Crown: A Centerplace**

CenterPlan College Square LLC opened its downtown, six-story, mixed-use building, complete with 160 market-rate apartments and 20,000 square-feet of ground-level retail space, in late summer 2015. Apartments are now leasing and the building serves as the new home for the iconic J. Press men's clothing store.

### **Corsair Apartments**

Corsair Apartments is a new and renovated mixed-use development at the corner of Mechanic and State Streets. The former factory building, which began as a steam laundry and textile dyeing plant, later served as a fighter aircraft assembly plant for F4U Corsairs during World War II. Post Road Residential, a distinguished regional residential developer, is constructing 235 studio, one-bedroom, and two-bedroom units on the site. Corsair Apartments began leasing units for occupancy in spring 2016.

### **Metro 260**

In April 2015, the City Plan commission approved a dozen studio apartments on the second floor of the 260 Crown Street building that also houses the popular BAR restaurant. Metro Star Capital, the developer, plans to market the apartments to workers coming to Alexion, as well as workers at Yale-New Haven Hospital and graduate students in New Haven. Leasing started in early 2016 and the building is almost fully occupied.



*Clockwise from top left: Corsair Apartments, Centerplace Apartments, The Union, The Novella.*

### **Project Pipeline**

As of June 2016, approximately 950 residential units have received approval or are under construction in New Haven, and another 1,300 are in the planning stage.

### **Hill-to-Downtown Project**

Developer RMS Companies of Stamford is in final negotiations with the City's Board of Alders and Hill neighborhood stakeholders on a mixed-use development to be built on 20 acres of mostly empty lots in the Hill North section of the city. It plans to spend \$100-150 million to construct 150 apartments, 7,000 square-feet of retail, 120,000 square-feet of research space and 50,000 square-feet of offices. This project, with substantial input from the surrounding community resulting in a significant affordable housing component, will revitalize an underutilized section of the city and reconnect the Hill neighborhood to Downtown. Construction is expected to be begin by 2017.

### **Former New Haven Coliseum Site**

On December 2, 2013, the City signed an agreement with LiveWorkLearnPlay (LWLP) to redevelop the former Coliseum site into an active mixed-use, mixed-income neighborhood consisting of 1000 residential units, 76,900 square-feet of retail, 160 hotel rooms, 200,000 square-feet of class A office space and 52,620 square-feet of public space. This landmark project is part of Downtown Crossing Phase 2, which will reconnect Orange Street across Route 34 by creating an at-grade street for pedestrians, cyclists and automobiles. It will create approximately:

- 2,700 direct and 2,000 indirect and induced jobs during construction, and
- 1,400 direct and 1,400 indirect and induced permanent jobs during full operation

The agreement between the City and LWLP also provides job opportunities for New Haven residents by requiring the construction workforce to be 25 percent New Haven residents, 25 percent minorities and 6.9 percent women, and 25 percent of construction sub-contracts to be with New Haven area minority or women-owned businesses. The total project cost is estimated to be \$400 million. Utility infrastructure improvements are currently underway and a hotel partnership announcement is expected in summer 2016.

### **Lofts at Wooster Square**

Spinnaker Real Estate Partners received zoning approval from the Board of Alders to develop the 250,000 square-foot former Comcast property at 630-673 Chapel Street in Wooster Square into more than 220 units of market-rate housing with ground-floor retail. The \$35 million transit-oriented development (TOD) project will start in late 2016.

### **Torrington Plumbing Supply Site**

Petra Construction, in collaboration with David Adam Realty, is replacing a series of warehouses and a plumbing supply store with six wood-framed stories of market-rate apartments, as well as townhouses and ground-floor retail. The already-approved TOD project at 87 Union Street will activate dormant Union and Fair Streets, while a potential extension would reconnect Olive and Union Streets. The total project will consist of approximately 325 market rate units, and is slated to start in late 2016.

*City of New Haven Economic Development, Official Statement*

**Metro 280**

Approved in mid-2015, Metro Star Capital is also converting the parking garage at 280 Crown Street into an apartment complex. The restoration and adaptive re-use of the Crown Street Garage, located on the corner of Crown and High Streets, just steps from Yale University, will be a boutique residential building with modern architecture and outdoor decks. The 24-unit mixed-use project is slated to open in spring 2017.

**Metro 301**

A multi-building 38,000 square-foot development encompassing much of the block of George Street between High and College Streets and part of Crown Street, this is the largest of three Metro Star projects in the area. It will consist of four new mixed-use buildings with 80 market-rate apartments and a renovated historic chapel building. The project will transform and reactivate this underutilized section of Downtown.

**Former New Haven Clock Factory**

In July 2015, Gov. Malloy announced that the State will grant New Haven \$200,000 to study remediating and redeveloping the large historic former industrial building at 133 Hamilton Street in Mill River. The grant will help its owners determine the best way to develop a mixed-use site that fits with existing Mill River District planning.

**Frontier Communications Lot**

In February 2016, Spinnaker Real Estate Partners also contracted with Frontier Communications to buy one of the last prime pieces of land in downtown New Haven, at 335 and 367 Orange Street. The development of the 3.3-acre property, currently a surface parking lot for Frontier employees, will potentially add hundreds of residential units to Downtown and create a new community that will help grow the existing Audubon-Whitney neighborhood and spur development along Orange and State Streets.

**Former Harold's Formal Wear and the John English Building**

In May 2016, MOD Equities, led by brothers Jacob and Josef Feldman, received City approval for two separate Downtown projects: four new stories on top of the one-story former Harold's Formal Wear building at 19 Elm Street, creating 46 new apartments and a restaurant space on the first floor, and 18 new residential units on the third and fourth floors of the existing John English Building at 418 State Street. The two conversions will help bridge the area across the train tracks to the Wooster Square neighborhood by intensifying the use of existing buildings and increasing foot traffic near State Street.

**George and High Streets**

MOD Equities is also building 108 furnished apartments at the former Budget Rental Car site at 323 George Street, on the corner of George and High Streets. This innovative style of housing will cater to shorter-term students at Yale and extended stay employees at local biotech firms. The building will also have 2,000 square-feet of retail space and a "concierge activity zone" that will include a coffee shop. MOD will also renovate an adjacent historic home at 15 High Street for additional guest rooms. The project will complement the Metro 301 development by completing the revitalization of the block of George between High and College Streets.

**Boathouse at Canal Dock**

The City is constructing a new \$40 million boathouse, education and waterfront recreation center. It will restore the public's access to the waterfront and be available to host a variety of water-related activities including crew, kayaking, canoeing and sailing as well as serve as the planned new home for parts of UNH's Marine Biology Program. The project is funded by CT DOT as part of the I-95 mitigation program, a project backed by the Federal Highway Administration (FHWA). Construction for the boathouse platform is complete and building construction is expected to begin in July 2016.



### **New Haven Harbor Crossing Corridor (I-95) Improvement Project**

New Haven is at the center of interstate traffic between New York City and Boston, and as a result Interstate 95 carries approximately 140,000 vehicles per day. To accommodate this traffic, CT DOT is reconstructing and expanding 7.2 miles of I-95 between Exit 45 in New Haven and Exit 54 in Branford. The centerpiece of this effort is the rebuilt Pearl Harbor Memorial Bridge, a signature ten-lane extradosed cable-stayed bridge the first of its kind in the United States, which reopened eight months ahead of schedule in September 2015. The corridor project also includes improvements to the I-91/I-95/ Route 34 Interchange, such as the new I-95 flyover, which improves access into the city for east-bound traffic. The final portion of work, the so-called I-95 “Leave Behind”, will address local road conditions following such an intense, prolonged construction period and will be completed in 2018.

- Project Duration: 1999 - 2018
- Project Cost: \$2.2 billion

### **Union Station Rail Maintenance Facility**

The New Haven yard is among the largest rail maintenance facilities in the Northeast and CT is investing approximately \$1.4 billion to bring the yards into a state-of-good-repair and to prepare the shop for care and support of the existing M-2, M-4, and M-6 rail cars. The facilities will expand as Metro-North continues to roll out 300 state-of-the-art M8 railcars to replace the existing fleet.

### **DISTRICT NHV**

This site, located next to I-91 at the intersection of State and James Streets on the border of East Rock and Fair Haven, is one of the city’s most valuable unused properties. This project envisions establishing a tech campus that will foster innovation through the creation of startup incubator space, Class A office space, a performing arts amphitheater, and a boat and kayak launch to the Mill River.

The project will retain nearly 100 jobs in New Haven, and create an additional 200-300 new jobs at all skill levels. The project has received \$5.5 million in State remediation funds to clean up the property. It began demolition in June 2016, with occupancy scheduled for 2017.



*Ceremonial groundbreaking for the DISTRICT NHV tech hub took place in June 2016. This \$22.5 million partnership between the State, the City and a homegrown private development team is scheduled to open in 2017.*

# ATTRACTING AND RETAINING QUALITY COMPANIES

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Despite significant deindustrialization, manufacturing and food services remain important components of New Haven's overall economy, but with fewer employees, far greater specialization, and more advanced fabrication methods. New Haven is home to several specialty manufacturers, such as Assa Abloy, a global leader in lock production; Uretek, a high-tech fabric manufacturer; Radiall, a global manufacturer of connectors for use in electronic applications; and Space Craft Manufacturing, a precision parts manufacturer for jet engines. Many specialized food service companies are based in New Haven, including bakeries, meat packers, distributors, and food wholesalers, such as Onofrio's Ultimate Foods, a wholesale plant-based food production company; Palmieri Food Products, a boutique Italian food producer; FreshBev, a premium-quality juicing company; Chabaso Bakery, a leading regional bakery that sells to all major grocery stores, and relative new-comer Whole G, a wholesale baker of artisanal German-style breads

## **Made in New Haven Label**

To promote greater awareness of, and interest in, the burgeoning development of distinctive, locally-made products and services, the City debuted a “Made in New Haven” program in May 2016. The City of New Haven commissioned a graphic mark (otherwise known as a “logo”), to be registered as a national trademark. Eligible businesses are encouraged to use the mark in different ways, such as: on product packing and shipping containers; in-store displays; on retail bags and stickers on purchases; on websites and/or digital products; on the outside of a building or inside offices, and in general advertising. This mark is and will be a sign of distinction, which we will make available, free-of-charge through a license agreement with:

1. Manufacturers and makers that produce goods in or in honor of New Haven.
2. Retail establishments that sell such goods.
3. Production companies and web-based businesses that create digital products and promote New Haven as an attractive place to live, learn, work and play.

To date approximately 42 companies are participating, with more inquiring and signing up each week. For instance, one company proudly participating in the Made in New Haven campaign is Fair Haven’s Vespoli USA. It operates a 33,000 square-foot plant and employs 40 people on the west bank of the Quinnipiac River. The largest supplier of competitive racing shells to the U.S. market, it accounts for half of racing shell sales nationwide and produces up to 600 shells annually.



*Mike Vespoli, at center, owner and CEO of Vespoli USA.*

## Professional Services

Professional and government services are also important to the local economy. With proximity to a large number of federal and state administrative agencies as well as federal and state courts, New Haven has a large concentration of attorneys and legal service companies. There are 110 law firms in the city, representing approximately 10 percent of the state total. In addition, there are 75 architecture firms employing more than 500 professionals and support staff. The government sector includes major federal facilities, primarily at the Gaiamo Federal Services Building in Downtown. The Federal Bureau of Investigation, Naval Reserve Center and United States Coast Guard also have stand-alone regional centers in the city.

## Biotechnology in New Haven

Many small biotechnology firms continue to thrive in New Haven and play an increasingly important role in the regional economy. Jobs from New Haven-based firms are driving housing and economic growth throughout the entire southern Connecticut area. The biomedical sector accounts for approximately 12,000 jobs in the New Haven region (EDC/REX, 2013), and New Haven placed #13 in the FierceBiotech Top 15 cities for biotech venture funding in 2014.

- **Achillion**

Achillion discovers, develops, and commercializes anti-infective drug therapies. In May 2015, it announced a worldwide license and collaboration arrangement with Janssen Pharma (a division of Johnson & Johnson), which included a \$225 million investment in Achillion. In June 2016 they expanded its footprint at 300 George Street to more than 40,000 square-feet and announced that staff had grown by 20 percent in the last year to 84 full-time employees.

- **Arvinas**

Launched in 2013 with \$15 million in capital (including \$1 million from DECD and Connecticut Innovations), Arvinas is commercializing Dr. Craig Crews's research into degradation of proteins to treat cancer and certain autoimmune diseases. In April 2015 it announced an R&D collaboration with Merck which could be worth up to \$434 million if all milestones are achieved.

- **Kolltan Pharmaceuticals**

A privately held clinical-stage company focused on the discovery and development of novel antibody-based drugs, the company now has two clinical stage development programs in oncology, and is advancing a research pipeline focused on TAM receptors for potential use in oncology, inflammation and autoimmunity.

- **Melinta Therapeutics**

An antibiotics company, it is engaged in the discovery, development, and commercialization of antibiotics to overcome drug-resistant, life-threatening infections.



*Source: EDC New Haven / REX*

## Science Park

Science Park is an urban reuse project located at the former site of the Winchester Repeating Arms Company that is owned and managed by a not-for-profit that has successfully redeveloped several of the buildings on the 80-acre campus. It is now home to many emerging biotech corporations and innovative not-for-profits, including:

- Clinical Data Inc.
- Vion Pharmaceuticals Inc.
- Ikonisys, Inc.
- Arvinas
- PhytoCeutica Inc.
- Carestream Health Inc.
- Pepsi Research Lab
- Yale University
- Higher One
- Connecticut Center for Arts and Technology (CONNCAT)

*City of New Haven Economic Development, Official Statement*

In late 2008, Winstanley Enterprises completed the transformation of 25 Science Park into a 250,000-square-foot premier class A office space – at a cost of \$30 million. Yale University's Information Technology and Human Resources departments lease space in the building along with a Pepsi research lab.



*Science Park covers 80 acres and is one of New Haven's centers for innovation and economic growth, particularly in scientific research and financial services.*

### **Digital Surgeons**

Digital Surgeons, a New Haven-based digital marketing firm focused on brand and product development, achieved national recognition through its Webby Award-winning "GaGa's Workshop" microsite for Barney's New York. Other major clients include Lego, the U.S. Open tennis tournament, and Camelbak. Digital Surgeons currently employs 40 people and its owners are redeveloping, with the assistance of the State and City, a contaminated industrial site into New Haven's first tech park (see DISTRICT NHV) that will allow them to expand and attract other tech and new media companies. The \$17 million project is slated to open in 2017.

### **Grey Wall Software**

Founded in New Haven in 2011, Grey Wall Software created Veoci, a web and mobile-based emergency management system. A tool for communication across organizations with geo-locational specificity, the product is targeted at institutions such as municipalities, universities, and airports. Currently the company is testing new products and collaborating with the City to launch test runs of its software products. It has grown to 40 employees in the last year.

### **Technolutions**

Founded in New Haven in 1994, Technolutions has served the education industry for more than two decades. In 2000, Technolutions introduced Slate, its flagship information management system, at Yale University. Slate is the leading software product for college and university admissions offices. It facilitates all communications and document management between admission offices and prospective students. Over the past decade, Slate has been adopted by hundreds of colleges and universities and continues to grow quickly. It currently employs 60 people.

### **Knights of Columbus**

The world's largest Catholic fraternal service organization, the Knights of Columbus was founded in 1882 and is headquartered in New Haven. A Fortune 1000 insurance company, it employs 850 people, with more than \$100 billion in life insurance, annuities, disability insurance, and long-term care insurance in force, and \$22 billion in assets.

### **Higher One**

Higher One, a company created by Yale alumni that provides students with customized financial services through college business offices, is a more recent addition to New Haven's financial industry. The publicly-traded company, founded in 2000, already provides services to five million students at more than 700 colleges and universities. It is consistently rated one of the top places to work in CT and is part of Deloitte's "Fast 100."





*A.H. Harris opened its new 35,000 square-foot facility on Wheeler St in May 2016. The company, a distribution center for construction materials, has quadrupled in size over the last six years.*



*DISTRICT NHV developer David Salinas also co-founded New Haven digital marketing firm, Digital Surgeons. Its clients include many major companies like Lego, for whom it created an online interactive-marketing solution to serve its top performing franchise, Lego Star Wars.*

### **Continuity**

Continuity is the recognized regulation technology leader, providing compliance management software solutions for more than 200 financial institutions throughout the country. The company raised \$10 million in 2014, and opened a signature new office space in New Haven in June 2015. It currently employs 60 people, with plans to reach 100 by the middle of next year. Continuity was named to the Inc. 5000 list of fastest growing companies in America for 2015.

### **SeeClickFix**

A New Haven “e-gov” start-up that is growing exponentially, SeeClickFix allows people to virtually report issues in their community and facilitates communication between citizens and government officials to address them. Cities all over the world have adopted the online platform including Washington, D.C., Houston, Philadelphia and Tucson. SeeClickFix raised \$1.4 million in June 2015, and plans to double its headcount to 50 by the end of 2016.

### **Square 9 Softworks**

Square 9 is a New Haven-based, industry-leading developer of award-winning, business-centric software solutions. Dedicated to making content management available to organizations of all sizes, Square 9 designs highly-scalable solutions built on open architecture and cutting-edge technologies that drive efficiency and productivity across multiple vertical and horizontal business applications.

The Office of Economic Development worked closely with the company to identify a new location for its expanding operation and the company recently moved into 20,000 of space at 123 Church Street. Square 9 has created a sustained history of strong growth and job creation since its inception in 2006, and is projecting to hire a minimum of 12 additional employees by the end of 2016 and a total of 50 employees over the next five years.

### **Long Wharf Food Terminal**

Since the 1960s, Long Wharf has been home to the New Haven Food Terminal, which houses successful restaurants and venerable food service companies including Carbonella and DeSarbo, Lamberti's Sausage and Carl's Boned Chicken. Directly adjacent to the Terminal is a mix of iconic New Haven food brands like Hummel Brothers, along with popular newer additions like Something Sweet and Gelato Giuliana. Further cementing Long Wharf as a food hub are the many food trucks that congregate on nearby Long Wharf Drive, drawing more activity to the area. By Fall 2016, the City expects to have completed streetscape improvements along with new public amenities on Long Wharf specifically geared towards the growing popularity of food trucks. Similarly, the city is moving to have the area designated as a formal food vending district via City ordinance.



*Businesses located on Long Wharf include: Something Sweet, Lamberti's Sausage, Hummel Brothers and Gelato Giuliana.*



# DEVELOPING LOCAL JOBS AND BUSINESSES

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To grow New Haven's economy and prepare residents for the jobs of tomorrow, the Office of Economic Development works with the City's Board of Education, GWCC, SCSU and others to develop a highly trained workforce for the city's emerging employment growth sectors. The City's engagement in these sectors is setting New Haven at the forefront of knowledge-based sectors including healthcare, bioscience, higher education, advanced manufacturing, information technology, and new media. Academic programs offering nursing, biomedical engineering, and nuclear medicine technology are growing right next to New Haven's globally renowned medical district.

## **Workforce Development**

### **Technology Innovation**

Over the past few years, New Haven has continued to make progress in its efforts to develop an innovation ecosystem. The consortium that the City assembled in 2013, under the banner of "The Grid New Haven" and led by the EDC, continues to operate under a series of grants from the State of Connecticut. Over the three-year period ending in 2015, The Grid provided assistance to 109 companies. This assistance encompassed:

- Technical assistance around:
  - Ideation
  - Creating and refining business plans
  - Business forecasting
  - Customer validation processes
- Providing connections with:
  - Mentors
  - Capital sources
  - Space providers
  - Talent sources

As for co-working space in the city, The Grove, which as of the end of 2014 counted nearly 160 members, moved into its present space at 760 Chapel Street at the end of 2013, and in early 2015 expanded into an additional 4,000 square-feet in the building next door.

During 2014, the EDC also pivoted to focus more of its efforts on supporting "Stage 2" companies, namely, companies that have sales and more than 10 employees. Since then a cohort of these companies, including Continuity, SeeClickFix and Square 9 have secured significant funding and expanded office spaces and workforces substantially. Economic Development staff and the EDC have worked with Continuity and SeeClickFix on talent development efforts as well as on securing new office space. As noted earlier, Economic Development staff worked closely with Square 9 on its expansion into new Downtown office space.

### **Regional Workforce Development Board**

Since 2013, a staff member from the EDA has sat on the Regional Workforce Development Board (RWDB). The RWDB, also known as the Workforce Alliance, serves as the federal- and state-funded hub for workforce programs, provides policy and strategic direction, oversees the use of workforce development funds and convenes key players in workforce/economic development, education and other appropriate systems. A key element of the Workforce Alliance is the One Stop Center which provides employment and counseling services, along with avenues for training and skill development.

In 2015, the Workforce Alliance transformed itself as a result of the Workforce Innovation and Opportunity Act (WIOA), which was signed into law in 2014. With that new law's emphasis on improving service to, and placing into employment, young adults between the ages of 18 and 24, the Workforce Alliance reduced the size of its board of directors and added key industry/academic partners, including representatives from Alexion and SCSU.

### **Jobs Pipeline / New Haven Works**

In January 2012, the City created the Jobs Pipeline Working Group, which in turn developed a proposal for a new organization called New Haven Works. New Haven Works launched on December 5, 2012. Economic Development staff participated in the working group, researched best practices, conducted field visits to the workforce development boards in Bridgeport and New Haven, and helped draft the final set of recommendations. EDA staff continue to assist New Haven Works with its work plan and outreach efforts to local employers.

In 2015, the first year of stabilized operations, New Haven Works placed 323 residents into employment and established 23 Partner Agreements with local employers. The need for placements, however, remains very important as there are currently more than 500 residents in a pre-screened “ready-to-work” pool.

### **Bioscience Career Ladder**

New Haven is home to the largest concentration of life science companies in Connecticut, and is widely recognized as the #2 bioscience cluster in New England. While much smaller than the Boston cluster, this industry has the potential to grow, mainly due to the high quality and volume of research at the Yale School of Medicine. To that end, the EDA and the EDC have worked to bring together workforce development partners to more fully understand job typologies, education and training requirements.

Three initiatives are underway. The first is a partnership with CURE to assist New Haven-based companies with key capital purchases that will support their base of operations in New Haven. The second involves internship programs, one administered by the Workforce Alliance and a second administered through CURE.

The third, and most significant recent initiative, involves new academic pathways leveraging the new science building at SCSU. In 2015, Economic Development collaborated with the EDC, CURE (a statewide biotech organization), SCSU, and other workforce development partners to launch a Bioscience Career Ladder. The City signed a memorandum of agreement with SCSU to advance the career ladder through four new academic pathways: BS/Biotechnology; BS/Chemistry (with Biotechnology concentration); BS/STEM (with Biotechnology concentration); and Graduate level certificate programs. To further support SCSU in this effort, the City made available an initial start-up grant and provided support to a new industry advisory committee. In 2016, SCSU gained approval from the Board of Regents for the new BS/Biotechnology degree.

### **Tech Career Ladder**

Given the growth of the IT/Tech sector in Downtown New Haven, the Office of Economic Development worked with the EDC and GWCC to launch a new “Learn to Code” certificate course, with tuition scholarships made available for five New Haven residents. The course launched in February, 2016 with the goal of its first graduates entering the workforce later in the year.

As part of this pilot project, Gateway also convened an advisory committee to peer review the curriculum and monitor the project in future years. The ladder is one of a number of important initiatives related to tech jobs: the Grove continues to work on the A-100 coding project; and GWCC has brought together industry partners, the Workforce Alliance, and the City to apply for a federal “Tech Hire” grant.

### **Entrepreneurship Efforts**

Yale Entrepreneurial Institute (YEI) incubates twelve start-up firms a year while the consortium the City assembled in 2012, under the banner of “The Grid New Haven” and led by EDC, provided assistance to 104 technology companies over the two-year period ending in 2014. The Grove has become the leading co-working space in the state, with more than 160 members. Located in the Ninth Square at 760 Chapel Street since 2013, The Grove expanded in 2015 into an additional 4,000-square-foot building. Recognizing the importance of tech companies and the skills they require, GWCC, with support from the City and EDC, launched an intensive “learn-to-code” course in 2015 which teaches the most in-demand web-development skills. All these efforts contribute to making New Haven an increasingly attractive location to base a technology company.

## **Business Development**

### **Business Services**

Economic Development staff, with support from the EDC of New Haven, work to attract new businesses to New Haven and to retain existing New Haven businesses. Economic Development staff routinely provide advice, counseling, and technical assistance to a variety of walk-in clients, in 2014, more than 225 small business owners and would-be entrepreneurs received services in areas such as:

- How to start and register a business
- How to secure necessary state and local licenses and permits
- How to apply for local, state, and federal business/tax incentives
- How to secure and evaluate different financing options

Historically, approximately 10 percent of all those who make inquiries go on to establish businesses within the city, typically home-based businesses with one or two employees.

### **Food Incubator**

Economic Development, in collaboration with the EDC, proposes to create New Haven's first food-based business incubator and co-working program to foster early-stage catering, retail and wholesale food businesses. By covering the capital cost of shared kitchen facilities, which are made available to members on a timeslot basis, the incubator enables a business to develop to the stage where it can invest in its own facilities - by assisting its tenants with business planning, access to capital, mentoring and other business facilities.

The continued popularity of Long Wharf as a food production and food service destination has inspired the City to establish a food-based business incubator. Entrepreneurs have expressed great interest in the creation of a place where early-stage food-related businesses could share production space. The incubator, slated to open in 2017, would help both small restaurants and other specialized food service companies take root and grow in the New Haven-area, strengthening an already-bustling gastronomy industry.

Moreover, the incubator is intended to be a supportive community, creating a sense of shared values and a commitment to success. It will provide subsidized use of space and training to cultivate the development and growth of small businesses and address food accessibility, neighborhood revitalization, and small business development for New Haven residents, thereby creating jobs and employment opportunities for New Haven residents.

### **Project Storefronts**

In 2015, Project Storefronts furthered economic development in New Haven by matching qualified creative entrepreneurs with vacant and underutilized commercial retail spaces, and coaching them to prove their business concepts according to lean startup principles. Readiness for a storefront is assessed and built through info sessions with experts in various aspects of small business and product development, individual coaching by the Program Manager, and referral to other City resources and vending opportunities. In the process, a growing pool of realtors, property managers and commercial property owners have become actively engaged contributors to the city's creative economy.

In 2015, Project Storefronts held 111 promotional events including the introduction of CityLove, a new bike-propelled cart for vending at area events, helped 207 entrepreneurs, and assisted in the launch of seven new small businesses. A publication called "CityLove: Celebrating New Haven's Creative Economy" is presently in progress, which further details these achievements in the form of a series of self-guided walking tours.

### **Small Contractor Development Program**

Healthy local businesses are a basic component of strong, sustainable communities. They create job opportunities for residents and keep money circulating in the local economy. To that end, the City adopted Section 12 1/4 of the New Haven Code of Ordinances in 2001, which created the Small Contractor Development Program (SCD). Through this ordinance, the City provides opportunities to small and minority contractors to establish parity in New Haven construction contract procurement and provide them with opportunities to grow, compete and succeed. The SCD program uses a two-pronged strategy to achieve an increase in Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) contractor participation for public projects that are funded, in whole or part, by City funds or by a developer that has received any type of subsidy from the City.

At the start of the program in 2001, 4.7 percent of City contracts were awarded to women and minority business enterprises. As of the end of 2015, 25.7 percent of the \$13.6 million in City construction contracts were awarded to women and minority businesses, and there are currently 137 contractors registered in the program. Since its founding, SCD has also assisted more than 600 small, women, and minority firms with contract issues, bid documents, payments, credit, contractor conflicts, and registration. In 2016:

- New Haven resident construction businesses received \$18.8 million in contracts
- Women owned construction businesses received \$13.7 million in contracts
- Minority owned construction businesses received \$1.6 million in contracts

### **Food Truck Festival**

The second annual Food Truck Festival was held on Long Wharf in June 2016. The event featured more than 30 New Haven-area food trucks and craft vendors, beer gardens, a Dragon Boat Race and all-day entertainment. Thousands attended over the course of the event.

### **Small Business Technical Assistance & Outreach**

The EDA partners with local organizations such as the Greater New Haven Business & Professional Association (GNHBPA), Spanish American Merchants Association (SAMA), Service Corps of Retired Executives (SCORE) and the CT Small Business Development Center (CSBDC) to provide technical assistance and mentorship to New Haven small businesses in areas such as marketing, bookkeeping, and insurance. Staff members also provide entrepreneurial support to the various neighborhood commercial districts and management teams, and work with the local real estate community to identify appropriate business sites for those seeking to locate, or relocate, to New Haven.

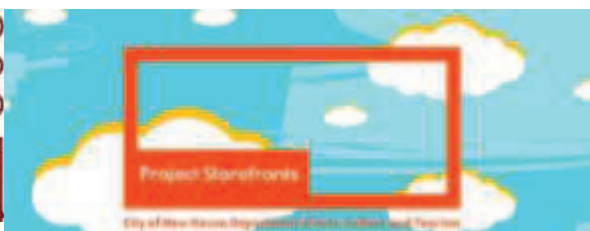
### **Small Business Service Center**

The Small Business Service Center opened in May 2014, currently serves approximately 300 Greater New Haven small businesses, and is part of the City's Office of Economic Development. The mission of the Small Business Service Center is to assist in the development and growth of aspiring small businesses and entrepreneurs, by providing them with access to capital along with technical assistance. The Center's core initiatives are business development, business retention and attraction, neighborhood business revitalization and business advocacy. It has assisted in the opening of 70 small businesses and assisted in securing funds for 30 small businesses totaling \$500,000 for member businesses. It also facilitates a 16-week comprehensive small business program educating entrepreneurs on how to be effective business owners.

The Small Business Service Center plays a lead role in encouraging the development of entrepreneurship and microenterprises by providing technical assistance and promoting incentive programs coupled with financing programs that assist in creating jobs that serve as an important catalyst for the future economic growth and prosperity of the city and the region.

### **Start Up Weekends**

Part of Start Up America, this weekend is held annually in November and includes events for entrepreneurs to pitch ideas, build teams, network, learn skills and find mentors. It is an intense 54-hour event which focuses on building a web or mobile application which could form the basis of a credible business. In 2015, it was held in collaboration between Yale School of Management and New Haven's co-working epicenter, The Grove.



*In partnership with the EDC, New Haven supports the growth and development of new businesses in many ways. These efforts span many industries, and range from educational programs to networking support.*

# REVITALIZING NEW HAVEN'S NEIGHBORHOODS

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## Neighborhood Commercial Revitalization

The City uses the nationally-recognized “Main Streets” model as its principal tool to reactivate its key business corridors, including Dixwell, Grand, and Whalley Avenues. Working with community volunteers, City personnel, and other stakeholders, Economic Development staff coordinate and implement projects that keep neighborhoods “clean, safe, and friendly”, promote culturally-vibrant events, and identify value-added redevelopment opportunities.

During 2016, Economic Development staff worked with various City departments and external partners to deliver various projects on these three thoroughfares:

- Conducted streetlight and sidewalk assessments to repair fixtures and other infrastructure
- Restriped and signalized pedestrian crossings at certain heavily-traveled intersections
- Planted and watered nearly 30 new trees in all three districts
- Initiated an improved and updated Grand Avenue Business Map & Guide
- Sponsored community festivals, such as RiverFest and Wheels on Whalley



*left: Wheels on Whalley participants: right: a family at the Riverfest event.*

In 2017, the Office of Economic Development will continue working with community members in each of these neighborhoods to design and execute projects that enhance their economic revitalization.

## Neighborhood Commercial Districts (Special Service Districts)

The City and EDC work with several commercial district organizations to promote local businesses and provide additional services in these neighborhoods:

- Town Green Special Services District
- Grand Avenue Special Services District
- Whalley Avenue Special Services District
- Chapel West Special Services District

## Municipal Development Incentives

The City rarely grants full tax abatements; instead, it looks for ways to bring in low or no-cost financing to a project by aggressively targeting State and Federal assistance. The City further encourages development by phasing in property tax assessments through two as-of-right assessment deferral programs, which provide five-year or seven-year tax deferrals on the increased assessment attributable to the improvements.



## Façade Improvement Program

The Façade Improvement Program is one of the tools Economic Development uses to fight blight in New Haven neighborhoods, to stimulate economic growth, promote the welfare of its citizens, and strengthen local communities through a combination of redevelopment and rehabilitation. In 2015, the Program supported 18 Façade projects, with eligible grants totaling in excess of \$1.0 million, leveraging nearly \$15 million in private investment.

### 2015 - 2016 Highlights:

- In 2015 Bender Plumbing received a major assistance grant to expand to a new facility at 580 Grand Avenue Economic Development support included a façade grant for the new location as well as the existing showroom. Façade work on the showroom will be completed in fall 2016.
- The acquisition and redevelopment of 320 Ashmun Street in Newhallville by Juan Salas-Romer from a blighted building with a problem bar into a new G Café on the ground floor with residential apartments above.
- Believe in Me Empowerment Center, located at 423 - 425 Dixwell Avenue: in 2013-14, James Walker, owner of the building and executive director of BIMEC, used façade funding to restore facades on Dixwell and Argyle Streets. A fire in the spring of 2015 destroyed much of the façade and rendered the building uninhabitable. Once again, the Façade Program assisted with the exterior repairs and enabled BIMEC to quickly get back into its headquarters.
- Reclamation Realty, LLC, the real estate holding company for Reclamation Lumber at 424 Grand Avenue in the Mill River District: Economic Development designed a special program to facilitate the funding of its Grand Avenue and Haven Street façades using a combination of interim funding and external financing. The Grand Avenue façade has been completed and the Haven Street façade will be complete by summer 2016.

### 2016 - 2017 Initiatives:

- Implement a pilot program in the “Main Street” corridors (Whalley, Dixwell and Grand Avenues) that provides a portion of a façade grant at the start of the project, to help stimulate program participation in these neighborhoods.



*A before and after picture of Bender Plumbing Supply Company's new facility which was part of the Façade Improvement Program.*

### **Mill River District Planning Study**

In 2014, the Office of Economic Development, in partnership with the EDC of New Haven, completed an economic development study of the Mill River Industrial District. The district is home to a municipal development plan area, which has been instrumental in stabilizing the district and addressing deteriorating and vacant properties along the river to take advantage of emerging growth opportunities in advanced manufacturing, food processing and home improvement product sales. The study will help guide development in Mill River to preserve existing jobs and create new ones, while enhancing the district's physical appearance through public and private investment.

Current efforts include the research of waterfront protection methodologies, development of an infrastructure investment strategy, coordinating with the Housing Authority of New Haven on the Farnam Courts Redevelopment, and redeveloping the CT Transit garage at 470 James Street (DISTRICT NHV).

### **River Street Municipal Development Plan**

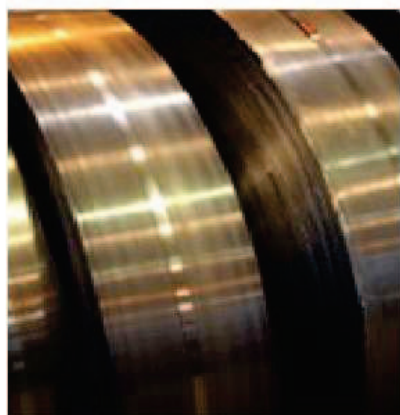
The City created the River Street Municipal Development Plan (MDP) in 2002 to ensure the responsible development of the 53-acre industrial district in Fair Haven bordered by James, Ferry, and Chapel Streets, and the Quinnipiac River. To date, the City has approved over \$20 million worth of investment from City, State, and Federal funds to generate jobs, preserve historic buildings, explore the creation of entertainment, sports, and "maker" space, and enhance access to the waterfront. There are also expanding businesses like New Haven Awning and Fair Haven Furniture. Successes to date include:

- New businesses attracted: Capasso Restoration, New Haven Awning, EHR Design and Luckey Playgrounds.
- Approximately 100 new jobs.
- Lloyd Street Reconstruction and boat launch using \$1.6 million in EDA and EPA grants.
- 46 River Street remediation by DuPont.
- 56 River Street remediation complete using EPA funds.
- 100 River Street remediation by Hess Oil.
- 34 Lloyd Street for Capasso Restoration using Department of Economic and Community Development (DECD) and City funds.
- 198 River Street (Bigelow Boiler) partial building demolition, stabilization and abatement.
- 142 River Street partial demolition.
- Reconstruction of River Street and blocks of Blatchley Avenue, Lloyd and Poplar Streets, using DECD, EDA and EPA funds.
- New sidewalks on Chapel Street.
- Property and building improvements at 34 Lloyd Street, 90 River Street, 168-196 Chapel Street, 24 River Street and 76 Blatchley Avenue.
- Centric Sports & Cycling Velodrome, 100 River Street.

### **Long Wharf TOD Grant**

New Haven won \$1 million in state funds for responsible growth projects that create jobs in the Long Wharf area. The City will use \$500,000 to cover the cost of infrastructure improvements to Long Wharf Drive including a two-way cycle track on the water side of the street and a more organized area for the food trucks that congregate on Long Wharf. This is part of a larger Long Wharf makeover that will transform the area with the new Boathouse, improvements to sidewalks and right-of-ways, the Farmington Canal Line and Vision Trail as well FEMA-funded repairs to areas damaged by recent storms.





*The City of New Haven developed a comprehensive economic development plan for the Mill River Industrial District. The plan intends to preserve the 3,000 existing jobs and help bring new businesses to the district while revitalizing underutilized spaces like the Powerhouse Building at 458 Grand Avenue. It is already home to many manufacturers, including Reclamation Lumber, Space Craft, Radiall and more.*

# IMPROVING NEW HAVEN'S REGIONAL COMPETITIVENESS

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## Arts & Culture

New Haven is home to world-class shopping featuring more than 50 specialty boutiques in four distinct shopping districts - Broadway, Chapel, Audubon and Ninth Square - all of which are easily navigable on foot. Located in the heart of the Yale campus, the Broadway District features the largest Barnes & Noble Bookstore between Boston and New York City, Connecticut's third Apple Store, J. Crew, and the state's first Urban Outfitters. The Chapel Street Historic District, home to the newly-refurbished Yale Center for British Art and Yale University Art Gallery, also features several high-end shops as well as one-of-a-kind boutiques. The Audubon Arts & Retail District features multiple art galleries and learning centers as well as a unique home furnishing store. Ninth Square, a revitalized area between the heart of Downtown and Union Station, is home to several Project Storefronts businesses including the Grove and Artspace, as well as some of the city's best wine bars, restaurants, and coffee shops.

New Haven is a regional culinary destination, drawing visitors from around the state and southern New England. Options range from world-famous "New Haven-Style Pizza" to Louis' Lunch, the site of the first hamburger, to international cuisines including Ethiopian, Spanish, French, Greek, Latin, Mexican, Italian, Thai, Chinese, Japanese, Vietnamese, Korean, Indian, Jamaican, Cuban, Peruvian, Syrian/Lebanese, and Turkish. This wide selection of options at a variety of price points has made New Haven the culinary heart of Connecticut, and has attracted investment from major regional and national restaurateurs and companies. Recent additions include Tarry Lodge by Mario Batali, Five Guys Burgers and Fries, and Shake Shack.



*Clockwise from top left: Arethusa Farm Dairy on Chapel Street, the Apple Store New Haven and Barbour on Broadway, ShakeShack on Chapel Street and J.Crew on Broadway.*



*The Yale Center for British Art holds the largest and most comprehensive collection of British art outside the United Kingdom, presenting the development of British art and culture from the Elizabethan period to the present day. (Photo courtesy of Great Buildings).*

## Art Galleries, Museums & Theaters

New Haven has a strong collection of museums, art galleries and theaters that attract approximately 800,000 visitors to the city each year:

- **The Yale Art Gallery** possesses a remarkable collection of masters and modernist works that elevates it to the level of major public art museums in cities like New York and Washington, D.C. The Gallery was built by modernist architect Louis Kahn. The Gallery underwent a \$15 million expansion in 2012 (part of a larger fourteen-year renovation effort totaling \$135 million), earning the American Institute of Architects' Honor Award for the preservation and restoration efforts. An estimated 150,000 visitors attend the Yale Art Gallery each year.
- **Yale Center for British Art** contains the largest, most comprehensive collection of British art outside of the United Kingdom. It reopened to the public in May 2016 after a 16-month closure that included a \$33 million "conservation" effort to restore the Louis Kahn-designed treasure to the architect's original vision. The British Art Gallery attracts an estimated 110,000 visitors per year.
- **The Peabody Museum of Natural History** has an incredible collection of artifacts and exhibitions spanning four billion years of history. It is ranked among the top 12 natural history museums in the nation, and benefits from frequent exhibitions coordinated with Yale professors and their work. This is the most-visited museum in New Haven, with 160,000 visitors annually.
- **The Knights of Columbus Museum** hosts special religious art exhibits and information about the organization's history and roots in New Haven. Approximately 26,000 visitors come to this museum every year.
- **The Museum of New Haven** provides a thorough history of the Elm City from its founding in 1638 to date. Whitney Library and other special exhibitions offer its 15,000 annual visitors many opportunities to engage with the rich history of the city.
- **The Connecticut Children's Museum** houses day care programs, education for care providers, and an interactive museum. It is an exceptional, cutting-edge facility with roughly 16,500 visitors annually.
- **The Shubert Theater** welcomes approximately 100,000 patrons annually to see the latest Broadway shows, from *Book of Mormon* to *Les Miserables*. It celebrated its centennial in 2015 and has recently completed Phase I of its planned renovations.
- **The Long Wharf Theatre** attracts more than 100,000 patrons annually to view imaginative revivals of classics and new works by world-renowned playwrights. Past productions have earned Pulitzer Prizes, Tony Awards, and the New York Drama Critics' Award.
- **The Yale Repertory Theatre** is a New Haven theater institution that partners with the premier Yale Drama School to produce new works that have garnered Tony Awards and Pulitzer Prizes. With five or six new works each season, the Yale Rep draws thousands to New Haven regularly.
- **The New Haven Symphony Orchestra** is the fourth-oldest symphony orchestra in America. It is housed at Woolsey Hall at Yale while also touring internationally. The well-attended Symphony draws 120,000 spectators annually.
- **College Street Music Hall** opened at 238 College Street, on the site of the old Palace and Roger Sherman Theatres, in May of 2015. The 2,000-seat fully-renovated venue is located in the heart of downtown New Haven's arts and entertainment district. It joins the scene as the hub for live music performance in New Haven and all of southern New England with an average of five events per month.



### **Long Wharf Visitors Center**

In 2015, the City of New Haven selected Long Wharf mainstay Brazi's Restaurant to renovate and enhance the Long Wharf Visitors Center as a food service and resource and information center. The City, in conjunction with Brazi's, is restoring and augmenting this facility's amenities for visitors and travelers by creating an affordable take-out restaurant that will complement the Visitors Center's role as a gateway to the city. Throughout the past year, the City has worked with Brazi's to prepare updated design renderings for the building, finalize operational parameters, and assist in site plan review and approval processes. The Center will be completed in fall 2016.



*The Visitors Center will be renovated and then operated as both a visitor information center and small café where pre-packaged and prepared foods will be available.*

## Special Events

- **The International Festival of Arts & Ideas**, held annually in June, draws performers, thinkers and artists from around the world. The events take place throughout the city, on the New Haven Green and Yale campus as well as in New Haven's neighborhoods.
- **The Connecticut Open** at Yale is a major stop for players on the international Women's Tennis Association (WTA) tour. Just one week before the nearby US Open, this event draws 50,000 spectators and boasts twenty hours of on-air coverage on CBS and ESPN2 annually.
- **Music on the Green** is a free series of summer shows that bring the community together several times each season to enjoy popular music by world-renowned acts that can draw up to 15,000 per performance.
- **The New Haven Jazz Festival**, consisting of one landmark event and multiple smaller, pop-up jazz-themed events all week long, usually draws between 2,000 and 5,000 attendees.
- **On 9** is a year-round series on the first Friday of every month that brings together businesses from the Ninth Square and Downtown to put on a themed set of events and activities, and help to bring significant traffic to the area. An On 9 event typically includes engaging opportunities for consumers to meet business owners. Examples include restaurant samples, previews, performances, special sales, art and fashion shows along with raffles and community competitions.



*The Festival of Arts and Ideas has attracted more than one million visitors since its founding in 1996.*

## **Healthcare Industry**

Healthcare, biotechnology and life sciences are central to New Haven's economy and have been the primary drivers of recent employment and tax base growth. These industries leverage the enduring strength of two core institutions: Yale-New Haven Hospital and Yale University's School of Medicine, both of which are world leaders in healthcare, research, and education that attract patients, doctors, and students from across the world, region, and state. The biomedical sector accounts for approximately 12,000 jobs in the New Haven region (2013 CEDS report for greater New Haven), and New Haven placed #13 in the FierceBiotech Top 15 cities for biotech venture funding in 2014.

### **Yale-New Haven Hospital**

Yale-New Haven Hospital is the sixth-largest hospital in the country, with 1,576 beds and 12,152 employees, and serves as the primary teaching hospital for Yale School of Medicine. Ranked as the number one hospital in Connecticut, it provides comprehensive and multidisciplinary care in more than 100 medical specialty areas, and includes Smilow Cancer Hospital, Yale-New Haven Children's Hospital and Yale-New Haven Psychiatric Hospital. Yale-New Haven is also widely considered one of the best hospitals in the United States, and is nationally ranked in seven out of 18 specialties by *U.S. News & World Report*, and ranks in the Top 10 nationally in two specialties, diabetes (#8) and psychiatry (#10).

### **Yale School of Medicine**

Founded in 1810, Yale School of Medicine is the sixth-oldest medical school in the country and is a leading institution for bio-medical research, healthcare and education with 4,976 faculty & staff and 1,589 students. The school is consistently ranked as a top-10 school for medical research by *U.S. News & World Report*, and is one of the leading recipients of research funding from the National Institutes of Health. In 2014, it received \$352.2 million in awards from the NIH, the sixth-highest total amount in the nation and the second-highest per faculty member. There have been 61 Yale-founded biotech companies to date.

### **Quinnipiac School of Medicine**

In 2013 Quinnipiac University opened its School of Medicine with 60 matriculating students. This augments a university that is already noteworthy for having made "innovative and promising changes in academics, faculty, and campus life" in recent years. Class size is anticipated to grow to 120 students in future years. The School of Medicine is accredited by the Liaison Committee on Medical Education, and currently holds preliminary accreditation - full accreditation is anticipated in 2017. The school is also authorized by the state of Connecticut to award the M.D. degree, and a member of the American Association of Medical Colleges.



Source: EDC New Haven / REX

## **Transportation Industry**

New Haven, often considered the gateway to New England, is an important transportation hub situated between New York and Boston. Maintaining and further developing the transportation infrastructure is therefore a critical component of economic development. The City works closely with federal and state partners on plans to go beyond state-of-good repair improvements to make forward-thinking and job-creating investments.

### **New Haven-Hartford-Springfield Commuter Railroad (CTrail Hartford Line)**

This joint venture between Connecticut and Massachusetts will establish new commuter rail service between New Haven and Springfield. New Haven would serve as the southern terminus of the line. Initially approved in 2006 for 11 stations, the project cleared a significant hurdle in January 2010, as the State of Connecticut approved \$26 million in funding to design the necessary restoration of double track along the 62-mile route. In February 2010, the project received \$40 million in additional funding from the federal government to reestablish double tracking along the route. The project is expected to allow speeds as high as 110 miles per hour and will include electrification of the entire 62-mile line at a cost of \$650 million. The line is anticipated to draw more than 600,000 annual passengers once completed. CT DOT expects for the commuter line to be ready in January 2018.

### **Public Transportation Infrastructure**

The City, State and Federal governments are also investing heavily in New Haven's public transportation infrastructure. New Haven is the hub of all passenger rail service in Connecticut with historic Union Station the eastern terminus of Metro-North Railroad's New Haven Line, the western terminus of Shoreline East, and the intersection for Amtrak service into northern New England. Union Station serves more than 3,500 passengers daily, the fifth-busiest station on the New Haven Line. It is also the 12<sup>th</sup> busiest station in the national Amtrak system in terms of ridership numbers, with 698,656 passengers for the 2015 year.

### **State Street Station**

In 2000, as part of the I-95 project, CT DOT constructed a new station on State Street in Downtown New Haven. State Street Station provides easy access to and from Downtown for commuters and travelers using Shoreline East and Metro North, and has also attracted new development to the area. For example, the adjacent 360 State Street development is the largest private construction project Downtown in more than 30 years. In support of the new Hartford Line commuter rail service, the CT DOT likewise was awarded a US DOT TIGER grant to develop a second platform. The Hartford Line is expected to attract more than 600,000 annual passengers once completed. State Street, as a southerly hub for the service, will provide direct access to the central business district for commuters from as far away as Springfield, MA.

### **Union Station Transit-Oriented Development**

Union Station is an important asset for New Haven, not only as a transportation hub, but also as a welcome center and economic catalyst, hosting more than 400,000 passengers annually. With that in mind, the City and State are pursuing policies to address the station's commuter parking crunch as part of a comprehensive transit-oriented development program consisting of mixed-use commercial and residential developments within a half-mile of the station, including portions of the station site itself. The City leases the Union Station Transportation Center from the CT DOT and Park New Haven operates the station on behalf of the City.

In 2015, CT DOT initiated the environmental screening and design work for a long-awaited second garage at Union Station. The garage will consist of up to 1,000 spaces, connected to the existing garage and to the platforms by various walkways. A public information session was held on December, 2015 and design has progressed over the course of the year. The City continues to discuss with State officials a requested long-term lease extension to the station. In this instance, the lease extension is extremely important for re-merchandising the station and creating a welcoming experience for visitors.



### **Port of New Haven**

The Port of New Haven is the largest deep-water commercial port in Connecticut and a leading port of call on the Atlantic Seaboard. The port is ranked #51 in the nation for domestic trade (5.9 million short tons) and #53 in the nation for foreign trade (2.7 million short tons) based on 2013 volume. The Port of New Haven moves 55 percent of the annual tonnage entering through Connecticut ports, including 71 percent of all petroleum and 98 percent of all manufactured products. The New Haven Port Authority secured an additional 14 acres of land to address the critical need for port storage and lay down space.

### **Tweed-New Haven Regional Airport**

Economic Development is increasing its efforts to support Tweed-New Haven Regional Airport. Tweed is an FAA-certified Class-I airport, providing both scheduled commercial (American) and general aviation services (Robinson Aviation). With the merger of American and US Airways, there are more than 330 destinations to which you can fly through the American hub in Philadelphia. In 2015, there were 31,031 enplanements out of Tweed, down slightly from 33,608 in 2014. Capital improvements in 2015 include purchase of the new airfield snow sweeper, the first phase of the noise attenuation program, and painting and crack sealing of main runway 2-20, together with upgrades to security, communications and tide gate/drainage systems.

While the Tweed Airport Authority continues its aggressive air service development program, it is increasingly clear that the airport will need to enhance its financial incentive packages and extend runway 2-20 to attract new service. In May, 2015, the Airport Authority initiated a community conversation about extending runway 2-20 (500 feet to the north and 1,000 feet to the south) and took the process a step further in November 2015 by requesting a declaratory ruling from the Connecticut Attorney General claiming that the state law which limits runway 2-20 to 5,600 linear feet is inconsistent with federal law.

### **Farmington Canal Greenway**

Once a railroad, the Farmington Canal Heritage Greenway covers 84 miles from New Haven, CT to Northampton, MA. Currently more than half has been developed as a paved trail with the remainder in progress. The City is helping to reconstruct the portion between Temple Street and the New Haven waterfront at Long Wharf. Upon completion, this will give people in nearly all of New Haven the ability to bike, walk or run to Downtown easily. The construction documents are 90 percent complete and City Plan is expecting to go to bid in the fall of 2016.

### **Complete Streets Manual**

To promote and facilitate street safety, the City has adopted a multi-faceted approach. In 2008 the Board of Alders created a Complete Streets Steering Committee to design an educational campaign and the Complete Streets Manual, to help guide both activity and design of New Haven streets making them as safe as possible. The Manual provides technical guidance on the building, rebuilding, repair and rehabilitation of city streets with the intent of balancing the needs of all users. It is guided by a set of principles appropriate for an evolving understanding of the importance of streets to the social and economic fabric of community. Also, the Manual is intended to provide the citizens of New Haven with the tools and information needed to engage in constructive conversations about solving local traffic problems with City staff. Since the adoption of the Complete Streets Manual in September 2010, there have been 15 projects completed.

### **goNewHavengo**

In an effort to further reduce vehicle trips in New Haven, the Transportation, Traffic and Parking (TTP) Department launched goNewHavengo, with the goal of making the city more people-friendly, increasing the transportation affordability, educating communities about transit alternatives, providing convenient options for public transportation, helping reduce environmental contamination, and improving the health of the population. This comprehensive transportation demand management effort works with employers, residents and commuters to identify transit and bike/pedestrian alternatives across the community. goNewHavengo runs different programs and events all year-round.



*Top row: City workers installing bike lanes on Clinton Avenue; Bottom row: cyclists using new bike lanes on Elm Street.*

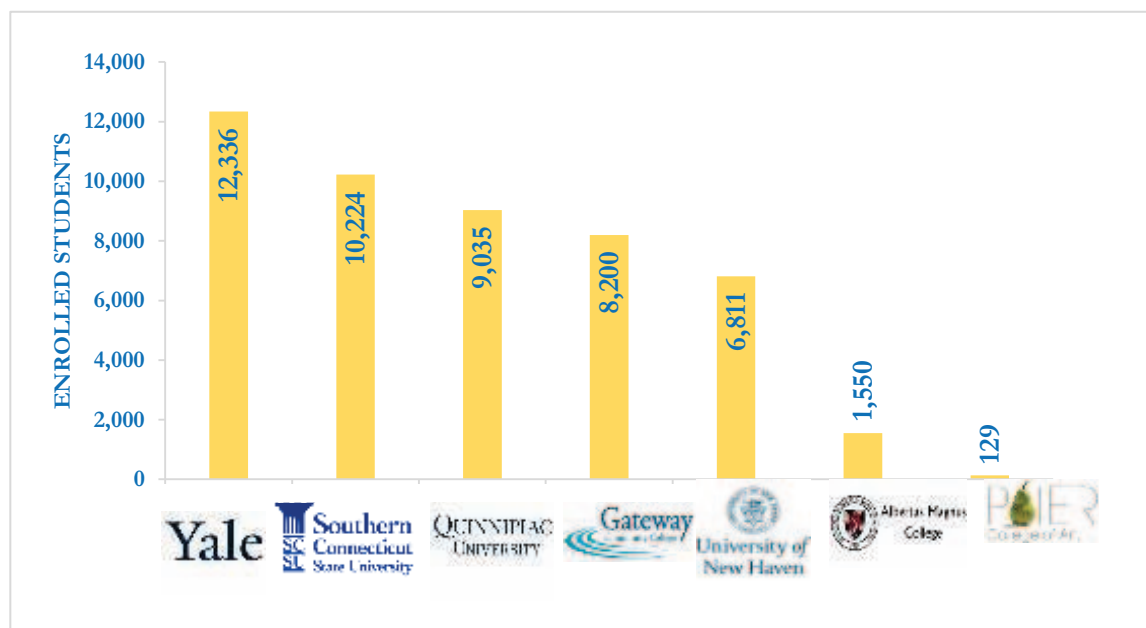


*Clockwise from top right: Gateway Community College (GWCC) library, Albertus Magnus College Main Entrance, University of New Haven (UNH) basketball team, Yale University graduation, SCSU, and Quinnipiac University athletic facilities.*

## Education & Innovation

Yale University, Southern Connecticut State University, Albertus Magnus, University of New Haven, Quinnipiac University and Gateway Community College all call the New Haven region home and are major drivers for the local and regional economy. In the New Haven region, educational services employ 24,000 people while the schools continue to expand. Yale opened its new state-of-the-art School of Management building in 2014, adding 200 students. In addition, Yale is currently building two new residential colleges, slated to open in fall 2017. This project will cost \$600 million to construct, and will add 800 additional students, faculty and staff. It is Yale's first major expansion in over 40 years. GWCC completed its new Downtown campus in 2012 which brings 11,000 students and faculty to the city each day. SCSU recently opened a nanotechnology program with a four-course graduate certificate program open to the entire Connecticut State University System (CSCU). A regional leader in science and technology, its Master's program in Computer Science was recently redesigned to culminate in a signature capstone project.

Institution	Faculty	Enrolled Students
Yale University	4,698 Full-time & 811 Part-time	12,336
Southern Connecticut State University	439 Full-time & 566 Part-time	10,224
Quinnipiac University	371 Full-time	9,035
Gateway Community College	107 Full-time & 462 Part-time	8,200
University of New Haven	263 Full-time & 379 Part-time	6,811
Albertus Magnus College	44 Full-time & 230 Part-time	1,550
Paier College of Art	8 Full-time & 26 Part-time	129
<b>Total</b>	<b>8,404</b>	<b>58,285</b>



Source: EDC New Haven/Rex

New Haven's universities provide a platform from which the city can compete in the global arena. For example, Yale has \$360 million in federal R&D obligations, which ranks 14th nationwide, and its Cooperative Research Technology Transfer program has been instrumental in attracting new biotechnology companies to the region. As mentioned previously, Yale has produced some 61 new start-up companies in Greater New Haven. These companies have attracted over \$3.6 billion in private capital.

Yale, in particular, has a truly global reach and includes 2,239 international scholars and 2,135 international students, all of whom contribute to the local economy. As a basic industry, Yale's ability to form partnerships across the globe creates significant academic and economic opportunities. Yale provides financial assistance to every undergraduate seeking the opportunity to intern or study abroad. President Peter Salovey has positioned the university to form longstanding partnerships in China, with more than 60 faculty members participating in Yale-China programs, and by establishing Yale-NUS College—the first liberal arts college in Singapore.

### **New Haven Public Schools**

New Haven Public Schools are dedicated to preparing students for the 21st century workforce. They educate approximately 21,500 students in grades Pre-K through 12. Over 3,000 suburban students now attend New Haven's magnet programs and other cooperative schools forming the largest inter-district magnet program in the area. Several high schools (Common Ground High School, Hill Regional Career High School, and Cooperative Arts and Humanities High School) earned "Silver Medals", and the Sound School earned a "Bronze Medal", in the 2015 *U.S. News & World Report's* America's Best High Schools list.

The City of New Haven is nearing the end of a \$1.5 billion program to renovate or rebuild every school in the New Haven school system. Since 1995, the City has rebuilt 38 schools through its School Construction Program.

In 2010, New Haven launched a School Change Initiative that is being watched around the country as a model for school reform. In its third year, New Haven School Change is already seeing real progress toward its goals of eliminating the achievement gap with the state, cutting the dropout rate in half and ensuring all students have the tools and knowledge to go to college. Student achievement on standardized tests is growing at twice the rate of the state. In 2014, the district's graduation rate climbed to 75 percent while the dropout rate fell 4.2 percentage points to 20.7 percent.

The School Change Initiative is founded upon four principles: increased accountability of education professionals and Students; differentiated approaches to provide schools with resources that are tailored to them, not a district-wide approach; a focus on recruiting top quality teachers; and committing to financially supporting every qualified student to go to college through New Haven Promise. Two achievements have already begun the process of elevating workforce quality in the public school system: the first is the collaborative contract between the New Haven Board of Education and the union representation of New Haven teachers, and the second is a \$53 million grant from the U.S. Dept. of Education to fund the New Haven Professional Educator Program that develops, supports, and retains great teachers and administrators.

### **Strong 21<sup>st</sup> Century Communications Magnet & SCSU Lab School**

Strong 21st Century Communications Magnet and SCSU Lab School strives to develop an understanding of the history and impact of communications and how it has changed the world. With a rigorous STEM-infused curriculum and a project-based learning approach, it will prepare students to utilize digital media, global technologies, and other languages to communicate effectively in an evolving world. Students also have multiple language offerings including American Sign Language and Chinese or French. Finally, through its unique partnership with SCSU as a Lab School, students receive support from future educators in a dynamic learning environment and make a difference by inspiring and developing the next generation of teachers. This project has a total cost of \$45 million.



### **The Engineering and Science University Magnet School (ESUMS)**

ESUMS was established in 2008, with a very special purpose: to educate and train the next generation of engineers, scientists, and leaders. The partnership between UNH and ESUMS is aimed at leveraging the strengths of UNH in STEM fields towards ESUMS students. The engineering curriculum currently used at ESUMS is based on Project Lead the Way (PLTW), a national program that forms partnerships among public schools, higher education institutions and the private sector to increase the quantity and quality of engineers and engineering technologist graduates in the US. ESUMS is co-funded by both State and City, and the project totals \$85 million.



*NHPS' Engineering and Science University Magnet School (ESUMS), a college preparatory middle and high school, challenges students to imagine, investigate and invent while preparing them for demanding STEM programs at the collegiate level.*

### **New Haven Promise**

In November 2010, the City in partnership with Yale University announced funding for the New Haven Promise scholarship. New Haven Promise is a scaled scholarship and support program to cultivate an aspiration for a college education in New Haven public school students, build community and parental engagement, and foster economic development in the City of New Haven. New Haven is only the third community in the nation to have such a scholarship program for its residents.

The scholarship covers full tuition to in-state public colleges and universities or up to \$2,500 annually to in-state private non-profit colleges and universities to resident students of New Haven Public Schools and approved city public charter schools that meet all the program requirements. In 2015, the program supported 253 scholars.



*New Haven Promise makes a college education possible for every New Haven student who meets its academic qualifications.*

### **Continuing Education and Certifications**

Both GWCC and SCSU have made strides to help provide students in New Haven with the opportunity to learn skills necessary to join the emerging markets in the city. The proximity of GWCC to the Medical District has made it a primary funnel for employees, and a clear step on the career ladder. SCSU has just launched a Nanotechnology Center and a 14-credit program to certify students in nanotechnology, just one of many fields growing rapidly in New Haven. Other academies have also developed to help meet such needs. For example, ConnCAT has become a regional leader training jobless African-American adults in skills needed in the workplace. In addition, the State of Connecticut has made programs available to employers which encourage on-the-job training. These programs include the technical skills training program which helps employers to fill high tech positions by offering a 50 to 75 percent salary reimbursement during the on-the-job training.



*The mission of ConnCAT is to inspire, motivate and prepare youth and adults for educational and career advancement, through after-school arts and job training programming.*

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**APPENDIX C**

**SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST  
EMPLOYMENT BENEFITS**

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## **APPENDIX C**

### **SUPPLEMENTAL INFORMATION ON PENSION**

#### **AND OTHER POST EMPLOYMENT BENEFITS INFORMATION**

The following information is supplemental to the information appearing in the front of this Official Statement under the heading **“CITY FINANCIAL PROCEDURES – Employee Retirement Systems.”** For additional information related to the City’s pension systems please see **APPENDIX A – “Employee Retirement Systems and Schedule 1 – “City of New Haven Audited General Purpose Financial Statements as of June 30, 2015”** attached to this Official Statement. In addition, the City’s Actuarial Report for the City Employees’ Retirement Fund (“CERF”) and the Policeman’s and Fireman’s Retirement Fund (“P&F”), each dated June 30, 2014, and the City’s GASB OPEB Valuation as of July 1, 2013, dated December 5, 2014, may be found on the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the Municipal Securities Rulemaking Board which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

Valuation information for the City's Policeman's and Fireman's Retirement Fund ("P&F") is shown in the table below.

### Valuation Highlights

	<b>New Method, Assumptions, New Fire Plan Provisions 06/30/2014</b>	<b>Prior to Changes in Method, Assumptions, Fire Plan Provisions 06/30/2014</b>	<b>06/30/2012</b>
<b>Valuation Date</b>			
<b>Number of participants</b>			
Active			
Police	397	397	418
Fire	237	237	281
Total Active Terminated	634	634	699
vested Retired and	4	4	3
beneficiaries	<u>1,275</u>	<u>1,275</u>	<u>1,197</u>
Total	1,913	1,913	1,899
<b>Actuarial present value of future benefits</b>	774,962,813	762,240,009	704,141,913
<b>Actuarial accrued liability (EAN Basis)</b>	673,601,157	659,137,018	594,979,791
<b>Unfunded Actuarial accrued liability (EAN Basis)</b>	335,949,975	354,828,853	312,290,550
<b>Actuarial present value of accrued benefits</b>	656,467,994	640,262,906	563,925,655
<b>Asset Value</b>			
Market	337,651,179	337,651,179	267,478,500
Actuarial	337,651,179	304,308,165	282,689,242
<b>Normal cost (including expenses)</b>	5,039,747	5,297,685	5,823,439
<b>Actuarially Determined Employer Contribution (ADEC)</b>	<u><b>2015-2016</b></u>	<u><b>2015-2016</b></u>	<u><b>2013-2014</b></u>
Year after Valuation	<b>\$26,297,794</b>	<b>\$26,043,074</b>	<b>\$24,286,140</b>
Interim ADEC (Val Year + 2)	<b>\$27,081,778</b>	<b>\$27,084,797</b>	<b>\$25,251,586</b>
<b>Funding Percent</b>			
Market	50.13%	51.23%	44.96%
Actuarial	50.13%	46.17%	47.51%

Valuation information for the City Employees' Retirement Fund ("CERF") is shown in the table below.

### Valuation Highlights

	After Method, Assumption and Provision Changes	Before Method, Assumption and Provision Changes	Prior Valuation
<b>Valuation Date</b>	<b>July 1, 2014</b>	<b>July 1, 2014</b>	<b>July 1, 2012</b>
<b>Number of participants</b>			
Active	910	910	961
Terminated vested	20	20	28
Retired and beneficiaries	<u>1,124</u>	<u>1,124</u>	<u>1,124</u>
Total	2,054	2,054	2,113
<b>Actuarial present value of future benefits</b>	479,342,509	472,862,959	461,331,840
<b>Actuarial accrued liability (EAN Basis after changes)</b>	439,581,003	415,366,024	398,562,067
<b>Unfunded Actuarial accrued liability (EAN Basis after changes)</b>	266,979,798	246,724,414	229,024,154
<b>Actuarial present value of accrued benefits</b>	398,997,420	393,653,942	376,470,844
<b>Asset Value</b>			
Market	172,601,205	172,601,205	156,097,049
Actuarial	172,601,205	168,641,610	169,537,913
<b>Normal cost (including expenses)</b>	554,158	2,031,180	3,369,497
<b>Actuarially Determined Employer Contribution (ADEC)</b>	<b><u>2015-2016</u></b>	<b><u>2015-2016</u></b>	<b><u>2013-2014</u></b>
Year after Valuation	\$19,514,619	\$16,510,159	\$16,869,954
Interim ADEC (Val Year + 2)	\$19,904,911	\$17,170,565	\$17,544,752
<b>Funding Percent</b>			
Market	39.26%	41.55%	39.17%
Actuarial	39.26%	40.60%	42.54%

## **Actuarial Funding Methods**

### ***Actuarial Cost Method***

Description of Current Actuarial Cost Method:

Basic cost method: Entry Age Actuarial Cost Method (level percentage of salary).

Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation. The normal cost accrual rate equals the present value of future benefits for the participant, determined as of the participant's entry age, divided by the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

### **Unfunded Accrued Liability**

A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

The entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

The total unfunded accrued liability (Actuarial Accrued Liability less Actuarial Value of Assets) is amortized over a closed period of 28 years beginning July 1, 2014 (30 years fixed at July 1, 2012).

### **Asset Valuation Method**

The Actuarial Value of assets used in the development of plan contributions phases in recognition of investment gains and losses over a five-year period at 20% per year. Actuarial Value is limited to be within 80% to 120% of Market Value.

## Annual Funding Percentage

The Annual Funding Percentages for CERF are:

	June 30, 2014	June 30, 2014 - before changes	June 30, 2012
Unfunded Accrued Liability (UAL)	\$266,979,798	\$229,024,154	\$229,024,153
Gross City Normal Cost (Before Employee Contributions)	\$4,851,373	\$4,912,534	\$6,673,496
Expected Payroll for Valuation Year	\$49,260,490	\$49,500,785	\$51,511,949
Gross City Normal Cost as a % of Payroll	9.85%	14.58%	12.96%
Employees' Contribution Rate	<u>9.06%</u>	<u>9.06%</u>	<u>6.71%</u>
Net City Normal Cost as a % of Payroll	0.79%	7.87%	6.71%
Amortization of Unfunded Accrued Liability by June 30, 2042 as a Percentage of Payroll	<u>37.72%</u>	<u>24.96%</u>	<u>24.96%</u>
A) City Contribution (Before Expenses) as % of Payroll	<b>38.51%</b>	<b>32.83%</b>	<b>32.83%</b>
	<b><u>2015-2016</u></b>	<b><u>2015-2016</u></b>	<b><u>2013-2014</u></b>
B) Expected Payroll for ADEC Year (2015-2016)	\$50,245,700	\$51,233,312	\$53,572,427
C) Expected Administrative Expenses (2015-16)	\$165,000	\$165,000	\$150,000
D) City Contribution for ADEC Year (2015-2016) [= A x B + C]	<b>\$19,514,619</b>	<b>\$17,737,828</b>	<b>\$17,737,828</b>
E) City Contribution for ADEC Year (2016-2017)	<b>\$19,904,911</b>	<b>\$18,447,341</b>	<b>\$18,447,341</b>

The 2014 Annual Funding Percentages for P&F are:

	<u>6/30/2014</u>			<u>6/30/2012</u>		
	<u>Police</u>	<u>Fire</u>	<u>Total</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
<b>Unfunded Accrued Liability</b>	\$189,631,592	\$146,318,383	\$335,949,975	\$175,924,445	\$136,366,104	\$312,290,550
Contributions)	\$6,250,276	\$4,583,602	\$10,833,878	\$6,424,660	\$5,045,673	\$11,470,333
Amortization of Unfunded Accrued Liability by June 30, 2044	\$11,570,126	\$8,927,427	\$20,497,553	\$9,877,258	\$7,656,260	\$17,533,518
<b>Expected payroll for Valuation Year</b>	<b>\$30,752,599</b>	<b>\$20,625,628</b>	<b>\$51,378,227</b>	<b>\$31,636,367</b>	<b>\$22,845,720</b>	<b>\$54,482,087</b>
<b>Gross City Normal Cost as a % of Payroll</b>	20.32%	22.22%	21.09%	20.31%	22.09%	21.05%
Employee Contribution Rate	12.00%	11.00%	11.60%	12.00%	8.75%	10.64%
<b>Net City Normal Cost as a % of Payroll</b>	<b>8.32%</b>	<b>11.22%</b>	<b>9.49%</b>	<b>8.31%</b>	<b>13.34%</b>	<b>10.41%</b>
Amortization of Unfunded Accrued Liability as a % of Payroll	<b>37.62%</b>	<b>43.28%</b>	<b>39.90%</b>	<b>31.22%</b>	<b>33.51%</b>	<b>32.18%</b>
<b>A) City's Annual Funding Percentage (Before Expenses)</b>	<b>45.95%</b>	<b>54.50%</b>	<b>49.38%</b>	<b>39.53%</b>	<b>46.85%</b>	<b>42.60%</b>
<b>B) Expected payroll for ADEC Year 2015/2016 FY</b>	<b>\$31,675,177</b>	<b>\$21,244,397</b>	<b>\$52,919,574</b>	<b>\$32,901,822</b>	<b>\$23,759,549</b>	<b>\$56,661,371</b>
<b>C) Expected Administrative Expenses (2015-2016)</b>	\$82,500	\$82,500	\$165,000	\$75,000	\$75,000	\$150,000
<b>D) City contribution for ADEC Year (2015-2016)[=(AxB)+C]</b>	<b>\$14,636,493</b>	<b>\$11,661,301</b>	<b>\$26,297,794</b>	<b>\$13,080,776</b>	<b>\$11,205,364</b>	<b>\$24,286,140</b>
<b>E ) City contribution for ADEC Year (2016-2017)[=(AxB*1.03)+C]</b>	<b>\$15,073,113</b>	<b>\$12,008,665</b>	<b>\$27,081,778</b>	<b>\$13,601,007</b>	<b>\$11,650,579</b>	<b>\$25,251,586</b>
sal scale	3%	3%		4%	4%	



## RATES OF RETURN

### CERF

Rate of Return* on Market Value of Assets				
Period Ending June 30	AVERAGE ANNUAL EFFECTIVE RATE OF RETURN			
	1 Year	3 Years	5 Years	10 Years
2005	8.52%	8.76%	5.74%	9.01%
2006	7.01%	10.02%	6.03%	7.47%
2007	15.14%	10.17%	9.65%	7.91%
2008	-2.12%	6.44%	8.46%	6.15%
2009	-23.24%	-4.72%	0.09%	3.00%
2010	10.90%	-5.90%	0.53%	3.10%
2011	18.10%	0.18%	2.53%	4.27%
2012	-0.41%	9.26%	-0.40%	4.50%
2013	7.21%	8.04%	1.43%	4.89%
2014	14.32%	6.87%	9.84%	4.85%

\* Estimated rate of return, net of investment-related expenses

### P&F

Rate of Return* on Market Value of Assets				
Period Ending June 30	AVERAGE ANNUAL EFFECTIVE RATE OF RETURN			
	1 Year	3 Years	5 Years	10 Years
2005	9.28%	8.34%	2.95%	8.95%
2006	7.24%	9.86%	5.06%	8.10%
2007	16.31%	10.88%	9.67%	7.64%
2008	-5.04%	5.80%	7.93%	4.97%
2009	-16.05%	-2.49%	1.68%	2.12%
2010	12.64%	-3.52%	2.29%	2.62%
2011	19.03%	4.02%	4.45%	4.76%
2012	-1.29%	9.79%	1.08%	5.29%
2013	15.62%	10.75%	5.14%	6.52%
2014	19.93%	11.03%	12.91%	7.15%

\* Estimated rate of return, net of investment-related expenses

## **Principal Pension Fund Terms**

### **a) The principal provisions of CERF are:**

This summary is a brief description of the principal plan provisions which apply to the majority of employees covered by the City Employees' Retirement Fund. Some employees or groups of employees are subject to different eligibility requirements and benefit provisions than those outlined below:

Effective Date: January 1, 1938 and dates of subsequent amendments.

Plan Year: July 1 through June 30.

Employees Covered: General Fund or Water Pollution Control Authority full-time employees or full-time elected or appointed officers if,

- (1) hired before age 55 (60 for some employee groups);
- (2) not receiving benefits from or eligible for participation in any other pension plan of the City or the State of Connecticut; and
- (3) makes employee contributions.

Coverage is automatic for such full-time employees.

Credited Service: Employment with the City prior to January 1, 1938; employment with the City after January 1, 1938 during which time employee contributions were made.

Form of Benefit Payment: Life annuity with a 50% survivor benefit for service pensioners and disabled pensioners.

Non-Occupational Disability: Payable (after 10 years of credited service) upon medical proof of "permanently disabled from performing duties of the nature required by his job". Benefit is equal to the service retirement benefit with a minimum equal to 50% (or lower percentage for members hired after age 40) of the disabled member's rate of pay at time of disability. Benefits are subject to reductions for portions of any earnings received while disabled. Continuance of benefits are subject to periodic medical examinations.

Occupational Disability:	Same as non-occupational disability except there is no service requirement if disability arises “out of and in the course of employment”. Disability benefits are reduced by weekly Worker’s Compensation payments.
Survivor Benefits:	The benefit, payable to a qualified spouse or the qualified children of members with at least 10 years of credited service, is equal to either 50% of the benefit to which the member would have been entitled if he was approved for a permanent disabled pension on the date of his death, or 50% of the benefit the deceased member actually was receiving on his date of death. The minimum benefit, subject to only a six month service requirement, is set forth in a table based on the number of qualified survivors and the member’s “highest average pay”. The maximum monthly benefit in this table for average annual pay of \$16,800 or more, amounts to \$265, \$510 and \$800 respectively when there are one, two or three or more qualified survivors. (Prior to July 1, 1990 the highest average annual pay was \$12,000 which generated maximum survivors’ benefits of \$225, \$430 and \$600 respectively.)
Death Benefits:	If the accumulated employee contributions exceed the benefit payments made to a member and/or his survivors, the difference will be paid to the appropriate beneficiary, legal representative or estate in a lump sum.
Termination Benefits:	<p>100% of the accrued normal retirement benefit will be payable at age 65 for members who have completed 10 years of credited service (previously disabled members who have recovered from their disability and have not returned to work need not satisfy this 10 years of credited service requirement) and have not elected to withdraw their accumulated employee contributions. (Prior to July 1, 1980 previously disabled members had to satisfy the 10 years of credited service requirement.)</p> <p>All other terminating members receive their accumulated contributions without interest in a lump sum. After March 31, 1991, members who have completed 10 years of credited service and who elect to receive their accumulated contributions instead of their accrued normal retirement benefit will also receive interest on their accumulated contributions at the rate of 3% compounded annually</p>

**b) The principal provisions of P&F are:**

Effective Date:	January 1, 1958 and dates of subsequent amendments.
Plan Year:	July 1 through June 30.
Eligibility:	Automatic for policemen and firemen hired after December 31, 1957.
Employee Contributions:	11% for Fire after July 1, 2014. 12% for Police effective after 12/18/2012. 10.0% for Police effective July 1, 2010. 9.75% for Police effective July 1, 2006. 9.25% for Police effective November 8, 2004. 8.75% of regular and premium pay plus: for Police – 4.8% of private duty pay effective July 1, 2006. 3.8% of private duty pay after January 1, 1995. for Fire – 4.375% of private duty pay after April 1, 1995. 6¾% of all earnings after June 30, 1985. 6½% of all earnings between July 1, 1984 and June 30, 1985. 6% of all earnings prior to July 1, 1984.
Continuous Service:	Uninterrupted employment with the Police or Fire Departments. Also, members may purchase up to 5 years sick leave credit at retirement.
Service Retirement Date:	20 years of continuous service. 25 years for Police hired after 12/18/2012.
Mandatory Retirement Date:	Age 67 with no service requirement (was 65).
Final Average Pay:	Average total annual earnings for the 4 highest plan years of earnings (was 5 years for Police prior to July 1, 2004 and for Fire prior to July 1, 2006), or budgeted annual salary at time of retirement, whichever is greater. Total annual earnings includes 50% of extra duty compensation earned on and after July 1, 1994. For Police hired after November 1, 2009, and for Fire hired after August 28, 2013, earnings include only base wages for pension purposes.  For Police (effective July 1, 2004): In consideration for those employees who at the time of retirement have a four (4) year average that is not more than the employee's base salary, said employee's total annual earnings shall be the equivalent of the annual salary of an employee's holding the next higher rank to that held by the retiring employee prior to retirement. This provision shall automatically sunset (no longer exist) at 11:59 p.m. on July 15, 2007. For purposes of calculating the four (4) year average, only plainclothes differential pay, overtime and extra duty pay will be added to the regular pay.

Service Retirement Benefit:	<p><b><i>For members actively employed after June 30, 1994:</i></b> 2½% (2% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof up to 20 years plus 3% (2.5% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof in excess of 20 years all subject to a maximum of 80% (effective July 1, 2004: 83% for Police retiring with at least 30 years of actual service, if cash in 30 sick days from the sick leave payout maximum at retirement) of final average pay, 70% for Police hired after 12/18/2012 and for Fire hired after 4/23/2014).</p> <p><b><i>January 1, 1993 (June 30, 1993 for Fire) through June 30, 1994:</i></b> 2½% times final average pay times years of service, up to a maximum of 75% of final average pay.</p> <p><b><i>July 1, 1987 through January 1, 1993 (June 30, 1993 for Fire):</i></b> 2% of final average pay for each year of service and fraction thereof up to 20 years plus 3% of final average pay for each year of service and fraction thereof in excess of 20 all subject to a maximum of 70% of final average pay.</p> <p><b><i>Prior to July 1, 1987:</i></b> 2% times final average pay times years of service subject to a maximum of 70% of final average pay.</p>
Disability:	<p>For a non-service connected disability 5 years of continuous service is required in order to receive a disability benefit of 50% of final average pay. For service connected disability there is no service requirement and there is a minimum disability benefit of 50% of the employee's rate of pay at time of disability.</p> <p>After August 31, 1984 policemen and firemen who retire on disability with less than 13 years of service will have their disability benefits reduced if their earnings while on disability exceed a certain level. No reductions will apply after the attainment of age 65.</p>
Death Benefits:	<p>The monthly benefits payable to the widow and/or children are summarized as follows:</p>
Pre-retirement Death Benefit	<ol style="list-style-type: none"> <li>1) <u>Widow only</u> - 50% (25% prior to July 1, 1987) of rate of pay being received at date of death;</li> <li>2) <u>Widow and one child</u> - 60% (35% prior to July 1, 1987) of rate of pay being received at date of death; or</li> <li>3) <u>Widow and two or more children</u> - 70% (45% prior to July 1, 1987) of rate of pay being received at date of death.</li> </ol>

Special benefits for service connected deaths (equal to 100% of final salary less Worker's Compensation payments) are payable out of the City's General Fund.

Post-retirement Death benefit

- 1) Widow only - for members actively employed after June 30, 1994: 65% of pension being paid at date of death - for other members: 50% of pension being paid at date of death;
- 2) Widow and one child - for members actively employed after June 30, 1994: 75% of pension being paid at date of death - for other members: 70% of pension being paid at date of death; or
- 3) Widow and two or more children - for members actively employed after June 30, 1994: 85% of pension being paid at date of death - for other members: 90% of pension being paid at date of death.

In any event, the total cumulative benefit payments paid out of the Pension fund will amount to no less than the total contributions made by the employee to the plan.

Termination Benefits:

Subject to the following requirements, a benefit equal to 2% times average total earnings for the 10 highest plan years of earnings times years of actual service will be payable starting on the date the terminated member would have become eligible for a normal service pension:

- 1) Completed 10 years of continuous service.
- 2) Elected to leave his accumulated contributions in the plan.

All other members will receive their accumulated employee contributions at their date of termination.

Cost of Living Adjustment:

Policemen and Firemen, who retire after June 30, 1984 with a service retirement benefit which requires at least 20 years (25 years for members who retire before July 1, 1994) of service or who retire after June 30, 1984 as a result of a service connected disability with 20 years of service, and their eligible survivors will have their benefits increased or decreased every other January 1st starting on January 1, 1987 according to the U.S. Consumer Price Index subject to the following restrictions:

- 1) each increase or decrease will be limited to 4% (2% for Police hires after 3/28/1997 and 1.5% for Police hires after 10/20/2012), (3% for Fire hired after 4/23/2004 and 1.5% for Fire hired after 4/23/2014);
- 2) the overall increase in benefits will be limited to 25% (20% for members who retired before July 1, 1994); and
- 3) the cost of living adjustments will never reduce the benefit below its original level.

- 4) Accumulated maximum of 25% for Police retirees after July 1, 2011 and were hired prior to 3/28/1997 applies, and a maximum of 10% applies for such Police retirees hired after 3/28/1997. Accumulated maximum of 15% for Fire retirees hired after 4/23/2004 and 10% for Fire hired after 4/23/2014. No cap for Fire if retire with 25 years.
- 5) The Police retiree has the option to receive 40% of the actuarial value of the Cost of Living feature in exchange for forgoing the COLA.

Sick Leave:

Policemen and Firemen may exchange up to 150 days of sick leave for pension credit. (30 days equal one year of pension service.) For Police hired after 7/1/2001, 50 days equal one year of pension service. Police hired after 10/20/2012 are not eligible for sick leave buyback.

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**APPENDIX D**

**FORM OF LEGAL OPINION OF BOND COUNSEL**

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August \_\_, 2016

City of New Haven,  
New Haven, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of New Haven, Connecticut (the “City”), a Tax Regulatory Agreement of the City, dated August \_\_, 2016 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$ \_\_\_\_\_\* City of New Haven, Connecticut General Obligation Bonds, Issue of 2016, Series A, dated August \_\_, 2016 (the “Bonds”), maturing on the dates in each of the years, in the principal amounts and bearing interest payable on February 15, 2017 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>
February 15, 2017	\$	%	August 15, 2027	\$	%
August 15, 2017			August 15, 2028		
August 15, 2018			August 15, 2029		
August 15, 2019			August 15, 2030		
August 15, 2020			August 15, 2031		
August 15, 2021			August 15, 2032		
August 15, 2022			August 15, 2033		
August 15, 2023			August 15, 2034		
August 15, 2024			August 15, 2035		
August 15, 2025			August 15, 2036		
August 15, 2026					

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of the last business day of January and July in each year, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid

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\* Preliminary, subject to change.

general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## FORM OF CONTINUING DISCLOSURE AGREEMENT

### CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut  
\$ \_\_\_\_\_ \* General Obligation Bonds, Issue of 2016, Series A  
Dated August \_\_\_, 2016

August \_\_\_, 2016

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of \$[\_\_\_\_\_] \* in aggregate principal amount of its General Obligation Bonds, Issue of 2016, Series A, dated August \_\_\_, 2016 (the “Bonds”), and to mature on the dates and in the amounts as set forth in the City’s Official Statement dated August \_\_\_, 2016 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a negotiated sale pursuant to a Bond Purchase Agreement, dated August \_\_\_, 2016 (the “Bond Purchase Agreement”); and

WHEREAS, in the Bond Purchase Agreement, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Fiscal Year End” shall mean the last day of the City’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

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\* Preliminary, subject to change.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not



available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made

in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

**IN WITNESS WHEREOF**, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**CITY OF NEW HAVEN, CONNECTICUT**

By: \_\_\_\_\_  
Tony N. Harp  
Mayor

By: \_\_\_\_\_  
Daryl Jones  
Controller



