

Budget and Finance

APPENDIX

SURVEY RESPONSES

ADDITIONAL SUGGESTIONS

BACKGROUND MATERIALS

## SURVEY RESPONSES

### How does this topic area impact you?

- I frequently use the City website for meeting and information updates and it is difficult to use. I appreciate the City instituting the Muncicity system but I find it difficult to access information.
- High interest rate fees to utilize the online service to pay taxes (real estate/auto)
- High Taxes
- I'm a taxpayer. I don't mind paying taxes but money wasted or not spent efficiently is a problem.
- The city online cloud invoices payments system has caused delays and has caused frustration within the city employees and city vendors. The city employees no longer enter the payments. Payments send to NHinvoice@newhavenct.gov. Invoices are entered and sent to a workflow. Seems like no problem. Well workflows that are pulled in place do not always work, longer to wait for someone to approve them. Vendors' payment are now taking longer to process. Some vendors now do not want to do business with the City. The PPP program is described by the vendor as extortion. The City and the 3rd party would profit if paid with 5 to 10 days any vendor not willing to be part of the program will be paid 45 days later. No one in the city wanted to do this. Your vendors not being paid as quickly- employees who can enter the payments using electronic invoices who are not happy. The City employees take pride in what they do. This 3rd party has taken control over our city finance system. Ask any vendor and city employees who process payments to see if this present payments system is better or fast. The city can do the same function as the cloud system. It only cost 98k.
- Directly...I'm a taxpayer!
- I want the administration to leverage its financial assets to their maximum potential.
- I pay taxes
- Taxes keep going up but there aren't any new improvements to neighborhoods.
- As a school teacher in New Haven, the budget/finance is VERY flawed. I teach in a high school and the spending of money seems to have zero accounting system of where money is going.
- This topic impacts me because I'm a part time worker for the city of New Haven. I believe part time workers who do a full time job should receive some of the benefits that a full time worker gets. Part time workers have to wait for their check to be mailed out if a holiday rolls around. A part timer working just because you love what you do, but don't receive the same grace that's been given to the full timers. Part timers don't get an opportunity to voice their opinions and be heard and respected. It's very hard to climb the ladder if you never receive invites or are told about some things the city offers. Change needs to come!

- Taxes
- If the city's expenses increase, taxes will increase. This not only burdens property owners, but will also cause rents to rise.
- Taxes on our property have quadrupled in the past 20 years. We are the resident owners of a multi-family house. This type of arrangement supports responsive owner/tenant relationships. But this precipitous rise in property taxes makes this type of socially responsible investment increasingly untenable. I understand that our tax base relies almost entirely on real property, given the decreased viability of manufacturing and the preponderance of Yale ownership of large amounts of prime City commercial property.
- Financial stability particularly as it relates to debt and banking
- It does not affect me personally, but I research this issue in New Haven
- 1) Ultra high taxes coupled with fierce competition from (city subsidized) commercial rentals downtown have created a financial penalty for owner occupant landlords in this neighborhood (as well as for struggling working class people in poorer neighborhoods who thoughtfully maintain their houses but are dragged down by neglectful absentee landlords). 2) Property tax increases are hydraulically biased towards too few neighborhoods and are accelerating (incentivizing) the disparity of value. 3) Also, absentee landlords who demolish by neglect get rewarded with lower property tax.
- If Yale contributed more \$\$ to the city, that would ease the property tax burden for residents like myself.
- I am a passionate and invested member of the New Haven community and I work at Yale. My office puts a lot of time and effort into supporting the city, as do many other groups I work with within the University. The anti-Yale / Yale Must Pay vibe from the campaign has been awkward for me.
- The taxes on our home have quadrupled over the past 20+ years that we have owned it.
- It impacts me because it directly affects the resources to children and families in our district. It also impacts teacher pay increases and resources we need to work with children in the schools.
- Having taxes raised
- I am a NHBOE employee (Paraprofessional) and have to work another full time job to make ends meet. We are the lowest paid city employees.
- The high taxes and limits on services affects all of us.
- I work in one of the many public schools in New Haven, I am also a grad from the city, and I chose to go back and work for the city. I am a paraprofessional and have been feeling disgruntled because many of us have an expired contract, high paying health care, union dues with a union that does nothing for us and not enough money to pay for it all and survive.
- I would like to retire in my New Haven home but high tax makes it difficult

- I currently work in a magnet school and the students need new supplies. Books are damaged, some classes do not have enough copies for each student. More paraprofessionals and substitute teachers are needed in schools. The salaries for paraprofessionals are the same for a McDonald's employee.
- I work in the health department as a school nurse.
- City budget shortfalls affect how different departments can handle staffing and scheduling. The diverting of funds from one department to cover a shortfall in another is an unsustainable practice.
- It affects the amount of taxes I pay. It affects the services I receive as a city resident.
- Being involved in the budget process as far as preparing the budget for the Finance Department, my biggest concern is that we need to be involved in every stage of the process.
- I work for the city
- High taxes that keep going up due to bloated pension obligations. This takes funds away that could be used for education, public works, everything!! It also often causes middle class families to move to lower tax suburbs
- Retired taxes are too high
- Property taxes have greatly increased over the last decade far outpacing modest growth of personal income.
- Lack of transparency and poor decision making leads to higher taxes and/or less money for city priorities. It also leads to frustration with city government.

What are some suggestions you have for this administration related to this topic area?

- ASK QUESTIONS before making huge statements about doing more / paying more. There is a lot going on that may not be readily evident.
- Establish progressive property tax rates based on how much property the owners have stake in. In other words, a lower rate for first-time developers. Higher rate for those who own several properties or are in any way related to LLCs that own property in the city.
- The State of Connecticut, from what I understand, does not fully fund the City of New Haven for tax exempt property that the State holds in the City through PILOT. Much of the highway infrastructure and space associated with and in between all the on/off ramps was in the past filled with buildings that were generating property taxes towards the Grand List. The State should fully fund PILOT, or better yet - downsize/remove unnecessary highway infrastructure in New Haven and give the land back to be used for new development.
- Yale should provide more money towards the City of New Haven budget. It may make sense to try to convince Yale to provide more money to the City 'in return for' that money being used towards city services in need and city improvements that would benefit both local residents and Yale University - mutually beneficial things such as more traffic

calming/traffic safety improvements, more city traffic enforcement, actually implementing the one-way to two-way street conversion plan downtown, etc. If Yale were to provide more money to the City since Yale holds so much tax exempt property, that could then be used to lower the mill rate for all property owners in New Haven. This would boost the city's overall economy. Property owners would then have more money they could then reinvest in property improvements and maintenance, and that they could spend within the local economy on goods and services. Furthermore, lower property taxes would spur/entice more new development and redevelopment in the city - as opposed to the currently high property taxes that are undoubtedly a deterrent to more new development, particularly for small developers and land owners. The City of New Haven and Yale should meet regularly (if this doesn't already occur) to discuss and work on efforts that would be mutually beneficial to all.

- 1. Make sure the City website is user-friendly and current 2. Municipality: expand departments using it and teach the community how to access the data
- Having the ability to pay taxes online w/o having to pay extra. This service should be free, especially if you don't have the time nor the desire to stand in the long lines at the tax office.
- Review what can be done to lower them without affecting Education.
- Regionalization and government centralization with the following neighboring cities: West Haven, Hamden, North Haven. Encourage public-private partnerships to support childcare for young families to encourage them to stay in New Haven, and contribute to the broader tax base. Encourage Yale and local universities to increase their undergraduate student population. The current student body population contributes to local employment, and the growth of the community. An institution as prestigious as Yale should continue to grow while maximizing its use of resources in West Haven and the surrounding areas.
- Lower taxes. Move union employees to a 401k plan rather than an underfunded liability (pension) plan that we currently have.
- Stop spending our money foolishly. Recoup money foolishly spent on "uniforms" for city employees and not from the tax payers.
- Forensic accounting of the money that has gone into Hillhouse High School for the last four years. Downtown control over all school finances.
- First change the operation of how things work for city employees . Give opportunity for growth. A job used to be granted for who is best qualified but now it's just straight up telling you basically if you're not bilingual or a man things don't happen. This is prejudice all the way around.
- Decrease in taxes to help make home ownership affordable for lower to middle class people.

- Streamlining the budget by eliminating government waste. There is money spent unnecessarily which could go to assist children and families in our district.
- Do not give large payouts to people who were hired for the City and did not do the job properly
- Find money to allow us to make a wage to support ourselves and families
- We must find a way for Yale - and some of the other non-taxable institutions in New Haven - to pay their share. They must be made to see that improving the quality of life for all the residents is good for them as well.
- I think the paras in the district would feel better if we could get some of these issues resolved, especially the contract issue and pay increase that we so desperately need. If we could make about 3/4 of what the head teachers make, instead of less than half, maybe we would feel better about our positions.
- Find a way to keep seniors in their homes. We have been loyal to our city and fear financial pressure could drive us out
- Increase the budget for school supplies. Increase the budget to hire more educational staff. Increase the salary for educational staff.
- The nursing department needs a larger budget to provide a nurse for every school. Nurses often need to split time between schools leaving teachers responsible for students' health and medications. The children in New Haven deserve to have a nurse available every day to maintain their health, especially in a city with such a high prevalence of asthma. Not having a nurse at school puts an added pressure on teachers and administrators to watch their students' health and administer medications in a timely manner on top of educating.
- A reasonable and balanced budget with no shortfalls is important to keep the City running at an optimal level.
- Revise the City Charter - outdated purchasing policies & redundancy
- Unfortunately, City services have been cut drastically over the years. I feel this has led to having inadequate staff, which has resulted in an immense workload falling on departments such as Parks and Public Works. I'm thinking of the backlog of trees that need to be trimmed and cut down and sidewalks that need to be repaired or installed. Living in Fair Haven Heights, I fear for people that have to walk down Route 80 from Fair Haven. Although, I understand that is a state road. Also, I have had a sidewalk repair requested on SeeClickFix for over 10 years. I think overall this also affects (among other issues) how people feel about living in New Haven (the level of pride). I love New Haven, and I want New Haven to continue to be a city I can proudly call home. I do not expect taxes to remain the same or be lowered. After all, we have to keep up with inflation. And even with so much of our property being used by nonprofits, some of our neighboring towns still have higher taxes. However, we need the increases to be reasonable, as 11% at once is difficult for many families to afford. I would gladly pay more taxes for services that make New Haven a better place to live for all residents.

- My suggestion is to have a civilian budget review board or citizens of the City be on the Finance Committee board and review expenses every month.
- I've been working here for about 7 years and I know people that have been here longer than that and we never get raises. Matter of fact, we keep getting things taken away from us and it has incredibly negatively impacted morale.
- Require all pension recipients to wait until 65, just like the rest of us. Institute a residency requirement for police officers, or even for ALL public servants, so they become real stakeholders in our city.
- Get rid of the dead weight and people not doing their jobs.
- Every new expenditure must be judged against our ability to pay, not just its desirability as a "nice thing." Existing commitments must be re-justified based on the same criterion. Benefit and pension costs must be more equitably assigned to City employees in line with comparable compensation in the private sector.
- Invest a significant percentage of pension funds in index funds to save on administrative costs. Stop "scoop and toss" refundings, which push costs down the road. Propose realistic budgets so that transfers from debt service, etc., are not needed. Suggest the Board of Alders spread out the Finance Committee meetings with Departments on the budgets, so that the public does not have to be at City Hall at 10:30 pm to listen and so that alders are not hearing presentations from significant departments like Fire and BOE at 10 pm too worn out to ask important questions. Make an Excel version of the budget public. Provide budgetary information when asked, rather than forcing FOIA requests. Stop fighting lawsuits the city is unlikely to win. Require event organizers such as the Greater New Haven St. Patrick's Day Parade to pay for all of police overtime. This should not apply to F. Fixer, because that is essentially a city/community event, and they do raise partial funds. Push for a hotel tax and soda tax, and push for higher traffic violation fees, so that the city can get >\$10/ticket (this also will help incentivize enforcement) Work to combine NHPS and City systems such as IT to create efficiencies. Review travel per diems and make the information public. Ensure police and fire use the money budgeted for this year to have an external consultant analyze staffing. Push to revise the fire MOU if it conflicts with the findings at a cost to the city. Have experts from NHV and neighboring towns brainstorm on where regionalization may produce efficiencies.
- Lower taxes
- Unnecessary programs and expenses need to be cut.
- My suggestion is to launch a cooperative City/Yale effort to identify opportunities for Yale to contribute knowledge, skills and other non cash resources that they can bring to infuse efforts to enrich opportunities for City residents, companies and government to develop and thrive. New Haven's economic and social vibrancy is as much in Yale's self-interest as it is in our City's. I see this as a long term effort to bring these two often

adversarial segments of our urban community to a deeper realization and understanding of the mutuality of their self interests. Hopefully this can generate a mutually cooperative and beneficial proactive engagement in innovative and effective efforts to assure that our beloved City thrives.

- I am aware that Cambridge receives significantly more cash from Harvard than New Haven does from Yale and many people feel that Yale should redress that balance. However, I feel that going after the university for more cash puts our relationship on precisely the wrong footing. From the start, it becomes adversarial. We should start from a mutual recognition of the fact that the social, economic, civic health of the City is very much in both our self-interests. Similarly Yale's health is in the self interest of both as well. Therefore I propose that the City Initiate a resource exchange relationship with the University. Yale possesses far more valuable assets than cash. And so does New Haven. I propose a mutual exploration of opportunities that may lie in the areas where the needs of one become the opportunities of the other. The City can certainly use information, skills and human input in solving many of its problems. Yale is a world class research institution, amazingly well-stocked with bright, skilled, creative people who need sociology/economic and political laboratories for their research. These facts provide both the possibility and probability of a mutually beneficial relationship that would redound to the enormous benefit of each party. Possibilities that have heretofore been tapped very little and often not at all. Not the least of the potential benefits in this approach is that it puts the town/gown relationship on a radically different basis. The two parties would approach the challenges as equals. We each bring what the other not only desperately needs but what the other greatly values. The relationship becomes based upon a recognition of the equality of the participants, as opposed to one where one party must admit to a debt owed, implicitly or explicitly.
- 1) Assess commercial real estate at its true value. 2) Lobby state for an every 5 year reval property tax increase cap (15% max over 5 years which slightly exceeds compounded inflation and shouldn't pressure a flatlined city budget). This would incentivize investment in less valuable housing stock in poorer neighborhoods. 3) Penalize neglectful absentee landlords whose depreciation has dropped below some percentage trigger (like 50%). The penalties should go into a lock box and then directly into tax credits towards all other residential property owners in town (those most financially affected by the neglect).
- Assemble a blue-ribbon group to negotiate a substantial, continuing "PILOT-like" money contribution from Yale into city coffers.
- Please look at streamlining processes. Make online options easy to use. New Haven seems to start too many things at once and not follow through. Do fewer things and do them well. Take suggestions of employees, they do the work, they know how to make it



better. Get away from the “we always did it this way” attitude. Change is hard but this city needs it.

- Since 54% of our taxable real estate is non-taxable and our municipal revenue stream is limited, I propose putting a tax on non-municipal tax-exempt properties (Yale is in a separate category, unfortunately). They should be taxed at a different rate than commercial or homeowner's property tax, but there should be a contribution to this city's funding the maintenance of infrastructure and support services that nonprofits utilize. At the very least there should be an in-depth study/review of each and every 'nonprofit' as to its legitimate designation. Here in Westville, for example, there is a very large property that has been bought by a group claiming religious affiliation and a nonprofit status. At the present time that property has been sitting idle for at least a decade while the organization has rented a facility they actively operate out of across the street...also not paying taxes on that space I'm guessing. As a taxpayer I resent this abuse of tax exempt status on the backs of the residential constituents.

What is currently being done well that the new administration should encourage and/or strengthen?

- The only thing I can think of is that snow plowing seems to be working better than in the past. Other than that, many things are problematic...top of the list is the decrepit state of the NHV Green. It is literally a national embarrassment.
- Good partnerships related to transportation, safety, investment in downtown, and stormwater management.
- Continue to promote the BankOn program in New Haven - which encourages banks to offer non-overdrafting accounts (currently run statewide by CAHS). Continue to support the work of the new Financial Empowerment Center. Support the work of Liberty Community services and others which work to prevent eviction. Monthly tax abatement committee.
- The best thing about the city that I see in my neighborhood is the public works guys that do garbage pick up. They work hard and are always nice. City Hall could learn a lot from them.
- The new administration should listen.
- There was a fairly recent website update. Municipality was instituted.
- Haven't lived in the city long enough to determine what that is.
- The government should use digital media to engage more responsively with the populace. I think the new administration should strengthen its enforcement of housing violations by local tenants.
- I've yet to see anything be done. Too early to tell.
- The administration of the school refuses to answer questions regarding the budget and finances at JHHS.

- The things that are going well are the turn around schools. New Haven Reads is awesome; putting mental health services in schools is awesome. Having a full diversified setting in schools is awesome. Having the Yale STEM team work with our youth is awesome.
- I believe that the administration has done a good job with public safety. I feel safe on the streets of New Haven.
- In this area - not much. I think the City has been doing the best it can with limited resources.
- I am really not sure but hope they can come up with solutions to the many issues that have been going on within the city for so long.
- Not much
- The retirement planning workshops that are being provided by different financial institutions by email notification for those who are interested is a good way to prepare employees to prepare for retirement.
- Monthly budget reports
- The biggest issue is the lack of staffing in key departments. There are several departments in the City that are way overstaffed while others are struggling just to survive the day to day regime. A review of each department's staffing should be performed.
- Nothing. All anyone in this city seems to care about is money.
- Not much, as far as I know. My understanding is that cops and firemen still get to retire early. I heard police officer candidates who are residents got extra "points" on their applications, which is a good start; but a requirement would be better.
- LCI should stay to clean up
- FRAC is very helpful on the budgeting/finance front. Ensure it is fully staffed with experts.
- WPCA is a solid and well run org. So is city engineering. City plan is not. Neither is school system.
- I don't know.
- Sorry. I don't know
- Highlight numbers of residents who are unbanked or underbanked Insist that banks acknowledge and try to address the fact that they are not adequately serving the population. Acknowledge that debt is a significant problem for New Haven residents. Support efforts to gather data about debt burden and highlight the results Identify types of debt that the City could potentially help to address through local policy change or campaigns, such as utility debt, rent arrears, property (vehicle) tax arrears, unpaid vehicle violations, bank overdrafts. Focus on types of debt that have particularly serious consequences, notably utility disconnection, eviction and car towing. Identify ways that the city could mitigate the above, such as: i) changing policies regarding unpaid

taxes/violations to minimize numbers of cars that get towed ii) providing census tract or neighborhood level data about tax arrears, unpaid tickets, car towing, utility disconnections, updating regularly to see progress iii) asking banks to provide overdraft/account closure data and to be more transparent about overdraft policies iv) working with UI to provide utility disconnection data and improve support provided to people struggling to pay bills

Is there a way in which you'd like to help or contribute? Or do you have any other comments, questions, or concerns?

- I love my job and the kids I work with and that is really why I do what I do.
- I would be glad to contribute in any way I can.
- As a working professional with experience in financial services, financial regulatory affairs, and marketing technology, I'd like to offer my advice to the administration in any way that may be helpful.
- BOE control of Hillhouse
- Happy to brainstorm on any issues I can be helpful with.
- Unnecessary programs and expenses should be cut. There must be things that are accomplished by nonprofits, state and federal government agencies that are unnecessarily duplicated by our small city with a limited tax base.
- I look forward to learning what might be in process and in development.
- Unfortunately, due to circumstances beyond my control, I was unable to attend the first community meeting and will be unable to attend the second. But, I would like to help provide data or best practices regarding any of the issues I have highlighted
- We need structural change that stops penalizing good behavior and stops rewarding bad behavior.
- For now, I am steering clear. I can be supportive only from a distance.
- Please consult HR early when dealing with personnel issues. This city can't afford any more payouts or lawsuits due to incompetence by management in handling performance issues.
- When you are elected, PLEASE find time to sit down with the parking enforcement officers of TT&P and discuss with them all the problems they have been having for the past few years.
- I currently have another commitment on Dec. 8, but I will attend if that changes. I am thrilled we have a new mayor and I'm happy to contribute.
- An additional concern is that the City's Site Plan review process and support of the Historic District Commission has substantially broken down, the former, lacking substantive in-house review and has become a near rubber stamp. New Haven should learn from Norwalk which has instituted a peer design review process for significant new construction projects.

- I wish the new administration well. I think the people of New Haven have made a good choice.

## ADDITIONAL SUGGESTIONS

### Revenue

- Examine options including new revenue sources, like a hospital bed tax, local sales tax, or a commuter tax. However, the impact of new revenues on business sentiment, investment, and growth must be assessed, and state authorization must be provided in order to assess these taxes.
- Work with Yale and YNHH to avoid taking existing properties off the grand list after a purchase.
- Explore establishment of a stormwater fee. The City already imposes a number of other fees and has broad public health powers that can be used to enforce new fees. However, fees are unlikely to close the budget deficit. For any fee, exceptions should be made for low-income households or nonprofits if possible.
- If absolutely necessary, implement property tax increases in a graduated fashion: for example, increase by 1 mill each year instead of all at once.
- The City of Boston has established a PILOT program with its nonprofits, where nonprofits contribute 25% of what they would otherwise pay in property taxes to the City. Such a program, if broadly adopted in New Haven, would raise tens of millions.
- Review billing for emergency medical response. Work with the State to create mobile integrated health or community paramedicine pilot programs, so that the City can receive payment even if an individual is not transported to the hospital.
- Ensure the City is making full use of federal funding, such as the Community Development Block Grant. Increase department participation in applying for funding.
- Constituents have complained about the cost and hassle of using the online platform to pay taxes. The City should simplify the online process as much as possible, since online payments are cheaper to handle and will lead to more individuals paying their taxes.
- Collaborate with the State to make sure that vehicles are properly registered at their local addresses.
- I hope this administration can find other revenue sources so that the property tax is not always the end all to fixing the budget. I believe some of these city jobs especially in education department are duplicated, that department is too top heavy. This administration needs to think outside of box (a new vision is definitely needed).
- We've been letting a good budget crisis go to waste, to paraphrase Rahm Emanuel. We keep burying it. Luke Bronin masterfully said to the State that we could go into bankruptcy in the capitol city or you can bail us out. It has to be handled well, but I think a smart mayor could position Yale in the same way that Bronin positioned the state. Yale does not want its host city in bankruptcy. A Mayor could also push through some structural changes that would be difficult without a looming bankruptcy crisis. It's playing with fire, but may be the right thing to do for the long term. Can you do it in the

first term? Do you need to have the state and the delegation on board? What do you want, long term and repeatedly, from Yale?

- Try to get the Knights of Columbus to make a voluntary payment. They are a huge organization, with a significant footprint. Their contribution could even be targeted to improvements needed around Union Station, which would benefit them, give their location.

## Expenditures

- With the Board of Alders, convene a health care task force charged with examining the cost drivers in the City's health benefits program and exploring ways to control costs and improve health.
- Continue to work closely with YNHH on controlling the cost of healthcare. The City has recently directly contracted with YNHH and is achieving cost savings relative to the contracted price from the City's health insurer. The City should continue to work collaboratively with Yale and labor to bring down the cost of healthcare. At this time, the state health plan is more expensive than the City's current health plans, but the City should re-evaluate if/when the state makes changes to their plan. Alternatively, the City may choose to use the Centers of Excellence and/or the hospital rates that the Comptroller is negotiating.
- Closely examine staffing levels in police and fire, what the union contracts require, and what is needed for public safety. There may be some opportunity for savings in these departments in particular. Overall, as in any large organization, there are divisions that have likely become overstaffed, and there are divisions that are likely to be stretched. Rationalizing staffing across departments is a way to improve service delivery without increasing costs.
- Like West Hartford, seek to merge back office functions between the BOE and the City. This was a slow process in West Hartford and cannot be expected to create significant savings upfront.
- Develop an events policy that reduces the need for police overtime and/or achieves compensation for these costs.
- Review "earmark" spending in the budget.
- Review funding for Market New Haven. Work with the State to advertise New Haven rather than spending City dollars. Yale or others may be willing to increase their support for marketing in place of City dollars.
- Review funding for Tweed New Haven Airport and consider a partnership with the Connecticut Airport Authority. Yale or the business community may be able to support the airport until the airport becomes self-sustaining.
- Reduce street sweeping. This is a frequent resident complaint.

- New state legislation allows first responders to claim workers compensation after certain traumatic events. Continue to track the financial impact of this new eligibility. Review workers' compensation programs and take steps to reduce on-the-job injuries to reduce worker's compensation costs.
- Review the City's phone service needs. Examine bring-your-own-phone options for City staff.
- Undertake a review of nonprofit status on a property-by-property basis.
- Consolidate code enforcement in one department.
- Develop a strategy to reduce litigation risk.
- Review options, including community choice aggregation, to lower the cost of utilities.
- Review the City's and Board of Education's physical plant and consolidate where possible.
- Accelerate major projects that will lead to grand list growth, like the Coliseum project.
- Review the needs for the parks department. Residents have indicated that the tree cutting program is underfunded.
- Any city employee who smokes should have to pay more for healthcare, when new contracts are entered. Yale might be a useful model to look at. Health care costs are one of the city's major expenses, and smoking is so unhealthy.

#### Other budget policies

- Transparency
  - Publish the budget in Excel format.
  - The City should implement a “check register” that shows all spending. The Mayor-elect should ask the state Comptroller if the existing state portal can be used by cities for this purpose.
  - Review and publish the City's policy for travel costs: food, hotels, rental cars, and other per diem costs.
  - Create a consistent City policy for when severance pay is provided.
  - In the monthly report and annual budget, break out how costs (workers compensation, pension normal cost, healthcare, and OPEB normal cost) by department. Assigning costs by department is a standard approach. Rework the monthly report to be more accessible to the public.
  - Reports on pensions and OPEB, such as fund performance, should be regularly provided to the Finance Committee of the Board of Alders and to FRAC.
  - Similarly, presentations made by city staff to investors and credit rating agencies should be submitted to the Finance Committee of the Board of Alders and to FRAC.
  - During the transition period, it has been suggested several times that a “forensic audit” should be conducted. A full forensic audit that is not targeted will be an

expensive goose chase. There may be merit to targeted audits, but the amounts found by an audit are likely to be small.

- Review the governance process for refundings. The bond sale commission is currently authorized to approve any refundings. Until five years ago, a refunding with an NPV dissavings had to be approved by the full Board of Alders.
- Adopt strong ethics and conflict of interest rules for all city staff and members of boards and commissions.
- Good budgeting
  - Remove the “property tax initiative” line. This line reflects the revenues that should be sequestered in case of revenue shortfalls.
  - Announce a public goal of achieving a 15% budget reserve fund. Such a budget reserve fund will result in lower interest rates from investors and will prevent tax increases in the next recession.
  - The City and the Board of Education should update their facilities and maintenance plans. The City must keep track of maintenance needs and strive to achieve a state of good repair. The City should publish the estimated cost to achieve or maintain a state of good repair.
  - Financial Review and Audit Commission (FRAC) is a charter commission. In the past, the commissioners were frustrated that no-one paid attention to the monthly recommendations sent by the Commission to the Mayor and the Board of Alderman. The commissioners took their responsibilities seriously so it seemed like a terrible waste of their time to be ignored. I would hope that you would be more attentive to their views. FRAC has another responsibility – periodically, to recommend the appointment of independent auditors of city finances. I believe that it would be valuable to offer commissioners an introduction to the audit process and some training to help them to better evaluate the proposals from accounting firms seeking the audit contract.
- Contracting, purchasing, & billing
  - Review all contracts, prioritizing large contracts or those up for renewal. The City should use contracts negotiated by the state, CRCOG, SCRCOG, or other national/regional bodies when possible since prices are likely to be lower when contracts are negotiated by a larger body.
  - Allow contracts, particularly software contracts, to be multi-year in order to achieve savings.
  - In the longer term, move toward performance-based contracting.
  - Review processes for contracting and purchasing. Review processes laid out in the charter, ordinances, and administrative policy and update/streamline.
  - Significant concern was raised about the City’s use of Oxygen, a cloud-based system that is supposed to find savings by streamlining billing/payments.



- Bonding
  - Set a policy of transparency and honesty in bonding. Avoid bond premiums when we do bond.
  - Bonded debt is a serious problem for the city. What are your plans to attempt to slow the growth of New Haven's debt? Years ago, Department heads seeking large purchases funded by selling municipal bonds had to submit 5 year plans. Is this still the case? Are you thinking, perhaps, of substantially reducing the capital budget next year? Or, perhaps, deferring adding to the debt next year which might not be a bad idea.
- Pensions
  - Examine moving to low-cost, mostly-passive investments. Vanguard manages pensions for several counties in Pennsylvania at low cost. Undertake a review of historical returns, compared to the use of low-cost investments. New York undertook a similar review and found that, after fees, returns lagged behind those from low-cost investments.
  - Reduce the assumed rate of return on the funds to a more realistic level.
  - Reamortize contributions to level-dollar over 30 years.
- Bank accounts
  - Review use of the state's Short Term Investment Fund in place of depositing the City's money in bank accounts.
- Shared services
  - Convene regional mayors on a regular basis to determine how to share services like animal shelters, public works, and public health
- Labor contracts
  - A significant number of labor contracts will expire in 2020. The negotiation of these contracts allows for a review of policy options like updating job specs, adopting the state MERS pension program, etc.
- Taxation
  - Review the City's process of reducing assessed values when they are challenged by property owners.
  - The State of Connecticut is piloting a land value tax in place of or in addition to a property tax (see CGS 12-63h). Review opportunities for New Haven to use the land value tax pilot to adopt a tax system that is more equitable.
  - One of the City's great challenges regarding raising revenue is that there are almost no greenfield development opportunities left in the City. As such, growing the grand list becomes difficult because brownfield development is inherently slower and more expensive. For cities like New Haven, our inability to have more flexibility to raise revenues becomes problematic. The City needs new revenue

sources like sales taxes (if 0.5% of the 6.35% sales tax collected on sales in New Haven were remitted to the City, the revenue would be nearly \$11M).

- The tax burden is the percent of median household income or per capita income that is paid as property taxes in each town. New Haven's tax burden is distinctly higher than Hartford (where a lower assessment rate on residential property lowers the tax burden) but is similar to or lower than other towns like Bridgeport, Hamden, Stamford, Waterbury, and Woodbridge.
- Grants
  - The City has successfully competed for grants from the state and federal governments and from nonprofits and philanthropy. The City must assess its current capacity to identify, apply for, manage, and comply with grants.
- Participatory democracy
  - New Haven has a strong community fabric of strong neighborhoods and active community management teams. These communities must be engaged early and often in the budgeting process.
  - Begin a participatory budgeting pilot to increase citizen engagement with City government.
  - Participatory democracy works best when residents are informed and engaged. We recommend that the Mayor-elect and his team undertake proactive outreach to discuss the budget—not just their proposals, but also where we are, how we got here, how budgeting works in CT, etc.

## BACKGROUND MATERIALS

- The City of New Haven makes many resources available about the budget. The three best sources of information are the annual budget, the monthly reports, and the comprehensive annual financial report. All three documents are available on the City's website.
- Two other sources of information are the minutes and documents from the pension boards and the official statements regarding the City's annual bonding.
- The City's labor contracts are all posted on the City website.
- Mayor Harp's administration released a five-year financial plan in mid-2019. This plan lists a variety of policies that could help relieve the budget deficit.
- FRAC published a report in May 2018, much of which remains valid today.
- In 2009, a blue ribbon commission of local residents produced a report with further ideas on the budget.
- The State of Connecticut produces an annual report called Municipal Fiscal Indicators. It is a very clear way to compare New Haven's financial positions to other municipalities in CT.
- [Here](#) is the municipal aid portion of the Governor's budget for FY20 and FY21 (the final version that was adopted by the legislature is a little different, but not significantly so).
  - Total state aid in FY20:
    - Hartford: \$275M (This might not include the 2018 bailout which was an additional \$40M)
    - Bridgeport: \$218M
    - New Haven: \$229M
    - Hartford gets more than New Haven or Bridgeport, however, New Haven and Bridgeport are similar.
  - For education specifically, the [Census tables](#) are a great place to look. Total state revenue for schools (which includes pension payments for teachers, which are not accounted for in the state's numbers above) is:
    - Hartford: \$380M
    - Bridgeport: \$300M
    - New Haven: \$318M
    - Similarly, Hartford gets more, but Bridgeport and New Haven are similar.
  - The comparison of school budgets line-by-line was done using Census data. There is always going to be differences in how schools report their budgets to the Census (since each school budgets differently), so some of the differences that come up in the analysis may be due to "measurement error" rather than true differences