

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.



\$76,715,000
CITY OF NEW HAVEN, CONNECTICUT
General Obligation Bonds, Issue of 2017

Consisting of

\$43,300,000 General Obligation Bonds, Series A
\$33,415,000 General Obligation Refunding Bonds, Series B

Dated: Date of Delivery

Due: August 1, as shown herein

The \$76,715,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2017 consisting of \$43,300,000 General Obligation Bonds, Series A (the "Series A Bonds") and \$33,415,000 General Obligation Refunding Bonds, Series B (the "Series B Bonds" and, together with the Series A Bonds, 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" and "- Plan of Refunding" herein.

The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects as more fully described herein. The Series B Bonds are being issued to refund all or a portion of certain of the City's outstanding general obligation bonds as more fully described herein. The Bonds will bear interest payable on August 1, 2018 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable. (See "AUTHORIZATION AND PURPOSE - Security and Remedies" and "- Plan of Refunding" herein.) 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 Series A Bonds are subject to redemption prior to maturity as more fully described herein. The Series B Bonds are not subject to redemption prior to maturity.

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 the Hardwick Law Firm, LLC, Hartford, Connecticut, 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 10, 2017.

Raymond James

Loop Capital Markets

Morgan Stanley

Piper Jaffray & Co.

\$76,715,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2017
MATURITY SCHEDULE

\$43,300,000
GENERAL OBLIGATION BONDS, SERIES A

Dated: Date of Delivery

Due: August 1, as shown below

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2018	\$ 625,000	3.000%	1.310%	6450203Z9	2028	\$2,095,000	5.000%	3.150% ^C	6450204K1
2019	1,685,000	5.250	1.510	6450204A3	2029	2,200,000	5.000	3.200 ^C	6450204L9
2020	1,755,000	5.250	1.710	6450204B1	2030	2,315,000	5.000	3.290 ^C	6450204M7
2021	1,830,000	5.250	1.920	6450204C9	2031	2,435,000	5.000	3.360 ^C	6450204N5
2022	1,910,000	5.250	2.110	6450204D7	2032	2,560,000	5.000	3.430 ^C	6450204P0
2023	1,615,000	5.250	2.290	6450204E5	2033	2,690,000	5.000	3.470 ^C	6450204Q8
2024	1,700,000	5.250	2.500	6450204F2	2034	2,830,000	5.000	3.510 ^C	6450204R6
2025	1,790,000	5.250	2.760	6450204G0	2035	2,975,000	5.000	3.540 ^C	6450204S4
2026	1,890,000	5.250	2.900	6450204H8	2036	3,125,000	5.000	3.570 ^C	6450204T2
2027	1,990,000	5.250	3.050	6450204J4	2037	3,285,000	5.000	3.590 ^C	6450204U9

\$33,415,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES B

Dated: Date of Delivery

Due: August 1, as shown below

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2021	\$ 510,000	4.000%	1.920%	6450204V7
2022	530,000	4.000	2.110	6450204W5
2025	13,225,000	5.000	2.760	6450204X3
2026	12,055,000	5.000	2.900	6450204Y1
2027	7,095,000	5.000	3.050	6450204Z8

^C Priced to first call date of August 1, 2027.

*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

MAYOR'S CABINET

Michael Gormany, *Acting Budget Director*⁽¹⁾

Daryl H. Jones, *Controller*

Michael Carter, Chief Administrative Officer

John Rose, Jr., Corporation Counsel

Matthew Nemerson, Economic Development Administrator

BOND COUNSEL

Robinson & Cole LLP
Hartford, Connecticut

DISCLOSURE COUNSEL

Hardwick Law Firm, LLC
Hartford, Connecticut

INDEPENDENT AUDITORS

RSM, US, LLP
New Haven, Connecticut

MUNICIPAL ADVISORS

PFM Financial Advisors LLC
Providence, Rhode Island

TKG & Associates LLC
New York, New York

Query & Associates
Philadelphia, Pennsylvania

⁽¹⁾ Michael Gormany is serving as the City's Acting Budget Director effective July 31, 2017.

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.

Statements in this Official Statement that are not historical facts are forward-looking statements based on current expectations of future events and are subject to risks and uncertainty. Actual results could differ materially from those expressed or implied by such statements. The City therefore cautions against placing reliance on the forward-looking statements included in this Official Statement. All forward-looking statements included in this Official Statement are made only as of the date hereof and none of the City, the Underwriter, or the City’s advisors assume any obligation to update any forward-looking statements made by the City or on its behalf as a result of new information, future events or other factors.

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
CITY OF NEW HAVEN, CONNECTICUT
\$43,300,000
General Obligation Bonds, Issue of 2017, Series A
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.

Issuer:	City of New Haven, Connecticut (the “City”).
Issue:	\$43,300,000 General Obligation Bonds, Issue of 2017, Series A (the “Series A Bonds”).
Dated Date:	Date of Delivery.
Interest Date:	August 1, 2018, and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable.
Principal Due:	August 1, 2018 - 2037, both inclusive.
Purpose and Authority:	The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Description of the Bonds ” herein.
Redemption:	The Series A Bonds are subject to redemption prior to maturity as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Redemption Provisions ” herein.
Security:	The Series A 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 Series A Bonds when due. See “ AUTHORIZATION AND PURPOSE - Security and Remedies ” herein.
Credit Ratings:	See “ RATINGS ” herein.
Tax Matters:	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 Series A 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 Series A 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 Series A 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.
Availability of Continuing Disclosure:	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 certain 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 APPENDIX E to this Official Statement.
Bank Qualification:	The Series A 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 Series A Bonds.
Certifying Agent, Escrow Agent, Paying Agent, Registrar and Transfer Agent:	U.S. Bank National Association, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, Hartford, Connecticut is acting as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series A Bonds in book-entry only form will be made to The Depository Trust Company on or about August 10, 2017. Delivery of the Series A Bonds will be made against payment in same day funds.
Issuer Official:	Questions concerning the City and this Official Statement should be directed to Daryl H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300.

CITY OF NEW HAVEN, CONNECTICUT
\$33,415,000
General Obligation Refunding Bonds, Issue of 2017, Series B
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.

Issuer:	City of New Haven, Connecticut (the “City”).
Issue:	\$33,415,000 General Obligation Refunding Bonds, Issue of 2017, Series B (the “Series B Bonds”).
Dated Date:	Date of Delivery.
Interest Date:	August 1, 2018, and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable.
Principal Due:	August 1, 2021 - 2022, August 1, 2025 – 2027, both inclusive.
Purpose and Authority:	The Series B Bonds are being issued to refund all or a portion of certain of the City’s outstanding general obligation bonds as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Description of the Bonds ” and “ - Plan of Refunding ” herein.
Redemption:	The Series B Bonds are not subject to redemption prior to maturity.
Security:	The Series B 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 Series B Bonds when due. See “ AUTHORIZATION AND PURPOSE - Security and Remedies ” herein.
Credit Ratings:	See “ RATINGS ” herein.
Tax Matters:	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 Series B 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 Series B 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 Series B 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.
Availability of Continuing Disclosure:	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 certain 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 APPENDIX E to this Official Statement.
Bank Qualification:	The Series B 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 Series B Bonds.
Certifying Agent, Escrow Agent, Paying Agent, Registrar and Transfer Agent:	U.S. Bank National Association, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, Hartford, Connecticut is acting as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series B Bonds in book-entry only form will be made to The Depository Trust Company on or about August 10, 2017. Delivery of the Series B Bonds will be made against payment in same day funds.
Issuer Official:	Questions concerning the City and this Official Statement should be directed to Daryl H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300.

\$76,715,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2017

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 \$76,715,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2017 consisting of \$43,300,000 General Obligation Bonds, Series A (the “Series A Bonds”) and \$33,415,000 General Obligation Refunding Bonds, Series B (the “Series B Bonds” and, together with the Series A Bonds, the “Bonds”). 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 thereon. See “**AUTHORIZATION AND PURPOSE - Security and Remedies**” and “**- Plan of Refunding**” herein. 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. PFM Financial Advisors LLC, 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.

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 the 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. Appropriating Ordinance No. 3 and No. 4, authorizing and approving the Bonds was adopted with the Capital Budget for Fiscal Year 2018 by the Board of Alders on June 5, 2017 and is expected to be approved by the Bond Sale Committee on August 2, 2017 in accordance with the Charter, the Code of Ordinances and other proceedings related thereto.

Purpose

The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects as more fully described herein.

The Series B Bonds are being issued to refund all or a portion of certain of the City's outstanding general obligation 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 August 1, 2018 and semiannually thereafter on February 1 and August 1 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 close of business on the fifteenth day of January and July in each year or the preceding business day if such fifteenth day is not a business day. 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 Series A Bonds maturing on August 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the City, on and after August 1, 2027, 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 Series A Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

The Series B Bonds are not subject to redemption prior to maturity.

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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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.

Fiscal Year Ended June 30	Existing Debt Service ⁽¹⁾⁽²⁾⁽⁴⁾	Series A Bonds		Series B Bonds		Less Refunded Bonds Debt Service	Aggregate Debt Service ₍₂₎₍₃₎
		Principal	Interest ⁽⁴⁾	Principal	Interest ⁽⁴⁾		
2018	\$ 65,398,664					\$31,644,100	\$33,754,564
2019	66,238,368	\$ 625,000	\$3,225,171		\$2,449,016	5,452,550	67,085,005
2020	65,649,195	1,685,000	2,129,931		1,660,350	1,347,750	69,776,726
2021	63,376,466	1,755,000	2,039,631		1,660,350	5,000	68,826,448
2022	59,445,685	1,830,000	1,945,525	\$ 510,000	1,650,150	5,000	65,376,360
2023	55,997,932	1,910,000	1,847,350	530,000	1,629,350	5,000	61,909,632
2024	52,899,067	1,615,000	1,754,819		1,618,750	5,000	57,882,636
2025	49,868,684	1,700,000	1,667,800		1,288,125	5,000	54,850,234
2026	33,868,712	1,790,000	1,576,188	13,225,000	656,125	5,000	51,743,025
2027	32,480,858	1,890,000	1,479,588	12,055,000	177,375	5,000	48,556,571
2028	29,694,832	1,990,000	1,377,738	7,095,000		102,500	40,232,445
2029	26,737,077	2,095,000	1,273,125				30,105,202
2030	23,399,398	2,200,000	1,165,750				26,765,148
2031	19,122,825	2,315,000	1,052,875				22,490,700
2032	17,261,041	2,435,000	934,125				20,630,166
2033	14,830,432	2,560,000	809,250				18,199,682
2034	12,323,875	2,690,000	678,000				15,691,875
2035	10,388,125	2,830,000	540,000				13,758,125
2036	7,494,750	2,975,000	394,875				10,864,625
2037	3,823,250	3,125,000	242,375				7,190,625
2038	--	3,285,000	82,125				3,367,125
Total ⁽⁴⁾	<u>\$710,299,238</u>	<u>\$43,300,000</u>	<u>\$26,216,240</u>	<u>\$33,415,000</u>	<u>\$14,408,341</u>	<u>\$38,581,900</u>	<u>\$789,056,919</u>

(1) Includes debt service on the Refunded Bonds.

(2) Includes debt service on general obligation Clean Water Fund loans.

(3) 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 (the “2010 Bonds”) with a final maturity of February 15, 2030. This subsidy is subject to sequestration reductions of 6.9% in the current federal fiscal year and 6.6% for the federal fiscal year beginning October 1, 2017.

(4) Totals may not add due to rounding.

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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.

Certain Considerations

The City’s Fiscal Year 2018 General Fund budget totals \$538,906,953 for both revenues and expenditures. Budgeted revenue sources in Fiscal Year 2018 consist of \$249,924,307 for property taxes, \$148,238,612 in State aid for education, \$73,208,327 in other State aid and \$67,535,707 in City departmental fees.

The amount and timing of State aid is dependent on many factors, including the negotiation and adoption of the State’s fiscal year 2018 budget and the timing of payments by the State to the City. As of the date hereof, the State has not adopted a fiscal year 2018 budget. On June 30, 2017, the Governor signed an Executive Order providing for, among other things, the continued operation of the essential functions of

State government. There is no assurance as to when the State will adopt a fiscal year 2018 budget. There is no assurance that the adopted State budget will provide the amount of budgeted State aid revenue discussed in the previous paragraph. In the event the adopted State budget provides less revenue to the City than the amounts the City has budgeted in Fiscal Year 2018, the City will amend the budget to account for the actual amount the City will receive pursuant to the State budget.

The ability of the City to meet its payment obligations under the Bonds will depend on the continued availability to the City of revenues from a variety of sources sufficient to meet City obligations such as operating expenses, debt service on the Bonds and other debt of the City and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the City will be affected by future events and conditions which will include the City's ability to control expenses, the City's ability to maintain or increase property tax rates and other sources of revenue, and the City's access to other sources of funds, including State aid. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the City.

Future revenues and expenses of the City will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time. For descriptions of the City's current finances and operations as well as certain projected financial and operating results of the City see **APPENDIX A – “FINANCIAL INFORMATION AND OPERATING DATA.”**

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.

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:	Series A Bonds	Series B Bonds
Par Amount of Bonds	\$43,300,000.00	\$33,415,000.00
Net Original Issue Premium	<u>5,918,177.35</u>	<u>5,364,727.25</u>
Total Sources	<u>\$49,218,177.35</u>	<u>\$38,779,727.25</u>
Uses:		
Project Deposit	\$43,300,000.00	
Debt Service Fund	5,444,546.77	
Escrow Deposit		\$38,408,019.11
Costs of Issuance ⁽¹⁾	225,770.71	174,780.51
Underwriters' Discount	<u>247,859.87</u>	<u>196,927.63</u>
Total Uses	<u>\$49,218,177.35</u>	<u>\$38,779,727.25</u>

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

Plan of Refunding

A portion of the proceeds of the Series B Bonds will be used to refund all or any portion of the following maturities and principal amounts of the Refunded Bonds as provided below. The refunding of the Refunded Bonds is contingent upon delivery of the Series B Bonds.

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<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>
Series B Refunded Bonds						
Issue of 2008, Series A 03/26//2008	03/01/2018	5.000%	\$2,370,000			645020XR4
Issue of 2008 06/11//2008	11/01/2017	5.000%	\$1,930,000			645020YJ1
Issue of 2009, Series A 03/17/2009	03/01/2018	4.000%	\$2,400,000			645020YY8
Issue of 2011, Series A 03/23/2011	03/01/2018	5.000%	\$1,425,000			645020B64
Issue of 2011, Series B 08/02/2011	08/01/2018	5.000%	\$2,225,000			645020E79
Issue of 2012, Series A 08/15/2012	11/01/2017	5.000%	\$4,050,000			645020H76
Issue of 2013, Series B 10/31/2013	09/01/2017	3.000%	\$1,890,000			645020Q35
	09/01/2018	4.000	1,890,000			645020Q43
Issue of 2015 09/09/2015	09/01/2017	4.000%	\$1,505,000			645020W87
Issue of 2015, Series B 12/22/2015	08/15/2017	3.000%	\$685,000			645020Z43
Issue of 2016, Series A 08/25/2016	08/15/2017	3.000%	\$14,410,000			6450202N7
	08/15/2018	5.000	1,145,000 ⁽¹⁾			6450202P2
	08/15/2019	5.000	1,310,000 ⁽¹⁾			6450202Q0
	08/15/2027	5.000	100,000 ⁽¹⁾	08/15/2026	100%	6450202Y3
Total			<u>\$37,335,000</u>			

⁽¹⁾Partially Refunded.

Upon delivery of the Bonds, a portion of the proceeds of the Series B Bonds will be deposited in irrevocable escrow funds (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), under an escrow agreement dated as of August 1, 2017 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolios of non-callable direct obligations of, or obligations guaranteed by, the United States of America, 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 and redemption premium, if any, on the Refunded Bonds at maturity or earlier redemption. 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 the Escrow Deposit Fund, will be sufficient to pay, when due, the principal, interest and call premium requirements, if any, of the Refunded Bonds at maturity or earlier redemption, 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.

Tax Anticipation Notes

On July 27, 2017, the City issued \$25,000,000 General Obligation Tax Anticipation Notes, Issue of 2017 (the “2017 TANs”). The 2017 TANs will be used to finance certain cash flow needs of the City for the fiscal year ending June 30, 2018. The 2017 TANs mature on May 15, 2018.

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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

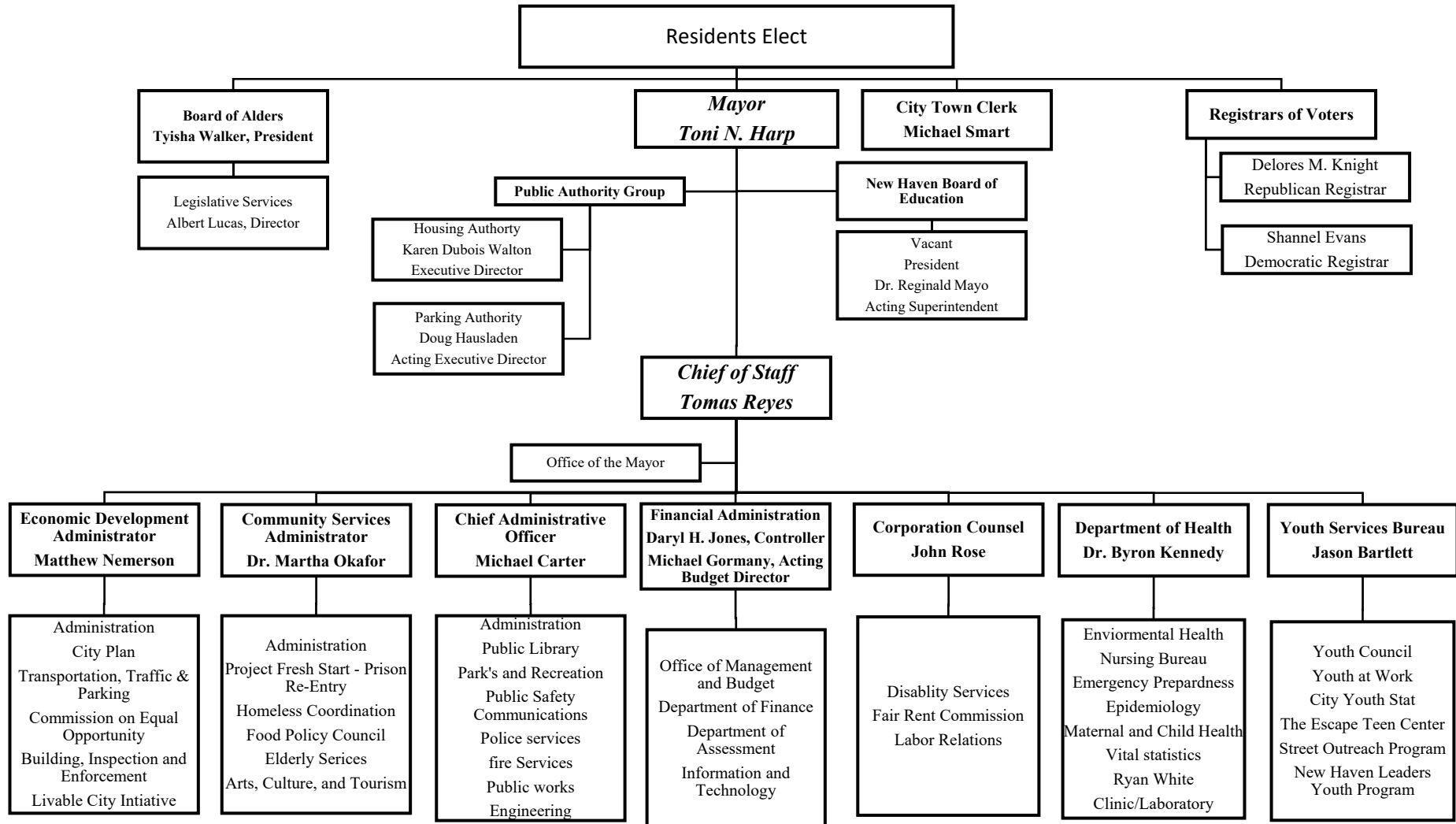
The Mayor, elected by general election for a two-year term and eligible to succeed such term of office without limitation, has the power to appoint City department heads and members of boards, commissions and agencies. All department heads shall be appointed by the Mayor for a term of four (4) years 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 appointment 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:

City of New Haven Organizational Structure



Biographies of City Officials

Toni N. Harp, Mayor was elected Mayor of the City in November 2013 and was inaugurated as the City's 50th 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.

Michael Gormany, was appointed Acting Budget Director on July 31, 2017. Mr. Gormany began with the City in June 1999 as a Student Intern in the Finance Department. Mr. Gormany was hired full time as an Accounts Payable Auditor II in the Accounts Payable division of the Finance Department in October 2004; and subsequently promoted to the Office of Management and Budget as a Management and Policy Analyst in September 2011. Mr. Gormany also works for the New Haven Board of Education, primarily in the Food and Nutrition program as Financial and Operations support.

Mr. Gormany holds a BA degree in Business and Leadership from Albertus Magnus College and a Master of Science in Accountancy from the University of Phoenix.

Mr. Gormany is a member of the Government Finance Officers Association (Regional and Connecticut Chapter), Connecticut Conference of Municipalities (CCM) and School Nutrition Association, Connecticut and Regional chapters.

Daryl H. Jones, Controller was appointed Controller in February 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 capital 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 1 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. 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 RSM, US, LLP (formerly known as 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, 2016 are attached hereto as **Schedule 1** to **APPENDIX A**. The financial statements were prepared for the City by RSM, US, 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, 2016”**" 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 one of two major Pension Funds, the City Employees' Retirement Fund ("CERF") and the Policemen and Firemen's Pension Fund ("P&F"). The Pension Funds were each originally established by Connecticut Special Acts and thereafter were amended by subsequent Special Acts and City of New Haven Ordinances, the latter of which are found in Title II of the City's Ordinances, Articles IX and XI. The most recent amendments to the Pension Funds are found in the various collective bargaining agreements that apply to the employees who participate in the Pension Funds and in the Executive Management and Confidential Employees Personnel and Procedures Manual. Under the terms of the Pension Funds, the responsibility for administering each Funds is assigned to a board of trustees for the Fund, in the case of CERF, the CERF Retirement Board, and in the case of P&F, the P&F Pension Board, (together, the "Retirement Boards"). The P&F Board consists of seven members as follows: two members of the Board of Police Commissioners, two members of the Board of Fire Commissioners, two employee representatives (one from Police and one from Fire) elected by a vote of the membership of each department, and the Mayor, who is President of the P&F Pension Board. The City Controller is the Clerk of the P&F Pension Board. The CERF Retirement Board consists of: the Mayor and the City Controller, ex officio, three persons appointed by the Mayor, and two persons who are elected by members of CERF (no more than one of whom, at any time may be from the same collective bargaining unit). The Retirement Boards independently retain professional fund managers, custodial banks, legal counsel, performance monitor professionals, and actuaries to assist them in performing their fiduciary responsibilities.

Pension Systems

The Pension Funds are single employer, contributory, defined benefit plans, qualified under Section 401(a) of the Internal Revenue Code. Most full-time employees paid by the City's General Fund (exclusive of school administrators, certified teachers and more recently hired Executive Management and Confidential Employees of the City) are members of CERF. Police and fire personnel are members of P&F.

The first pension system for City employees was established in 1937. The Special Act establishing that fund was repealed in 1939, when CERF was created. Separate pension funds for police officers and firefighters, respectively known as the Policemen's Relief Fund and a Firemen's Relief Fund (later collectively referred to as Police and Fire Plan No. 1), were established in 1899. Police and Fire Plan No. 2, which combined these formerly separate police and fire retirement funds for police officers and firefighters hired after December 31, 1957 was created by a Special Act in 1957. Police and Fire Plan No. 1 and Police and Fire Plan No. 2 were merged into a single pension fund, now known as, P&F in 1990 by means of an ordinance adopted on May 29, 1990.

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

Executive Management Employees (Coordinators and Department Heads) whose initial hire date into City service was on or after July 1, 2008 are not eligible to join CERF, and after December 27, 2011, rehired Executive Management Employees, elected officials, and Confidential Employees (General Fund non-bargaining unit General Fund employees who are not members of Executive Management) who are not members of CERF or P&F on the date of their hire, rehire or assumption of elected office, as the case may be, are covered by Social Security, and, in addition, the City contributes 7.5% of their base pay to a defined contribution plan.

Terms and conditions of CERF (with the exception of some terms applicable to Executive Management and Confidential Employees, who are not subject to collective bargaining) are subject to collective bargaining agreements between the City or the New Haven Board of Education and the following bargaining units: Unit 34 of United Public Service Employees Union Local 424, UE Local 222 CILU/CIPU, Local 71, Local 884 of the American Federation Of State, County And Municipal Employees, New Haven Management & Professional Management Union, Local 3144, Council 4, AFSCME, AFL-CIO, Unite Here Local 217, AFL-CIO, Board of Education Employees Local 287 of Council 4 AFSCME, AFL-CIO, United Brotherhood of Carpenters and Joiners of America, Local 24, Brotherhood of Painters and Allied Trades, District Council 11, International Brotherhood of Electrical Workers, Local 90, and United Association of Journeymen, Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Local 777, Local 1303-464 of Council 4, AFSCME, AFL-CIO, and Local 1303-467 of Council 4, AFSCME, AFL-CIO. For Executive Management and Confidential Employees who are members of CERF the terms and conditions of the CERF are set forth in the Executive Management and Confidential Employees Personnel and Procedures Manual which has been duly adopted by the City.

Terms and conditions of P&F are subject to the collective bargaining agreement between the City and the New Haven Police Union Elm City Local Inc. for police officers and the collective bargaining agreement between New Haven Fire Union, Local 825 International Association of Fire Fighters, AFL-CIO for firefighters.

In the more recent collective bargaining agreements, significant changes were agreed to for the purposes of enhancing the financial soundness of the Pension 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 ("COLAs") to 2% for CERF and including lifetime caps for some bargaining units and reducing the COLAs from 4% to 3% for certain firefighters and from 4% to 2% for police officers. In

addition, COLAs for both the newest hires for police (hires after October 20, 2012) and fire (hires after August 23, 2012) have been reduced to 1.5%. Also employee contribution percentages (12% for Police and 11% for Fire) have been increased as has the service years required for age retirement eligibility for P&F. Finally, overtime earnings have been eliminated from pension calculation totals for new P&F hires and in many CERF collective bargaining agreements as well.

In addition, the investment return assumption for both plans was reduced from 8.00% per year to 7.75% per year, net of investment expenses, which has had the effect of increasing the City's annual required contribution and the Entry Age Normal Method is now used to determine actuarial cost rather than the previous Projected United Credit method for P&F. Importantly, a closed 30 year amortization of unfunded liabilities was adopted from the previous open 30 year amortization period as of July 1, 2012 for CERF and as of July 1, 2014 for P&F .

As of June 30, 2016, the funded ratio of CERF was 38.2% and the funded ratio of P&F was 43.8%. 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, Fiscal Year 2015 and Fiscal Year 2016 ARC and Fiscal Year 2017 ARC were funded fully. The Fiscal Year 2018 ARC is fully budgeted.

The Fiscal Year 2015 pension contributions were \$17,544,752 for CERF and \$25,251,586 for P&F. The Fiscal Year 2016 pension contributions were \$19,514,992 for CERF and \$26,306,000 for P&F. The Fiscal Year 2017 pension contributions were \$20,359,292 for CERF and \$27,536,158 for P&F. The Fiscal Year 2018 budgeted pension contributions are \$21,662,917 for CERF and \$34,607,857 for P&F. As of June 30, 2016, there were 1,103 retirees and beneficiaries receiving benefits from CERF with 943 active plan members and 85 members who have terminated with a contingent right to receive a deferred benefit or a return of their own contributions. As of June 30, 2016, there were 1,290 retirees and beneficiaries receiving benefits from P&F with 752 active plan members and 39 members who have terminated with a contingent right to receive a deferred benefit or a return of their own contributions..

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**

Fiscal Year	General Fund Contribution	Total Expenditures	%
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	45,820,992	505,948,292	9.10
2017 ⁽¹⁾	47,597,450	523,340,196	9.20
2018 ⁽²⁾	56,570,774	538,906,953	10.50

⁽¹⁾ Fiscal year ended 6-30-17 is unaudited.

⁽²⁾ Fiscal year ended 6-30-18 is budgeted.

Source: Audited Financial Statements, Department of Finance.

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

City Employees' Retirement Fund

Valuation Date	Unfunded Actuarial Accrued Liability	Funded Ratio
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	266,094,009	39.5
6/30/2016	285,069,843	38.2

Policemen's and Firemen's Pension Fund

Valuation Date	Unfunded Actuarial Accrued Liability	Funded Ratio
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
6/30/2016	435,398,142	43.8

Source: Actuarial Valuation of Pension Funds.

Net pension liability: The components of the net pension liability of the P&F Fund at June 30, 2016 were as follows:

Policemen and Firemen's Pension Fund	2016	2015
Total Pension Liability	\$ 701,102,039	\$ 687,591,252
Plan Fiduciary Net Position	302,717,214	326,522,975
Net Pension Liability	\$398,384,825	\$361,068,277
Plan Fiduciary Net Position as percentage of total pension liability	43.18%	47.79%

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the P&F Fund, calculated using the discount rate of 8.00% as well as what the P&F Pension Fund'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 Pension Fund	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 473,491,235	\$ 398,384,825	\$ 334,995,914

Net pension liability: The components of the net pension liability of the City Employees' Retirement Fund at June 30, 2016 were as follows:

City Employees' Retirement Fund	2016	2015
Total Pension Liability	\$459,456,387	\$449,262,186
Plan Fiduciary Net Position	153,440,281	163,691,240
Net Pension Liability	\$306,016,106	\$285,570,946
Plan Fiduciary Net Position as percentage of total pension liability	33.40%	36.44%

Sensitivity of the net pension liability to changes in the discount rate*: The following presents the net pension liability of the CERF, calculated using the discount rate of 8.00% as well as what the CERF'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 Fund	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 354,789,262	\$ 306,016,106	\$ 264,596,519

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 2015, \$28,708,400 (audited) was paid for OPEB costs, for Fiscal Year 2016, \$28,303,000 (audited) was paid, for Fiscal Year 2017, \$29,672,673 (unaudited) was paid and for Fiscal Year 2018, \$31,601,629 is budgeted.

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
7/1/2015	338,000	557,227,000	556,889,170	0.1	229,267,000	242.9

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 July 1, 2015, the City’s estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$556,889,170. The City established an OPEB trust in 2012 that currently has a balance of approximately \$338,000. A contribution to the OPEB trust over pay-as-you-go expenses did not occur in Fiscal Year 2015 and was not budgeted for in Fiscal Year 2016. A contribution of \$405,000 was made in Fiscal Year 2017. A contribution of \$405,000 is budgeted for in Fiscal Year 2018.

For more information regarding the City’s OPEB plans, 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, 2015 liabilities are projected to determine the annual required contribution for the fiscal year ending June 30, 2017.

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	\$441,057,000
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>

Total ARC 2014/2015 **\$37,212,000**

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>

Total ARC 2015/2016 **\$37,673,000**

* 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 and other post-employment benefits 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, 2016, and the City’s GASB 45 OPEB Disclosure Report as of June 30, 2015, dated February 2, 2017, 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.

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 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 and routinely receive notices of threatened lawsuits. The City's Controller and the Corporation Counsel believe that as of the date hereof, to the best of their knowledge, although the City is subject to such pending or threatened litigation or administrative proceedings, these matters either are adequately covered by insurance or, to the extent not insured, the final settlement thereof is not expected to materially, adversely affect the financial position of the City or its ability to perform its obligations to the owners of the Notes.

In 2015, the City was 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). Total

estimated damages for the City are approximately \$950,000. The City paid back wages and a portion of the liquidated damages in Fiscal Year 2017. The City will pay the final settlement payment of approximately \$240,000 in July of 2017.

The City has reached a tentative settlement in the Scott Lewis v. City of New Haven, et al., a case involving the improper incarceration of an individual for over 19 years. The City expects that the settlement amount, once finalized and approved by the City's Litigation Settlement Committee, will be financed by the issuance of bonds and payment will be made upon approval by the Board of Alders by or before December 31, 2017.

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. An executed Continuing Disclosure Agreement 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 __, 2017. 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

The Bonds are rated "A-" by S&P Global Ratings ("S&P") and "A-" by Fitch Ratings ("Fitch") (together, the "Rating Agencies"). The City furnished the Rating Agencies certain information and materials, some which may not have been included in this Official Statement.

The ratings reflect only the views of the Rating Agencies 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 a 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 the Hardwick Law Firm, LLC, Hartford, Connecticut, 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 Series A Bonds at the aggregate net purchase price of \$48,970,317.48, which is equal to the par amount of the Series A Bonds plus net original issue premium of \$5,918,177.35 and less an Underwriters' discount of \$247,859.87. Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase the Series B Bonds at the aggregate net purchase price of \$38,582,799.62, which is equal to the par amount of the Series B Bonds plus net original issue premium of \$5,364,727.25 less an Underwriters' discount of \$196,927.63. 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.

Loop Capital Markets LLC, one of the underwriters of the Bonds, has entered into a distribution agreement (the "Distribution Agreement" with UBS Financial Services ("UBSFS")) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, UBSFS may purchase the Bonds from Loop Capital Markets LLC at the original issue prices less a negotiated portion of a selling concession applicable to any Bonds that such firm sells.

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 financial 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.

Piper Jaffray & Co. has entered into a distribution agreement (the "CS&Co. Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase the Bonds from Piper Jaffray & Co. at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

MUNICIPAL ADVISORS

The City has retained PFM Financial Advisors LLC 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 H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300. Copies of this Official Statement may be obtained from the City’s Municipal Advisors, PFM Financial Advisors LLC, 10 Weybosset Street, Suite 902, Providence, Rhode Island 02903, (401) 709-5112 or TKG & Associates LLC, 350 Fifth Avenue, 59th 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: /s/ Toni N. Harp
Toni N. Harp, Mayor

By: /s/ Daryl H. Jones
Daryl H. Jones, Controller

Dated as of August 3, 2017

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

**SCHEDULE 1 – CITY OF NEW HAVEN
AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF JUNE 30, 2016**

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DISCUSSION OF FINANCIAL OPERATIONS

A. Budgets

General Fund Budget: Fiscal Year 2017-2018 Budget approved by Board of Alders.

- General Fund Budget - \$538,906,953 – Up \$15,566,757 from FY 2017, a 2.97% increase.
- Mill rate decreased to 38.68 mills, a reduction of 2.87 mills or 7% due to the implementation of 2016 property revaluation.
- The Board of Alders approved the motor vehicle mill rate at 32 mills. In the event the State legislature amends the statute to increase the mill rate, the City will send out supplemental motor vehicle tax bills to residents.
- 2016 Net Grand List increased by 8.4%. Mill rate reduction adjusted to generate the same amount of local tax revenue as FY 16-17 budget.
- State revenue for education, PILOT, and other state grants projected flat for FY18.
- Revenue initiative of \$18.6 million added to FY 2017-18 budget. This is premised on receiving additional State aid or revenue from other sources such as an increase in voluntary payments.
- Building permit revenue reduced slightly to \$15.9 million based on current and projected economic activity.
- Other adjustments to the revenue budget include decreasing parking tag revenue by \$700,000 to \$4.5 million, reducing the NHPA PILOT to \$1.5 million, recognizing that the proceeds from the closure of the Grove Street Garage trust (\$371,000) and proceeds from the sale of economic development assets (\$500,000) were one time revenues and could not be budgeted again in FY 17-18 and reducing or eliminating other line items which were not producing expected revenues (i.e residential parking and mandatory school health screening).
- Expenditure budget increased by \$15.5 million.
- Position count for FY 2017-18 remains the same as FY 2016-17.
 - Engineering – Eliminated Executive Assistant Position to create Project Coordinator-Engineering position. Public Works/CEO – A Clerk Typist position will move to the Office of the CEO from the Department of Public Works.
 - CSA/Health – In FY 2016-17, two Aids Outreach Workers were laid off. In FY 2017-18 budget, those two positions were moved to CSA and the positions will be filled as Community Liaison Trainers.
- Information and Technology – The Information Technology Department was merged into the Finance Department as a division. The Chief Information Officer became a union title and the title was changed to Director of Information Technology.
- New Information Technology \$800,000 maintenance agreements.

- Police Department – Budget increase of \$3.5 million. Overtime increased to \$4,142,100 which is an increase of \$1 million. The Summer Anti Violence overtime initiative was kept at \$100,000. An addition of \$568,000 was added to the detention center for current operations which includes \$520,000 for overtime. Attrition and underfill cut was decreased to accommodate Police Officers moving up the starting pay salary scale to year 2 or year 3.
- Education – increase of \$8 million for a total General Fund budget \$190.2 million.
- Fire Department – Contractual salary increase of \$710,000; overall attrition/underfill cut decrease of \$160,000. Overtime flat at \$1.9 million or \$36,000 per week for a total increase over FY 2017 of \$904,440.
- Vacancy Savings/Non-Personnel Savings – Vacancy saving remains flat at \$1.6 million. The City added an additional \$1.7 million in non-personnel savings.
- Contract Reserve – Increased to \$1.8 million for open labor contracts.
- Debt Service – Debt Service reduced by \$3.4 million over previous fiscal year due to attribution of \$4.2 million of refunding savings and \$5 million of bond premium to the FY 2017-18 budget.
- Self-Insurance – \$1 million as part of Five Year Plan to eliminate deficit in Medical Self Insurance fund of (\$5.4 million).
- Pensions – Overall pension budget up \$8.7 million. Police & Fire Pension (P&F) contribution was increased by \$7.1 million. This amount was approved by the P&F Pension Board on 2-16-17. Total P&F ADC payment for FY 2017-18 is \$34,607,857. The rate of return dropped to 7.75%. The experience study of 2008-2014 resulted in large overtime expenditures being factored into the Actuarial Determination. The Employer Contribution (ADEC) was also calculated with revised actuarial assumptions. The City Employees Retirement Fund (CERF) contribution was increased by \$1.4 million and the rate of return dropped to 7.75%. The CERF ADC payment was approved on 2-15-17 by the CERF Pension Board. Total CERF Actuarially Determined Contribution (“ADC”) is \$21,662,917.
- Self-Insurance – City Insurance Account coverages increased to \$2.3 million. Public Liability Claims Account remains status quo at \$2.3 million.
- Medical Benefits – Workers Compensation budget remains flat over FY 2016-17. Other Post-employment benefits (retiree medical) – Increased funding to \$405,000 to begin long term process to fund unfunded liability.
- Board of Education – Increased overall budget by \$5 million over FY 2016-17.
- Capital Budget – City Share \$43.3 million

Selected Projects Included in the FY 2018 Capital Budget

- \$33.2 million for the Engineering department for street and sidewalk reconstruction, various bridge projects, facility rehabilitation, and street light upgrades.
- \$8 million for economic development departments to support the various development projects throughout the City

- \$5.8 million for Education for other general improvements and upkeep to school buildings and equipment, including computers.
- \$6.2 million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program.
- \$2.8 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.
- \$2.45 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
- \$1.5 million for the Library department for various upgrades and improvements.
- \$450,000 for various improvements at Tweed New Haven Airport.

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.

B. Results of Operations

Table 1
City of New Haven General Fund Summary of Operations
 Fiscal Year 2013 - Fiscal Year 2018

	Fiscal Year 2013 (Audited)	Fiscal Year 2014 (Audited)	Fiscal Year 2015 (Audited)	Fiscal Year 2016 (Audited)	Fiscal Year 2017 (Budgeted)	Fiscal Year 2018 (Budgeted)
REVENUES						
Property taxes	\$230,988,342	\$243,999,342	\$249,968,781	\$250,993,094	\$249,924,307	\$249,924,307
Licenses, permits and other charges	16,291,305	15,715,800	25,735,466	18,835,218	26,008,000	25,091,098
Fines, forfeitures and penalties	5,999,796	4,713,752	5,127,968	5,534,393	5,666,000	4,921,000
Federal and state governments	204,530,007	206,140,025	210,276,874	209,712,056	221,446,939	221,446,939
Investment income	249	(38,682)	(12,940)	(6,891)	25,000	25,000
Other revenue	24,066,236	24,986,548	20,133,088	21,178,028	20,269,950	37,498,609
Total Revenues	\$481,875,935	\$495,516,785	\$511,229,237	\$506,245,899	\$523,340,196	\$538,906,953
EXPENDITURES						
General government	\$26,865,044	\$26,576,338	\$28,190,582	\$28,557,874	\$28,040,989	\$29,676,598
Development	6,735,033	6,798,014	6,611,901	7,114,299	10,153,421	10,376,373
Public safety	72,103,165	72,312,347	76,868,915	72,694,421	71,385,360	75,864,192
Public works/Engineering	14,239,985	15,261,908	15,056,249	16,778,514	15,900,383	16,116,191
Health and welfare	5,984,801	6,163,287	6,512,927	7,204,439	8,859,505	8,846,246
Education	174,774,403	177,199,032	177,202,076	180,207,166	182,218,697	187,218,697
Pension and insurance	122,985,499	124,811,583	142,688,459	137,010,540	140,046,660	152,961,984
Other expenditures	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service	62,693,110	61,650,674	56,394,174	56,381,040	66,735,181	57,846,672
Total Expenditures	\$486,381,040	\$490,773,183	\$509,525,283	\$505,948,292	\$523,340,196	\$538,906,953
Excess (deficiency) of revenues	\$ (4,505,105)	\$ 4,743,602	\$ 1,703,954	\$ 297,607	\$ -	\$ -
over expenditures						
OTHER FINANCING SOURCES (USES)						
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)	-	-	-	-	-
Net other financing source (uses)	\$ (9,008,246.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (13,513,351)	\$ 4,743,602	\$ 1,703,954	\$ 297,607	\$ -	\$ -
FUND BALANCE (DEFICIT), beginning of year						
	\$ 8,791,796	\$ (4,721,555)	\$ 22,047	\$ 1,726,001	\$ 2,023,608	\$ 2,023,608
RESIDUAL EQUITY TRANSFER IN						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, end of year	\$ (4,721,555)	\$ 22,047	\$ 1,726,001	\$ 2,023,608	\$ 2,023,608	\$ 2,023,608

Source: City of New Haven, Department of Finance

REVENUES OF THE CITY

In FY 2016, 58.58% of New Haven’s revenues came from local sources, while 41.42% came from other governmental units. From FY 2015 through FY 2018, General Fund revenues came from or are projected to come from the following sources:

Table 2
Revenues of the City ⁽¹⁾

	Fiscal Year 2014 (Audited)		Fiscal Year 2015 (Audited)		Fiscal Year 2016 (Audited)		Fiscal Year 2017 (Budgeted)		Fiscal Year 2018 (Budgeted)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	Locally Generated Other Governmental Units	\$289,376,760	58.40	\$300,952,363	58.87	\$296,533,843	58.58	\$301,893,257	57.69	\$317,460,014
Totals	<u>\$495,516,785</u>		<u>\$511,229,237</u>		<u>\$506,245,899</u>		<u>\$523,340,196</u>		<u>\$538,906,953</u>	

⁽¹⁾ 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 2018.

Table 3
Current and Back Property Tax Revenue as a Percentage of
Total General Fund Revenues

(Budgetary Basis)

Fiscal Year Ended	Total Revenues	Property Taxes and Fees	Property Taxes as % of Total Revenues
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	506,245,899	250,993,094	49.58
6/30/2017 ⁽¹⁾	523,340,196	249,924,307	47.76
6/30/2018 ⁽²⁾	538,906,953	249,924,307	46.38

⁽¹⁾Fiscal year ended 6-30-17 is budgeted

⁽²⁾Fiscal year ended 6-30-18 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 audited is 98.30%, which was a slight decrease from the prior year’s rate of 98.32%. 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, 2016**

Grand List Year	Fiscal Year Ended	Tax Rate (in Mills)	<u>Collections at End of Fiscal Year</u>				<u>Adjusted Tax Receivable</u>		<u>Collections through</u>		Balance
			Adjusted Tax Levy ⁽¹⁾	Original Collections ⁽²⁾	%	6/30/2016 ⁽³⁾	6/30/2016	%	Uncollected as of 6/30/2016		
10/1/2009	6/30/2011	43.90	\$219,290,220	\$213,902,653	97.54	\$216,888,768	\$216,689,051	99.91	\$199,718		
10/1/2010	6/30/2012	43.90	226,835,431	220,502,270	97.21	224,224,747	223,976,040	99.89	248,707		
10/1/2011	6/30/2013	38.88	233,426,979	227,626,731	97.52	227,918,831	227,543,864	99.84	374,967		
10/1/2012	6/30/2014	40.80	245,563,608	240,521,693	97.95	242,447,559	240,974,495	99.39	1,473,064		
10/1/2013	6/30/2015	41.55	252,620,573	247,382,319	97.93	250,329,072	248,192,252	99.15	2,136,821		
10/1/2014	6/30/2016	41.55	252,312,223	247,382,319	98.05	252,312,223	247,240,939	97.99	5,071,284		

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

⁽²⁾ Original Collections during the fiscal year of the original levy.

⁽³⁾ Adjusted Tax Receivable (net of lawful corrections and adjustments made from date of original levy) through June 30, 2016 (Audited).

Source: City of New Haven, Department of Finance

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, 2016 Grand List.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 32.00 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City's motor vehicle tax rates for the current 2016 assessment year is 32.00 mills.

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, 2016. 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**

	GL 2011 FY 2013	GL 2012 FY 2014	GL 2013 FY 2015	GL 2014 FY 2016	GL 2015 FY 2017	GL 2016 FY 2018
Real Estate	\$5,269,042,670	\$5,266,248,588	\$5,180,330,768	\$5,164,516,517	\$5,223,077,937	\$5,748,533,145
Motor Vehicle	361,250,916	358,091,434	381,259,530	390,045,199	380,841,488	\$410,168,319
Personal Property	605,119,213	660,638,565	701,944,410	711,254,231	727,505,775	\$757,100,350
Gross Grand List	6,235,412,799	6,284,978,587	6,263,534,708	6,265,815,947	6,331,425,200	\$6,915,801,814
Exemptions	(240,681,083)	(200,279,289)	(148,135,549)	(175,265,543)	(258,448,128)	(326,046,053)
Net Grand List	\$5,994,731,716	\$6,084,699,298	\$6,115,399,159	\$6,090,550,404	\$6,072,977,072	\$6,589,755,761

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 15.40% of the total October 1, 2016 Net Taxable Grand List.

**Table 6
Principal Taxpayers**

GL 2015 FY 2017		GL 2016 FY 2017	2014 Grand List 2016 Fiscal Year (Real Property & Personal Property)	2015 Grand List 2017 Fiscal Year (Real Property & Personal Property)	2016 Grand List 2018 Fiscal Year (Real Property & Personal Property)
<u>Rank</u>	<u>Corporation Name</u>	<u>Rank</u>			
1	United Illuminating Co	1	\$270,574,797	\$274,985,330	\$287,376,014
2	Winn-Stanley	2	150,526,833	156,782,489	160,445,680
3	Fusco	3	131,921,579	131,832,821	122,613,210
4	Yale University	4	106,381,993	108,318,565	116,501,510
5	PSEG Power Connecticut LLC	5	102,787,477	96,333,263	74,521,401
6	MEPT Chapel Street LLC	7	46,554,056	57,499,660	66,382,020
7	Carbaetta	6	71,638,418	61,560,080	51,966,290
8	Howe St ⁽²⁾	8	43,345,750	45,467,520	47,250,630
9	New Haven Towers	N/A	32,535,790	32,535,790	46,255,440
10	HTA-YLW New Haven LLC ⁽¹⁾	N/A	21,647,087	19,679,170	41,142,990

(1) Please note that HTA-YLW NEW HAVEN LLC did not acquire the properties until 2/4/2016

(2) Formerly Intercontinental

Source: Office of the Tax Assessor

In FY 2015 audited, 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 \$250,993,094 from these sources in FY 2016; \$249,924,307 was budgeted for FY 2017 and \$248,203,741 is budgeted for FY 2018.

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, \$2,651,308 in FY 2016 audited, \$1,700,000 was budgeted for FY 2017 and \$1,700,000 is budgeted for FY 2018.

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" and \$2,972,913 in FY 2016. \$2,089,000 was budgeted for FY 2017 and \$2,089,000 is budgeted in FY 2018.

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. In FY 2016 the City collected \$28,057,776 from such sources. \$35,967,000 was budgeted for FY 2017 and \$34,305,098 is budgeted for FY 2018.

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. The City had -\$6,891 net interest income for FY 2016 audited, \$25,000 was budgeted for FY 2017 and \$25,000 is budgeted for FY 2018.

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 Education Cost Sharing grant funds in the amounts of \$142,500,250 in FY 2015 and \$142,681,585 in FY 2016. \$142,509,525 was budgeted for FY 2017 and \$142,509,525 is budgeted for FY 2018.

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), \$50,977,890 for FY 2016 audited (of which \$41,698,019 is the College & Hospital PILOT), \$65,516,114 was budgeted for FY 2017 and \$65,581,180 is budgeted for FY 2018.

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, \$6,224,317 for FY 2016 audited, \$5,794,422 was budgeted for FY 2017 and \$5,753,352 is budgeted for FY 2018. 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 audited, \$7,718,217 was budgeted for FY 2017 and \$7,677,147 is budgeted for FY 2018. 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 and \$4,306,166 in FY 2016. \$4,324,675 was budgeted for FY 2017 and \$3,824,675 is budgeted for FY 2018.

Connecticut General Statutes Section 4-661, as amended ("Section 4-661"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceed the spending limit specified in the general statutes. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the spending limit, and if so, the amount by which the limit was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

EXPENDITURES OF THE CITY

General Fund expenditures were distributed among the following categories:

**Table 7
General Fund Expenditures**

	Fiscal Year 2015		Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018	
	<u>Audited</u>	<u>%</u>	<u>Audited</u>	<u>%</u>	<u>Budgeted</u>	<u>%</u>	<u>Budgeted</u>	<u>%</u>
General Government	\$28,190,582	5.5%	\$28,557,874	5.6%	\$28,040,989	5.4%	\$29,676,598	5.5%
Development	6,611,901	1.3%	7,114,299	1.4%	10,153,421	1.9%	10,376,373	1.9%
Public Safety	76,868,915	15.1%	72,694,421	14.4%	71,385,360	13.6%	75,864,192	14.1%
Public Works	15,056,249	3.0%	16,778,514	3.3%	15,900,383	3.0%	16,116,191	3.0%
Health and Welfare	6,512,927	1.3%	7,204,439	1.4%	8,859,505	1.7%	8,846,246	1.6%
Board of Education	177,202,076	34.8%	180,207,166	35.6%	182,218,697	34.8%	187,218,697	34.7%
Pension and Insurance	142,688,459	28.0%	137,010,540	27.1%	140,046,660	26.8%	152,961,984	28.4%
Debt Service	<u>56,394,174</u>	<u>11.1%</u>	<u>56,381,040</u>	<u>11.1%</u>	<u>66,735,181</u>	<u>12.8%</u>	<u>57,846,672</u>	<u>10.7%</u>
	<u>\$509,525,283</u>	<u>100.0%</u>	<u>\$505,948,292</u>	<u>100.0%</u>	<u>\$523,340,196</u>	<u>100.0%</u>	<u>\$538,906,953</u>	<u>100.0%</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 were budgeted to be 1,508 in FY 2017 and is budgeted to be 1,508 in FY 2018. 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 ^{(1) (2)}**

Service	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	131	131	131	135	135	137	137
Protection of Persons and Property	960	987	985	984	974	975	975
Health and Welfare	69	70	70	73	84	93	93
Culture and Recreation	95	95	94	93	97	101	101
Public Works & Engineering	121	125	123	122	122	122	121
Development	71	74	74	73	76	80	81
Total	1,447	1,482	1,477	1,480	1,488	1,508	1,508

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

(2) Board of education positions are not authorized by the Board of Alders 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	6/30/2020
(Management) Local 3144, AFSCME, AFL-CIO	6/30/2015 ⁽¹⁾
(Blue Collar) Local 71, CILU	6/30/2020
(Public Works) Local 424 Unit 34, UPSEU	6/30/2021 ⁽²⁾
(Police) Elm City Local, Connecticut Alliance of Police	6/30/2016 ⁽¹⁾
(Fire) Local 825, International Association of Firefighters, AFL-CIO	6/30/2018
(Nurses) Local 1303-467, AFSCME, AFL-CIO	6/30/2020 ⁽²⁾
(City Attorneys) Local 1303-464, AFSCME-CIO	6/30/2016 ⁽¹⁾
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	6/30/2019
(Cafeteria Workers) Local 217, AFL-CIO	6/30/2020
(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

⁽¹⁾ In negotiation

⁽²⁾ Pending Legislative approval

Source: City of New Haven Labor Relations

Labor Relations

Recently, the City successfully settled the Clerical Union (local 884) and Blue Collar Union (Local 71). There are settlements pending Legislative approval with (Public Works) Local 424 Unit 34, UPSEU and (Nurses) Local 1303-467.

The City's Office of Labor Relations is currently in negotiations with several groups whose contracts expired. These include the Supervisor's Union (Local 3144), City Attorney's Union (Local 1303-464) and Elm City Local (Police).

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 5% 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. Additionally, this payment has been negotiated into the (Blue Collar) Local 71, (Clerical) Local 884, (Public Works) Local 424, and (Nurses) Local 1303-467 contracts. 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 Policemen & Firemen's 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 (e.g. Police and Fire new hires), COLA cap reductions, pension multiplier reductions, increase in years required to qualify for age related retirement benefits (e.g. 25 years for new Police 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 7.75%, 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. Additionally, the City has maintained many risk control programs to its various City agencies in order to limit its risk.

Employee Benefits

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.

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. 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.

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.

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, Public Works, LCI, Health, Library, Traffic & Parking and certain classes within the BOE employees also take part in a six-point defensive driver training program, with refresher courses given as scheduled.

General Liability Insurance

The City purchases a comprehensive liability program with a \$1 million self-retained limit. The program covers Commercial General Liability, Law Enforcement Liability, Automobile Liability, Public Officials Liability, Employment Practices Liability and School Educator's Legal Liability. While some are written on an occurrence basis, other coverages are on a claims-made basis. Each coverage has a \$10 million limit of liability with the self-retained limit applying individually to each coverage. The City also purchases an Excess Workers' Compensation and Employer's Liability policy for a \$25 million per occurrence limit with a \$1.5 million self-insured retention.

The commercial property program covers City owned buildings for all risks of direct physical loss or damage and includes Property Damage, Business Interruption, Extra Expense and Boiler & Machinery coverage. The policy limit is \$100,000,000 for any one occurrence with a \$250,000 deductible. The deductible varies for Flood and Windstorm. The City also purchases several Flood policies through the National Flood Insurance Program for highly hazardous flood zones at Lighthouse Point Park and the Sound School. Other policies purchased cover Environmental Impairment Liability for the Landfill, Underground Storage Tank Liability and a Public Employee Crime Bond.

Self- Insurance Program

As part of its Risk Management program the City has initiated a self-insurance strategy to mitigate worker's compensation risk, medical costs and liability costs as described below.

Public Liability Self-Insurance

The City's Self-Insurance Reserve Fund covers general liability not covered by any third-party insurance. As per FY 2016 audit, the fund has a negative net position of \$3.9M which is entirely attributed to the case reserves as revenues of \$1,750,762 slightly exceeded expense of \$1,743,945. The City budgeted \$2,000,000 in FY 2017 and \$3,000,000 in FY 2018 to the Public Liability Self-Insurance Fund.

Workers Compensation Self-Insurance

The City and its third-party Administrator (CT. Interlocal Risk Management Agency) oversee and administer the City's workers compensation programs. Through aggressive employee training and regular Safety Committee meetings at each of the City's major Departments, as per FY 2016 audit, workers compensation costs have decreased slightly resulting in an operating surplus of \$71,618 which increases fund balance to \$141, 438. The City budgeted \$7,000,000 in both FY 2017 and FY 2018 to the Workers Compensation Self-Insurance Fund.

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 (\$1,844,808) for the year ending June

30, 2016 which when added to the (\$3,584,031) deficit existing at the close of FY 2014-2015 brings the total negative fund balance to (\$5,428,842). The City budgeted \$72,668,210, from its General Fund, in FY 2017 and \$76,668,210 in FY 2018 to the Medical Self Insurance Fund. \$1 million was budgeted in FY 2018 as part of a five year strategy to eliminate the deficit in Medical Self Insurance.

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 police officers and firefighters are eligible under the Policemen and Firemen's Pension Fund (P&F).

The first pension system for City employees was established in 1937. The Special Act establishing this fund was repealed in 1939 when CERF was created. Separate pension funds for police officers and firefighters, respectively known as the Policemen's Relief Fund and the Firemen's Relief Fund (later collectively called as Police and Fire Plan No. 1) were established in 1899. In 1957, Police and Fire Plan No. 2, which combined the formerly separate police and fire retirement funds, was for police officers and firefighters hired after December 31, 1957. Police and Fire Plan No. 1 and Police and Fire Plan No.2 were merged into a single pension fund, by means of an ordinance adopted on May 29, 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 \$153,440,281 (as of June 30, 2016) per actuarial valuation. The P&F market value of plan assets has grown from \$115,987,200 (as of June 30, 1992) to \$302,717,214 (as of June 30, 2016) per actuarial evaluation.

The FY 2016 audited pension contribution for CERF was \$19,555,672, and the FY 2016 audited pension contribution for P&F was \$26,306,000. The ADC (Actuarial Determined Contribution) for CERF and P&F for FY 2017 were \$19,904,911 and \$27,081,778, respectively. The ADC (Actuarial Determined Contribution) for CERF and P&F for FY 2018 are \$21,662,917 and \$34,607,857, respectively. As of June 30, 2016, there were 1,103 retirees and beneficiaries receiving benefits from CERF with 943 active plan members and 85 members who had contingent eligibility for a deferred benefit or a return of their own contributions. As of June 30, 2016, there were 1,290 retirees and beneficiaries receiving benefits from P&F with 752 active plan members and 39 members who had contingent eligibility for a deferred benefit or a return of their own contributions.

The funded ratios, which are defined to be the percentage that is obtained when the actuarial value of the plan assets are divided by the total actuarial accrued liability of the plan, was 38.2% for CERF and 43.8% for P&F in FY 2016.

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 and for FY 2018.

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

<u>Fiscal Year</u>	<u>General Fund Contribution</u>	<u>Total Expenditures</u>	<u>%</u>
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	45,597,493	545,931,996	8.40
2017 ⁽¹⁾	47,895,440	523,340,196	9.20
2018 ⁽²⁾	56,570,774	538,906,953	10.50

⁽¹⁾ Fiscal year ending 6-30-17 is budgeted.
⁽²⁾ Fiscal year ending 6-30-18 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%
6/30/2016	285,069,843	38.2%

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%
6/30/2016	435,398,142	43.8%

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 audited \$28,303,000 was paid, \$29,672,673 was budgeted for FY 2017 and \$31,601,629 is budgeted for FY 2018.

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 was budgeted in FY 2017 and a contribution of \$405,000 is budgeted for FY 2018.

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

	2012	2013	2014	2015	2016
Enrollment	20,516	21,420	21,718	21,315	21,890
Schools	44	47	47	47	47
Teaching Positions ⁽¹⁾	1,474	1,472	1,398	1,348	1,505
Administrative Positions ⁽¹⁾	113	112	113	112	113
Non-Certified Positions ⁽¹⁾	808	660	696	691	692
Total Personnel	2,395	2,244	2,207	2,151	2,310
General Fund Expenditures	\$176,537,704	\$174,774,403	\$177,199,032	\$177,202,076	-
Special Fund Expenditures	121,158,932	119,961,089	104,018,806	133,945,649	-
Total Expenditures	\$297,696,636	\$294,735,492	\$281,217,838	\$311,147,725	-

⁽¹⁾ 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 2016, 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 2017 and FY 2018.

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. Total indebtedness is limited to seven (7) times such tax collections. 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, 2017

Pro Forma

Total tax collections (including interest and lien fees) received for the year ended June 30, 2016 ⁽¹⁾	\$248,207,063
Reimbursement for revenue loss from: Tax Relief for the Elderly	=
Base	<u>\$248,207,063</u>

Debt Limitation	General	Schools	Sewers	Urban Renewal	Unfunded Pensions	Totals
2-1/4 times base	\$558,465,892	\$ -	\$ -	\$ -	\$ -	\$ 558,465,892
4-1/2 times base	-	1,116,931,784	-	-	-	1,116,931,784
3-3/4 times base	-	-	930,776,486	-	-	930,776,486
3-1/4 times base	-	-	-	806,672,955	-	806,672,955
3 times base	-	-	-	-	744,621,189	744,621,189
Total Debt Limitation⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,737,449,441
Indebtedness ⁽³⁾						
Bonds Payable	\$282,773,900	\$215,993,870	\$ -	\$23,685,360	\$ -	\$522,453,130
Grant Anticipation Note ⁽⁴⁾	-	56,587,951	-	-	-	56,587,951
Bond Anticipation Notes	-	-	-	-	-	-
School Grants Receivable	-	(24,107,993)	-	-	-	(24,107,993)
Bonds Authorized and Unissued ⁽⁵⁾	-	216,255,187	-	-	-	216,255,187
Total Indebtedness	\$282,773,900	\$464,729,015	\$ -	\$23,685,360	\$ -	\$771,188,275
Component Unit Indebtedness ⁽⁶⁾						
New Haven Parking Authority	\$8,164,000	\$ -	\$ -	\$ -	\$ -	\$8,164,000
New Haven Solid Waste Authority	7,945,000	-	-	-	-	7,945,000
Total Indebtedness	\$298,882,900	\$464,729,015	\$ -	\$23,685,360	\$ -	\$787,297,275
Debt Limitation in Excess of Outstanding and Authorized Debt	\$(298,882,900)	\$(464,729,015)	\$ -	\$(23,685,360)	\$ -	\$950,152,166

⁽¹⁾ Collections through June 30, 2016 (Unaudited).

⁽²⁾ Total indebtedness is limited to seven (7) times aggregate annual receipts of the City from taxation for the most recent fiscal year.

⁽³⁾ As of June 30, 2017.

⁽⁴⁾ The City issues grant anticipation notes in the form of a revolving loan agreement pending the receipt of State grants for school construction projects.

⁽⁵⁾ Includes approximately \$216 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.

⁽⁶⁾ As of June 30, 2017.

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)

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Type</u>	<u>Amount</u>	<u>As a Percent of Total Expenditures</u>
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	505,948,292	City	56,381,040	11.14%
2017 ⁽¹⁾	523,340,196	City	66,735,181	12.75%
2018 ⁽²⁾	538,906,953	City	57,846,672	10.73%

⁽¹⁾ Fiscal year ending 6-30-17 is unaudited.

⁽²⁾ Fiscal year ending 6-30-18 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. The \$94.3 million FY 2017 Capital Budget focused on economic development, education, public works, finance

initiatives, police and fire services, golf course and parks. City bonding accounted for \$46.2 million, State funding provided \$44.8 million, Federal funding provided \$1.1 million and \$2.2 million will be reimbursed by the golf course enterprise fund to the general fund for improvements made at the golf course.

As described in the Capital Improvement section, the FY 2018 Capital Budget and five-year plan focuses on education, economic development, engineering, libraries, public works, police and fire services, and parks.

FY 2018

	<u>Amount</u>
City Bonding	\$43,300,000
State Funding - Non School Construction	20,600,000 ⁽¹⁾
State Funding - New School Construction	- ⁽²⁾
State Funding - Adjusted School Construction Projects	-
Federal Funding	4,800,000
Enterprise Funding	-
Total Capital Budget	\$68,700,000

(1) Does not include school construction.

(2) Includes new State funded school projects.

The table below reflects the City’s outstanding debt for FY ended June 30, 2017.

Table 15
Outstanding Debt 2012-2017
for Fiscal Years Ended June 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Obligation Bonds	\$502,438,764	\$502,002,907	\$514,855,326	\$515,645,466	\$522,993,825	\$522,453,130
Short Term Debt	49,181,244	67,925,927	56,552,843	50,290,885	68,825,028	56,587,951
Other Long Term Debt	19,305,969	17,765,794	17,362,601	11,884,196	9,600,551	9,600,551
Gross Direct Debt	570,925,977	587,694,628	588,770,770	577,820,547	601,419,404	588,641,632
Gross Overall Debt	570,925,977	587,694,628	588,770,770	577,820,547	601,419,404	588,641,632
Deductions						
GNHWPCA	-	-	-	-	-	-
GNHWPCA Short Term Debt	-	-	-	-	-	-
Grants Receivable	44,053,538	39,494,765	34,668,231	28,387,548	24,107,993	19,191,897
Notes Receivable	49,181,244	67,925,927	56,552,843	50,290,885	68,825,028	56,587,951
Net Direct Debt	\$477,691,195	\$480,273,936	\$497,549,696	\$499,142,114	\$508,486,382	\$512,861,784

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, 2017**

General Obligation, Education and Sewers

Year	Principal	Interest ⁽¹⁾	Total
2018	\$41,156,302.79	\$24,242,361.65	\$65,398,664.44
2019	43,918,610.19	22,319,757.53	66,238,367.72
2020	45,394,033.53	20,255,161.56	65,649,195.09
2021	45,177,876.96	18,198,589.43	63,376,466.39
2022	43,347,371.23	16,098,313.53	59,445,684.76
2023	41,918,307.87	14,079,624.06	55,997,931.93
2024	40,809,045.39	12,090,022.05	52,899,067.44
2025	39,756,738.94	10,111,945.17	49,868,684.11
2026	25,319,545.01	8,549,167.21	33,868,712.22
2027	25,122,508.66	7,358,349.80	32,480,858.46
2028	23,470,633.04	6,224,199.20	29,694,832.24
2029	21,568,921.39	5,168,155.85	26,737,077.24
2030	19,217,377.04	4,182,020.85	23,399,397.89
2031	15,905,090.72	3,217,734.68	19,122,825.40
2032	14,744,626.41	2,516,414.62	17,261,041.03
2033	12,954,059.43	1,876,372.22	14,830,431.65
2034	11,025,000.00	1,298,875.00	12,323,875.00
2035	9,605,000.00	783,125.00	10,388,125.00
2036	7,130,000.00	364,750.00	7,494,750.00
2037	3,730,000.00	93,250.00	3,823,250.00
Total	\$531,271,049	\$179,028,189	\$710,299,238

(1) 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 and bond anticipation notes under the Agreement which expires on May 26, 2020. As of June 30, 2017, the City has \$60,858,999 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, 2017 the City had \$216,255,187 of authorized but unissued debt for projects in the FY 2017 capital budget and amounts remaining from previous capital budgets. As of June 30, 2017 the City had \$216,255,187 of authorized but unissued debt for projects in the FY 2016-2017 capital budget and amounts remaining from previous capital budgets. A significant portion of authorized but unissued debt for capital projects will be reimbursable from incoming state grants for these projects. Some of these projects, including but not limited to the school construction program, are considered reimbursable.

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, 2017

GENERAL OBLIGATION DEBT		
General Purpose	\$282,773,900	
Schools	215,993,870	
Sewer	-	
Urban Renewal	<u>23,685,360</u>	
Subtotal General Obligation Debt	522,453,130	
Total General Obligation Debt		\$522,453,130
SHORT-TERM DEBT		
Bond Anticipation Notes	-	
Short Term Notes	-	
Grant Anticipation Notes ⁽¹⁾	<u>56,587,951</u>	
Total Short Term Debt		\$56,587,951
OTHER LONG-TERM DEBT		
Contractual Agreement Sewer (GNHWPCA) ⁽²⁾	7,723,314	
Operating Lease Obligations ⁽³⁾⁽⁴⁾	1,628,237	
Shubert Theater (CAPA)	<u>249,000</u>	
Total Other Long Term Debt		<u>9,600,551</u>
GROSS DIRECT DEBT		<u>\$588,641,632</u>
GROSS OVERALL DEBT		\$588,641,632
DEDUCTIONS		
EDUCATION		
Grants Receivable ⁽¹⁾	19,191,897	
Notes Receivable ⁽¹⁾	<u>56,587,951</u>	
Total Deductions		75,779,848
NET DIRECT DEBT		<u><u>\$512,861,784</u></u>

- ⁽¹⁾ School Construction Grants receivable of \$92,933,021 are to be reimbursed by the State of Connecticut.
- ⁽²⁾ 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.
- ⁽³⁾ The City leases office space under non-cancelable operating leases. As of June 30, 2017 the total future minimum rental payments under these leases are as follows:

Fiscal Year	Principal
2018	\$ 486,355
thereafter	<u>1,141,881</u>
Total	<u>\$ 1,628,237</u>

- ⁽⁴⁾ 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, 2017.

Table 18
Debt Ratios
Pro Forma as of June 30, 2017

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Percentage of Debt to Net Taxable Grand List⁽²⁾</u>	<u>Percentage of Debt to Full Value Grand List⁽³⁾</u>
Gross Direct Debt	\$592,912,680	\$4,550	9.00%	6.30%
Gross Overall Debt	\$592,912,680	\$4,550	9.00%	6.30%
Net Direct Debt	\$512,861,784	\$3,935	7.78%	5.45%

- (1) The population of the City is from the 2015 Census estimate: 130,322
 (2) The Net Taxable Grand List of the City dated October 1, 2016 is \$6,589,755,761.
 (3) The full value of the taxable property of the City at October 1, 2014 is \$9,413,801

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>2022</u>	<u>Total</u>
Finance & Information							
Technology	\$2,400,000	\$2,500,000	\$8,100,000	\$8,300,000	\$8,300,000	\$8,400,000	\$38,000,000
Library	2,255,000	1,540,000	1,230,000	1,130,000	730,000	730,000	7,615,000
Parks	7,445,000	7,290,000	6,455,000	5,825,000	5,965,000	5,500,000	38,480,000
Public Safety							
Communications	-	225,000	-	-	-	-	225,000
Police	1,160,000	1,285,000	1,935,000	1,910,000	1,910,000	1,885,000	10,085,000
Fire	2,000,000	1,525,000	1,975,000	1,975,000	2,000,000	2,050,000	11,525,000
Health & Welfare	357,570	600,000	535,000	560,000	495,000	520,000	3,067,570
Public Works	3,528,034	6,200,000	16,268,108	6,168,108	6,198,108	6,198,108	44,560,466
Engineering	13,975,000	33,235,000	6,900,000	6,650,000	6,650,000	6,650,000	74,060,000
Economic Development	11,350,000	8,500,000	9,370,022	8,753,934	7,749,946	7,591,322	53,315,224
Education	49,800,000	5,800,000	48,675,000	61,625,000	74,645,000	10,645,000	251,190,000
Total Budget	\$ 94,270,604	\$68,700,000	\$101,443,130	\$102,897,042	\$114,643,054	\$50,169,430	\$532,123,260
City Funding	\$46,185,000	\$43,300,000	\$74,492,022	\$61,523,934	\$62,875,334	\$48,346,322	\$336,722,612
State Funding	\$44,735,604	\$20,600,000	\$26,801,108	\$41,223,108	\$51,617,720	\$1,673,108	\$186,650,648
Federal Funding	\$1,100,000	\$4,800,000	\$150,000	\$150,000	\$150,000	\$150,000	\$6,500,000
Enterprise Funding	\$2,250,000	\$-	\$-	\$-	\$-	\$-	\$2,250,000
Total City Budget	\$94,270,604	\$68,700,000	\$101,443,130	\$102,897,042	\$114,643,054	\$50,169,430	\$532,123,260

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 15th 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 2018 Capital Budget

- \$33.2 million for the Engineering department for street and sidewalk reconstruction, various bridge projects, facility rehabilitation, and street light upgrades.
- \$8 million for economic development departments to support the various development projects throughout the City
- \$5.8 million for Education for other general improvements and upkeep to school buildings and equipment, including computers. \$6.2 ~~\$3.5~~ million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program.
- \$2.8 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.
- \$2.45 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
- \$1.5 million for the Library department for various upgrades and improvements.
- \$450,000 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. 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.

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 2016

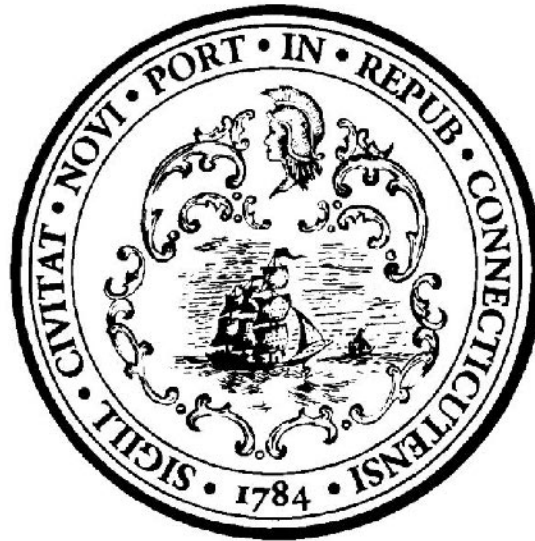
**Comprehensive
Annual
Financial
Report**

July 1, 2015 to June 30, 2016



CITY OF NEW HAVEN, CONNECTICUT

Comprehensive Annual Financial Report



Fiscal Year 2016

July 1, 2015 – June 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF NEW HAVEN, CONNECTICUT
FOR THE FISCAL YEAR ENDED
June 30, 2016



Prepared by the Department of Finance

Daryl Jones, Controller
Carleen Laffitte, Chief Accountant

Harold Brooks, Senior Accountant
Joseph Montagna, Accountant IV
Linda Robinson, Accountant II
Jean Iannuzzi, Financial Analyst

Maria Hunt, Accountant I
Andre Wilson, Audit Coordinator
Robert Mignosa, Account Clerk I

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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 28, 2017

To The Honorable Mayor and Board
of Alders 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, 2016.

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, 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, 2016. 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 130,282. 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 (2013 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 2021. 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 \$480 million. Financing, net of state and federal project grants, for these projects would

require debt proceeds of approximately \$288 million. The financial impact of these initiatives is reviewed and approved by the Capital Projects Committee and then by the Board of Aldermen.

Relevant Financial Policies

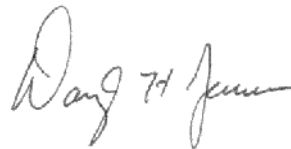
The City and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and to ensure budgetary control and compliance with approved budgets. All annual budgets are recommended by the Mayor to the Board of Aldermen, which approves the final 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) awards Certificate of Achievement for Excellence in Financial Reporting. 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 City of New Haven has been awarded this Certificate for the past three fiscal years (fiscal year 13, 14 and 15).

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 black ink, appearing to read "Daryl H. Jones". The signature is fluid and cursive, with the first name "Daryl" being the most prominent.

Daryl H. Jones
Controller

City of New Haven, Connecticut
Principal City Officials
June 30, 2016

Mayor

Toni N. Harp

Mayors Cabinet

Tomas Reyes, Chief of Staff
John Rose, Acting Corporation Counsel
Reginald Mayo, Interim 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. Evelyn Rodriguez
5. Dave Reyes Jr.
6. Dolores Colón
7. Alberta L. Witherspoon
8. Aaron Greenberg
9. Jessica Holmes
10. Anna Festa

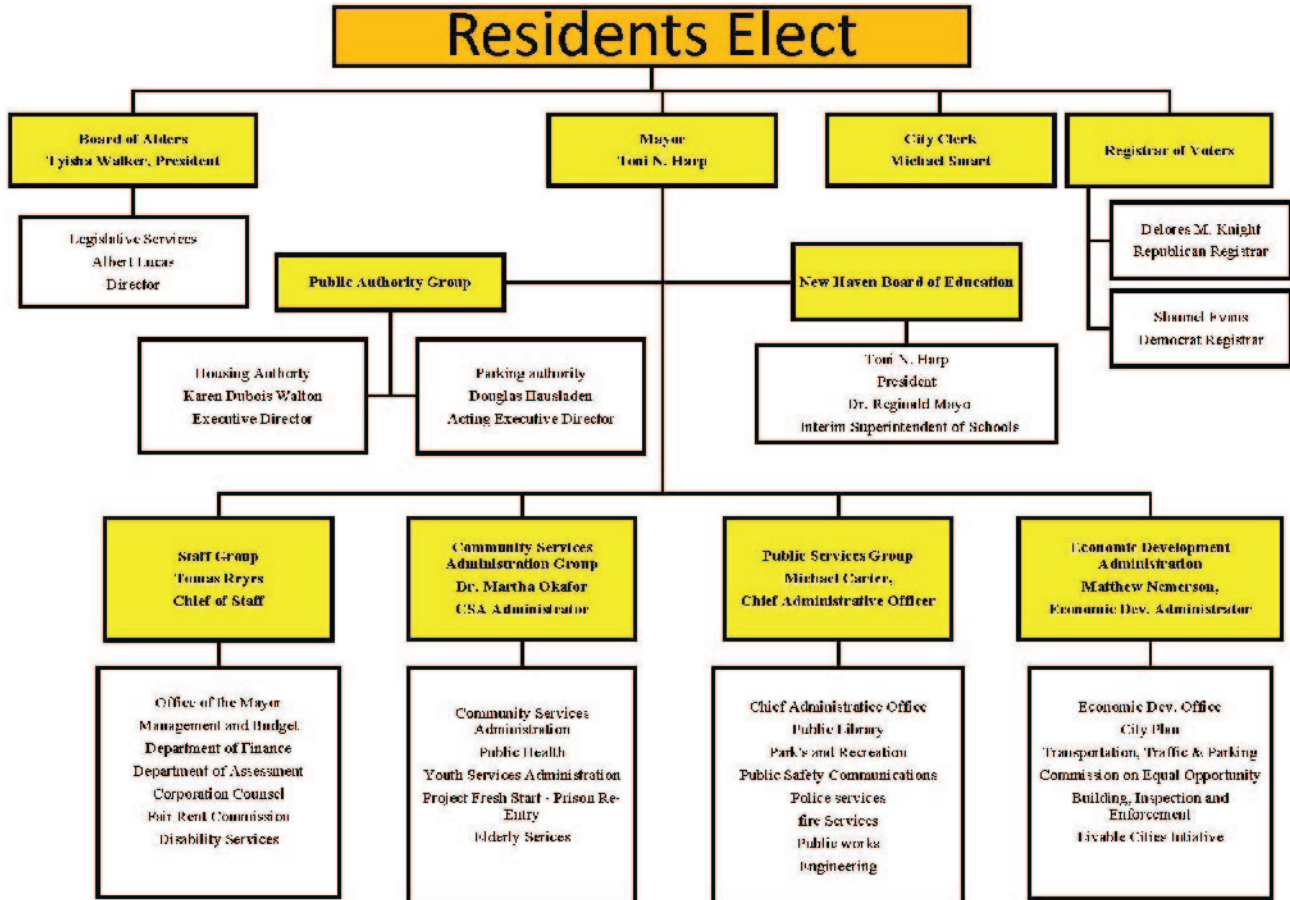
Ward

11. Barbara Constantinople
12. Gerald M. Antunes
13. Rosa Santana
14. Santiago Berrios-Bones
15. Ernie G. Santiago
16. Jose Crespo
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. Jill L. Marks
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, 2015

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

RSM US LLP

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, 2016, 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%, 93% and 78%, 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.

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, 2016, 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.

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 28, 2017 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 28, 2017

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**City of New Haven, Connecticut
Management's Discussion and Analysis, Unaudited
June 30, 2016**

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, 2016. 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

- The City finished FY 16 with a General Fund (primary operating fund) budgetary operating surplus of \$297,604 (see exhibit D).
- As of the year-end, the General Fund had a fund surplus of \$2,023,605 (see exhibit C). This was an improvement from a fund balance of \$1,726,001 at the close of FY 15.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$63,333,575, an increase of \$10,453,750 in comparison with the prior year (see exhibit C).
- On a government-wide basis, the City's total net position was \$216,082,462 (see Table 1).
- The City's mill rate was 41.55 (per thousand) in FY16 which was equal to the FY 14-15 mill rate of 41.55.
- The City's FY16, total net taxable grand list decreased to \$6,093,436,982 as compared to FY15 total net taxable grand list of \$6,115,399,159
- As of the year-end, the Education Grant Fund reported a fund balance of \$2,772,415. This is an increase of \$1,195,197 from the fund balance of \$1,577,218 at the close of FY 15 (see exhibit D).
- As of the year-end, the Capital Projects Fund reported a fund balance of \$47,491,906 which is an increase of \$4,387,311 from 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 increased from a year ago by \$330,504. 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 \$8,400,000 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 and deferred outflows exceeded liabilities and deferred inflows by \$216,082,462 at the close of the fiscal year ended June 30, 2016. The decrease was due to an increase in intergovernmental revenues offset by an increase in expenditures.

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, 2016 and 2015

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 230,489,692	\$ 204,197,106	\$ 907,822	\$ 783,119	\$ 231,397,514	\$ 204,980,225
Capital assets	1,536,083,510	1,470,555,042	-	-	1,536,083,510	1,470,555,042
Total assets	1,766,573,202	1,674,752,148	907,822	783,119	1,767,481,024	1,675,535,267
Deferred amounts	99,329,359	75,133,349	-	-	99,329,359	3,787,529
Total deferred outflows of resources	99,329,359	75,133,349	-	-	99,329,359	3,787,529
Other liabilities	224,053,232	161,559,427	307,977	313,760	224,361,209	161,873,187
Long-term liabilities outstanding	1,421,434,356	1,369,154,689	-	-	1,421,434,356	1,369,154,689
Total liabilities	1,645,487,588	1,530,714,116	307,977	313,760	1,645,795,565	1,531,027,876
Unavailable revenues	4,932,356	3,888,782	-	-	4,932,356	3,888,782
Total deferred inflows of resources	4,932,356	3,888,782	-	-	4,932,356	3,888,782
Net position:						
Net investment in capital assets	956,517,425	918,930,231	-	-	956,517,425	918,930,231
Restricted	10,763,525	13,528,982	-	-	10,763,525	13,528,982
Unrestricted	(751,798,333)	(717,176,614)	599,845	469,359	(751,198,488)	(716,707,255)
Total net position	\$ 215,482,617	\$ 215,282,599	\$ 599,845	\$ 469,359	\$ 216,082,462	\$ 215,751,958

The change in governmental net position is illustrated below:

**City of New Haven, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2016 and 2015**

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 32,702,396	\$ 40,886,610	\$ 1,106,538	\$ 1,175,155	\$ 33,808,934	\$ 42,061,765
Operating grants and contributions	396,220,688	327,560,388	-	-	396,220,688	327,560,388
Capital grants and contributions	75,476,816	38,134,971	-	-	75,476,816	38,134,971
General Revenues:						
Property taxes	249,774,495	251,874,699	-	-	249,774,495	251,874,699
Grants and contributions not restricted to specific programs	59,929,086	61,506,528	-	-	59,929,086	61,506,528
Investment earnings	(4,392)	(7,977)	577	-	(3,815)	(7,977)
Total revenues	814,099,089	719,955,219	1,107,115	1,175,155	815,206,204	721,130,374
Expenses:						
Program Expenses:						
General government	42,621,112	45,019,352	-	-	42,621,112	45,019,352
Education	551,621,913	471,239,560	-	-	551,621,913	471,239,560
Public Safety	112,584,258	118,802,515	-	-	112,584,258	118,802,515
Public Works	46,241,701	36,357,486	-	-	46,241,701	36,357,486
Public Services	32,628,293	35,959,603	-	-	32,628,293	35,959,603
Economic Development	8,673,822	14,227,659	-	-	8,673,822	14,227,659
Interest on long-term debt	19,597,972	25,948,757	-	-	19,597,972	25,948,757
Business type	-	-	906,629	1,206,943	906,629	1,206,943
Total expenses	813,969,071	747,554,932	906,629	1,206,943	814,875,700	748,761,875
Excess(deficiency) before transfers	130,018	(27,599,713)	200,486	(31,788)	330,504	(27,631,501)
Transfers	70,000	110,000	(70,000)	(110,000)	-	-
Change in net position	200,018	(27,489,713)	130,486	(141,788)	330,504	(27,631,501)
Net Position, beginning	215,282,599	242,772,312	469,359	611,147	215,751,958	243,383,459
Net Position, ending	\$ 215,482,617	\$ 215,282,599	\$ 599,845	\$ 469,359	\$ 216,082,462	\$ 215,751,958

Expenses and Program Revenues – Governmental Activities

Governmental activities' revenues totaled approximately \$814.1 million for fiscal year 2016. Operating grants and contributions are the largest revenue source for the City and represent 48.6 percent of the governmental revenues. Property taxes are the City's second largest revenue and represent 30.7 percent of the governmental revenues. Grants and contributions not restricted to specific programs represent 21.7 percent.

On an overall basis, revenues increased by \$94.1 million over FY 15. Property taxes decreased by \$2.0 million, operating grants and contributions increased by \$69 million while capital grants and contributions increased by \$37 million.

Expenses

Governmental expenses totaled \$814.0 million for the fiscal year. Of the expenditures, 67.7 percent is related to education; 13.8 percent is related to public safety; 5.2 percent to general government; and 4.0 percent to public services.

Education expenses increased 17.0 percent and economic development decreased by 5.0 percent, mainly due to fewer projects ongoing in the City and overtime.

General Fund: Fund Balance, Ratings and City Debt

The year ending audited General Fund-Fund balance is \$2,023,605 with no additional portion of fund balance being designated as “Nonspendable” (see page 30 for definition). The FY 15 fund balance was \$1,726,001.

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 2016, Standard & Poor’s maintained it’s a- rating while assuming a positive outlook. Fitch maintained it’s a- stable outlook while Moody’s downgraded the City to Baa1 stable outlook.

Moody's Investment Services	Baa1 stable
Standard and Poor's	A- positive
Fitch Investors Services	A- stable

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. Contributing to the Moody’s downgrade were the City’s reliance on one-time revenues, declining reserves and large unfunded pension and other postemployment benefit (OPEB) liabilities.

The City's bonds outstanding, as of June 30, 2016 totaled \$522,993,825 compared to June 30, 2015 total of \$515,645,466.

Bonds Outstanding at Year-End

June 30, 2016	\$ 522,993,825
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 percent of its costs to the City's Board of Education (includes both school construction and non-school construction capital costs) and 42 percent 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, 2016 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

	2016	2015
Land	\$ 44,140,306	\$ 44,140,306
Construction in process	68,426,665	64,826,111
Land improvements	8,061,529	8,015,414
Building and improvements	1,267,526,811	1,211,506,275
Machinery and equipment	27,389,911	25,512,298
Vehicles	12,589,556	9,769,206
Infrastructure	107,948,732	106,785,432
Total	\$ 1,536,083,510	\$ 1,470,555,042

Major projects during FY16 included commitments for Economic Development, Engineering, Parks, Technology and Education.

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

FY16 General Fund Budget

FY16 General Fund Budget

The following table summarizes the General Fund operating results for FY16:

	Original Budget	Final Budget	Actual	Positive (Negative) Variance
Revenues	\$ 507,875,241	\$ 507,875,241	\$ 506,245,899	\$ (1,629,342)
Expenditures	507,875,041	507,875,241	505,948,292	1,926,949
Surplus/(Deficit)	\$ 200	\$ -	\$ 297,607	\$ 297,607

The budget decreased by -0.09% or \$463kn over the previous year, and the mill rate was 41.55 mills which was equal to the mill rate in FY 14-15. Budgeted property tax revenue increased by \$999k. The revenue budget reflected the State approved budget which maintained core Education Cost Sharing funding but eliminated School transportation funding and maintained all other state revenue. The revenue budget contained no one time revenue and it saw several line items adjusted downwards or upwards to reflect actual revenues from the prior year. These included modest decreases in park receipts and NHPA PILOT, while there were increases in parking meter receipts and parking tags.

In terms of expenditures, much of the FY16 budgeted growth was offset by reductions in the Debt Service budget of (\$4.9m), overtime in public safety of (\$3m), and (\$2.5m) reductions in contract reserve for labor negotiations and the Rainy Day replenishment line item. Major increases included an increase of \$3m in Education funding, \$2 million in pensions and FICA/social Security, \$3.3m in salary increase, \$1.7m in rentals and services and a \$900k increase in medical benefits.

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 \$1,920,333 under budget.

On December 21, 2015 the Board of Alders approved a budget transfer of \$3,584,025, in savings arising from the Bond Sale Committee's approval on August 19, 2015 of a re-funding of previously issued debt that led to cash flow savings in the FY 15-16 debt service line item. These savings were designated by the Board to be applied to eliminate a projected shortfall in medical benefits.

Many General Fund Departments remained within budget. The most notable exceptions being Corporation Counsel, Parks, Fire, Police, FICA/Medicare and health benefits. Departments or functions which performed significantly under budget included Legislative Services, Assessors, Health, Self Insurance claims and the Workers Compensation program as expenditures were significantly improved from the prior year and under budget.

Revenues

The revenue budget was short of budget by (\$1,629,342) due primarily to property taxes not achieving budget by (\$1,890,594) and State Aid falling short of budget by (\$1,642,514). Categories which helped offset these shortfalls were real estate conveyance tax which exceeded budget by \$996,308, police vehicle extra duty which exceeded budget by \$428,887 and Controllers miscellaneous which exceeded budget by \$612,438.

Taxes

Property Taxes did not achieve budget as the overall collection rate slightly decreased but remained at a very strong 98.30%. Real Estate property taxes, the largest tax roll, achieved a collection rate of 98.83% which was an increase over 98.74% in FY 15. The shortfall to budget was due to under budget collections in delinquent taxes thus coming up (\$363,067) short versus budget. There also was a drop in the motor vehicle tax collection rate from 93.48% to 92.76% thereby being (\$569,125) short of budget. Lastly, the property tax initiative line item was short of budget due by \$822,646 reflecting the fact that the overall collection rate did not increase.

State aid

Actual State aid received was (\$1.6m) less than budget and was attributable to the Municipal Revenue Sharing shortfall of (\$1,002,745) coupled with shortfalls in PILOT: State Property (\$472,068) and PILOT: Colleges & Hospitals (\$208,601).

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 \$3.9m which is entirely attributed to case reserves as revenues of \$1,750,762 slightly exceeded expense of \$1,743,945. Additionally the City has 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 (\$1,844,808) for the year ending June 30, 2016 which when added to the (\$3,584,031) deficit existing at the close of FY 14-15 brings the total negative fund balance to (\$5,428,842).

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 \$71,618 which increases fund balance to \$141,648.

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 2016, Capital Project Funds collectively had a net deficit of (\$16,338,519) which was a decrease from the prior year deficit of (\$44,340,625).

Education Grants:

The City's Education Grant Funds reported revenues of \$82.3 million and expenses revenues and other financing sources totaling \$84.6 million for a net positive operating result of \$1,074,343 and an ending fund balance of \$3,163,730.

Tax Collections:

The City's tax collection rate for FY16 was 98.30%, a decrease from the prior year's rate of 98.32%. Total collections on current (Grand List 2014) taxes were as follows:

Real Estate	\$ 205,001,759
Personal Property	26,194,167
Motor Vehicle	14,106,994
Supplemental Motor Vehicle	2,663,997
Total	<u>\$ 247,966,917</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 Tyisha Walker, Finance Committee Chair Evette Hamilton 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, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total *	Parking Authority	Solid Waste Authority
Assets					
Cash and cash equivalents	\$ 80,014,973	\$ 821,253	\$ 80,836,226	\$ 25,189,786	\$ 2,082,971
Investments	8,897,229	-	8,897,229	-	-
Receivables (net of allowance for uncollectible)	77,816,001	12,513	77,828,514	1,648,646	619,654
Inventories	51,951	-	51,951	-	-
Prepaid expenses and other assets	-	-	-	61,512	-
Due from component units	4,689,922	-	4,689,922	-	-
Internal balances	(74,056)	74,056	-	-	-
Restricted cash and cash equivalents	37,797,000	-	37,797,000	-	2,794,298
Long-term intergovernmental receivables	21,296,672	-	21,296,672	-	-
Capital assets not being depreciated	112,566,971	-	112,566,971	3,693,042	2,455,000
Capital assets being depreciated, net	1,423,516,539	-	1,423,516,539	32,247,900	4,381,857
Total assets	1,766,573,202	907,822	1,767,481,024	62,840,886	12,333,780
Deferred outflows of resources:					
Deferred pension expense	91,895,034	-	91,895,034	-	-
Deferred charges on refunding	7,434,325	-	7,434,325	-	-
	99,329,359	-	99,329,359	-	-
Liabilities					
Accounts payable and accrued liabilities	81,959,212	307,977	82,267,189	2,109,343	998,761
Accrued interest payable	8,634,178	-	8,634,178	29,254	-
Due to fiduciary funds	469,803	-	469,803	-	-
Due to primary government	-	-	-	4,600,503	89,419
Unearned revenue	1,591,190	-	1,591,190	-	-
Long-term liabilities:					
Due within one year	131,398,849	-	131,398,849	992,000	495,000
Due in more than one year	1,421,434,356	-	1,421,434,356	7,172,000	7,450,000
Total liabilities	1,645,487,588	307,977	1,645,795,565	14,903,100	9,033,180
Deferred inflows of resources:					
Advanced tax collections	4,932,356	-	4,932,356	-	-
Total deferred inflows of resources	4,932,356	-	4,932,356	-	-
Net position:					
Net investment in capital assets	956,517,425	-	956,517,425	27,776,942	1,364,027
Restricted for:					
Expendable:					
Education	2,720,464	-	2,720,464	-	-
Public service	2,248,899	-	2,248,899	13,966,785	-
General government	3,412,842	-	3,412,842	-	-
Public works	-	-	-	-	182,521
Nonexpendable:					
Permanent funds	2,381,320	-	2,381,320	-	-
Unrestricted (deficit)	(751,798,333)	599,845	(751,198,488)	6,194,059	1,754,052
Total net position	\$ 215,482,617	\$ 599,845	\$ 216,082,462	\$ 47,937,786	\$ 3,300,600

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, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ (42,621,112)	\$ 18,017,111	\$ 9,200,000	\$ -
Education	(551,621,913)	59,900	350,996,971	72,309,063
Public safety	(112,584,258)	3,089,292	-	-
Public works	(46,241,701)	11,033,514	9,231,371	1,927,682
Public services	(32,628,293)	502,579	26,792,346	1,240,071
Economic development	(8,673,822)	-	-	-
Interest on long-term debt	(19,597,972)	-	-	-
Total governmental activities	(813,969,071)	32,702,396	396,220,688	75,476,816
Business-type activities:				
Golf course	(744,836)	934,309	-	-
Skating rink	(149,320)	161,517	-	-
East Rock communications tower	(12,473)	10,712	-	-
Total business-type activities	(906,629)	1,106,538	-	-
Total primary government	(814,875,700)	33,808,934	396,220,688	75,476,816
Component units:				
Parking Authority	(23,395,036)	25,129,202	-	-
Solid Waste Authority	(6,669,602)	6,943,045	-	-
Total component units	(30,064,638)	32,072,247	-	-

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
 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	
\$ (15,404,001)	\$ -	\$ (15,404,001)	\$ -	\$ -	
(128,255,979)	-	(128,255,979)	-	-	
(109,494,966)	-	(109,494,966)	-	-	
(24,049,134)	-	(24,049,134)	-	-	
(4,093,297)	-	(4,093,297)	-	-	
(8,673,822)	-	(8,673,822)	-	-	
(19,597,972)	-	(19,597,972)	-	-	
(309,569,171)	-	(309,569,171)	-	-	
-	189,473	189,473	-	-	
-	12,197	12,197	-	-	
-	(1,761)	(1,761)	-	-	
-	199,909	199,909	-	-	
(309,569,171)	199,909	(309,369,262)	-	-	
-	-	-	1,734,166	-	
-	-	-	-	273,443	
-	-	-	1,734,166	273,443	
249,774,495	-	249,774,495	-	-	
59,929,086	-	59,929,086	-	-	
(4,392)	577	(3,815)	169,526	11,816	
70,000	(70,000)	-	-	-	
309,769,189	(69,423)	309,699,766	169,526	11,816	
200,018	130,486	330,504	1,903,692	285,259	
215,282,599	469,359	215,751,958	46,034,094	3,015,341	
\$ 215,482,617	\$ 599,845	\$ 216,082,462	\$ 47,937,786	\$ 3,300,600	

**Balance Sheet - Governmental Funds
June 30, 2016**

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 29,924,330	\$ 14,441,671	\$ 15,280,245	\$ 19,322,876	\$ 78,969,122
Investments	2,647,269	-	-	6,249,960	8,897,229
Restricted cash	-	-	37,797,000	-	37,797,000
Receivables from other governments	24,117,512	3,948,531	42,223,823	2,290,764	72,580,630
Receivables, net	21,296,672	428,252	447,358	271,573	22,443,855
Due from other funds	6,359,885	1,457,506	9,776,899	-	17,594,290
Inventories	-	51,951	-	-	51,951
Total assets	\$ 84,345,668	\$ 20,327,911	\$ 105,525,325	\$ 28,135,173	\$ 238,334,077
Liabilities					
Accounts payable	\$ 25,783,898	\$ 6,247,828	\$ 15,736,752	\$ 3,620,885	\$ 51,389,363
Accrued liabilities	15,363,999	5,627,991	71,094	220,729	21,283,813
Due to other funds	-	5,678,863	-	10,495,094	16,173,957
Due to other governments	151,137	814	-	439,309	591,260
Unearned revenue	1,410,423	-	-	180,767	1,591,190
Other liabilities	-	-	-	1,802,781	1,802,781
Total liabilities	42,709,457	17,555,496	15,807,846	16,759,565	92,832,364
Deferred inflows of resources:					
Advanced tax collections	4,932,356	-	-	-	4,932,356
Unavailable revenues	34,680,250	-	42,225,573	329,959	77,235,782
Total deferred inflows of resources	39,612,606	-	42,225,573	329,959	82,168,138
Fund balances:					
Nonspendable	-	51,951	-	2,381,320	2,433,271
Restricted	-	2,720,464	47,491,906	8,664,329	58,876,699
Unassigned	2,023,605	-	-	-	2,023,605
Total fund balances	2,023,605	2,772,415	47,491,906	11,045,649	63,333,575
Total liabilities, deferred inflows of resources and fund balances	\$ 84,345,668	\$ 20,327,911	\$ 105,525,325	\$ 28,135,173	

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.	1,536,083,510
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(8,634,177)
Deferred outflows of resources - refunding charges	7,434,325
Deferred inflows of resources - revenues	77,235,782
Deferred outflows of resources - pension items	91,895,034
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.	(9,150,877)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,542,714,555)

Net position of governmental activities \$ 215,482,617

See Notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2016**

	General Fund	Education Grant Funds	Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 250,993,094	\$ -	\$ -	\$ -	\$ 250,993,094
Licenses and permits	18,835,219	-	-	-	18,835,219
Intergovernmental	245,394,710	141,062,097	64,979,904	55,958,451	507,395,162
Charges for services	5,354,164	8,101	-	2,265,444	7,627,709
Fines	5,534,394	-	-	-	5,534,394
Investment earnings	(6,883)	140	-	2,434	(4,309)
Payment in lieu of taxes	1,427,020	-	-	-	1,427,020
Contributions and other	14,396,834	1,670,382	155,393	3,265,771	19,488,380
Total revenues	541,928,552	142,740,720	65,135,297	61,492,100	811,296,669
Expenditures:					
Current:					
General government	27,383,386	-	192,324	4,365,640	31,941,350
Public safety	72,663,255	-	-	-	72,663,255
Public works	16,778,515	-	542,780	4,261,022	21,582,317
Public services	6,467,175	-	-	21,773,889	28,241,064
Other departments	1,210,771	-	-	-	1,210,771
Employee benefits and insurance	137,510,540	-	-	-	137,510,540
Economic development	7,114,301	-	1,410,386	149,135	8,673,822
Education	214,734,762	142,700,575	-	27,410,000	384,845,337
Debt service:					
Principal	37,750,503	-	-	410,000	38,160,503
Interest	24,318,788	-	-	9,184	24,327,972
Capital outlay	-	-	122,802,205	-	122,802,205
Total expenditures	545,931,996	142,700,575	124,947,695	58,378,870	871,959,136
Revenues over (under) expenditures	(4,003,444)	40,145	(59,812,398)	3,113,230	(60,662,467)
Other financing sources (uses):					
Issuance of bonds	-	-	46,700,000	-	46,700,000
Premium on bond issuances	13,078,096	-	-	-	13,078,096
Issuance of grant anticipation notes	-	-	18,534,143	-	18,534,143
Transfers in	-	1,155,052	217,004	1,460,408	2,832,464
Transfers out	(1,511,026)	-	(1,251,438)	-	(2,762,464)
Payment to escrow agent	(60,666,022)	-	-	-	(60,666,022)
Issuance of refunding bonds	53,400,000	-	-	-	53,400,000
Total other financing sources (uses)	4,301,048	1,155,052	64,199,709	1,460,408	71,116,217
Net change in fund balances	297,604	1,195,197	4,387,311	4,573,638	10,453,750
Fund balances, beginning	1,726,001	1,577,218	43,104,595	6,472,011	52,879,825
Fund balances, ending	\$ 2,023,605	\$ 2,772,415	\$ 47,491,906	\$ 11,045,649	\$ 63,333,575

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, 2016

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)	\$ 10,453,750
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.	65,528,468
Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	2,872,421
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.	(29,605,050)
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.	(47,283,200)
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.	<u>(1,766,371)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 200,018</u>

See notes to financial statements.

**Statement of Net Position (Deficit) - Proprietary Funds
June 30, 2016**

	Business-Type Activities - Enterprise Funds	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 821,253	\$ 1,045,851
Accounts receivable (net allowance for uncollectible)	12,513	4,090,060
Due from other funds	87,553	-
Total assets	921,319	5,135,911
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	307,977	2,203,946
Due to other funds	13,497	1,964,192
Accrued estimated healthcare claims	-	6,295,650
Claims and judgments payable	-	2,035,500
Total current liabilities	321,474	12,499,288
Noncurrent liabilities:		
Claims and judgments payable	-	1,787,500
Total noncurrent liabilities	-	1,787,500
Total liabilities	321,474	14,286,788
Net position (deficit):		
Unrestricted	599,845	(9,150,877)
Total net position (deficit)	\$ 599,845	\$ (9,150,877)

See notes to financial statements.

**Statement of Activities - Proprietary Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Charges for sales and services:		
Employer's contribution	\$ -	\$ 92,562,740
Charges for services	-	18,135,107
Other revenue	1,106,538	4,338,125
Total operating revenues	1,106,538	115,035,972
Operating expenses:		
Costs of sales and services	906,629	-
Insurance claims and other expenses	-	116,332,550
Total operating expenses	906,629	116,332,550
Operating income (loss)	199,909	(1,296,578)
Nonoperating revenues:		
Interest income	577	-
Total non-operating revenues	577	-
Net income (loss) before transfers	200,486	(1,296,578)
Transfers:		
Transfers out	(70,000)	(469,793)
Total transfers	(70,000)	(469,793)
Change in net position	130,486	(1,766,371)
Fund net position (deficit), beginning	469,359	(7,384,506)
Fund net position (deficit), ending	\$ 599,845	\$ (9,150,877)

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Fund Other Enterprise Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Charges for services	\$ -	\$ 96,017,714
Charges for services from users	1,061,860	18,144,329
Payments to suppliers	(957,820)	-
Cash payment to other funds	-	(410,982)
Claims and other expenses paid	-	(113,947,904)
Net cash provided by (used in) operating activities	104,040	(196,843)
Cash flows from non-capital activities:		
Transfers to other funds	(70,000)	(469,793)
Increase (decrease) in cash and cash equivalents	34,617	(666,636)
Cash and cash equivalents:		
Beginning	786,636	1,712,487
Ending	<u>\$ 821,253</u>	<u>\$ 1,045,851</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	199,909	\$ (1,296,578)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Decrease (increase) in accounts receivable, net	42,875	(883,151)
Increase (decrease) in accounts payable	(5,783)	825,386
Increase in due from other funds	(87,553)	9,222
Increase in claims and judgments payable	-	421,785
Increase (decrease) in due to other funds	(45,408)	726,493
Net cash provided by (used in) operating activities	\$ 104,040	\$ (196,843)

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2016

	Trust Funds	Agency Funds
Assets		
Cash and short-term investments	\$ 52,953,192	\$ 1,312,324
Interest and dividends receivable	543,999	-
Accounts receivable - investment sales	2,756,823	-
Accounts receivable - other	806,714	-
Due from other funds	469,803	-
	<u>57,530,531</u>	<u>1,312,324</u>
Investments:		
Government agencies	2,295,310	-
Government securities	13,199,576	-
Common stock	190,106,046	-
Fixed income funds	15,731,507	-
Corporate bonds	32,092,980	-
Equity mutual funds	30,977,216	-
Hedge funds	41,579,261	-
Asset-backed securities	5,624,380	-
Venture capital partnerships	51,670,096	-
Private equity - real estate funds	20,232,000	-
Total investments	<u>403,508,372</u>	<u>-</u>
Total assets	<u>461,038,903</u>	<u>1,312,324</u>
Liabilities		
Accounts payable - vendors	-	642,761
Accounts payable - investment purchases	2,791,074	-
Amounts held for others	-	669,563
Total liabilities	<u>2,791,074</u>	<u>1,312,324</u>
Net position - restricted for pension and OPEB benefits	<u>\$ 458,247,829</u>	<u>\$ -</u>

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2016**

	Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer contributions	\$ 71,255,264
Plan members	14,863,947
Total contributions	<u>86,119,211</u>
Investment loss:	
Net depreciation in fair value of investments	(16,181,750)
Interest and dividends	7,400,959
Miscellaneous income	855
Total investment (loss)	<u>(8,779,936)</u>
Less investment expenses	<u>1,430,793</u>
Net investment (loss)	<u>(10,210,729)</u>
Total additions	<u>75,908,482</u>
Deductions:	
Benefits	<u>109,940,887</u>
Total deductions	<u>109,940,887</u>
Changes in net position before transfers	(34,032,405)
Transfers:	
Transfers in	<u>469,793</u>
Changes in net position	(33,562,612)
Net position - restricted for pension and OPEB benefits:	
Beginning of year	<u>491,810,441</u>
End of year	<u><u>\$ 458,247,829</u></u>

See notes to financial statements.

City of New Haven, Connecticut

Notes to Financial Statements

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. 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 implementation of this statement added additional disclosures to Note 3.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 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 Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. 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. The implementation of this statement had no impact on the City's financial statements.

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 June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Investments: Investments are stated at fair value,

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.

Fair value: The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

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, 2016, the City had approximately \$37,797,000 in restricted assets. This amount relates to unspent note and bond proceeds which are to be used for the acquisition of capital assets.

At June 30, 2016, the Parking Authority had approximately \$18,175,000 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.

At June 30, 2016 the Solid Waste Authority also had approximately \$2,794,000 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

City of New Haven, Connecticut

Notes to Financial Statements

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	\$ 522,993,825
Premium on bond issuance	33,283,194
Notes payable	410,000
GANs	68,825,028
Capital leases payable	4,534,683
Contractual obligation	8,482,625
Compensated absences	19,349,407
Accrued workers compensation	27,393,373
Retainage payable	5,734,489
Net pension liability	704,400,931
Net OPEB obligation	146,707,000
Landfill post-closure costs	600,000
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,542,714,555</u>

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	\$ 111,070,077
Depreciation expense	(45,519,275)
Loss on disposal of capital assets	<u>(22,334)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 65,528,468</u>

City of New Haven, Connecticut

Notes to Financial Statements

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

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	\$ (46,700,000)
Issuance of general obligation refunding bonds	(53,400,000)
Deferred loss on refunding	4,816,022
Issuance of grant anticipation notes	(18,534,143)
Premium on bond issuance	(13,078,096)

Principal repayments:

Bond principal payment	32,085,619
Payment to escrow	60,666,022
Amortization of bond premium	3,597,425
Capital lease payments	897,464
Notes payable	365,000
GNHWPCA clean water fund notes	848,863
Amortization of deferred items	<u>(1,169,226)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (29,605,050)</u></u>

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	\$ 738,537
Accrued workers' compensation	270,248
Retainage	(3,431,594)
Net pension liability	(57,761,708)
OPEB obligation	(7,707,700)
Landfill closure and post-closure	150,000
Pollution remediation	460,316
Deferred outflows of resources - pension items	20,549,214
Accrued interest	<u>(550,513)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (47,283,200)</u></u>

City of New Haven, Connecticut

Notes to Financial Statements

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.

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.

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, 2016 were approximately \$176,578,000. The amount of the bank balances covered under federal depository insurance was \$4,284,000. The remaining \$172,294,000 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, 2016, approximately \$17,200,000 of uninsured deposits was collateralized under the provision.

The New Haven Parking Authority's bank balance totaled approximately \$25,200,000, of which approximately \$750,000 was covered by FDIC protection and the remaining \$24,450,000 is uninsured. As of June 30, 2016, approximately \$15,608,000 of the uninsured deposits was collateralized.

The New Haven Solid Waste Authority's bank balance totaled approximately \$635,000, of which approximately \$250,000 was insured and collateralized and \$38,000 was uninsured and uncollateralized.

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

The City's Primary Government cash, cash equivalents and investments consist of the following at June 30, 2016:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 171,240,356
State of Connecticut Short-Term Investment fund	1,658,387
Total cash and cash equivalents	<u>172,898,743</u>
Investments:	
General Fund:	
Corporate bonds	976,105
Municipal bonds	23,706
Other bond fund	190,848
Common stock	1,456,609
Total General Fund	<u>2,647,268</u>
Other nonmajor funds:	
Fixed income funds	995,263
Corporate bonds	1,177,738
Municipal bonds	28,604
Common stock	4,048,355
Total other nonmajor funds	<u>6,249,960</u>
Pension trust funds:	
Fixed income funds	15,731,507
Government agency	2,295,310
Government securities	13,199,576
Common stock	190,106,046
Corporate bonds	32,092,980
Mutual funds	30,977,216
Hedge funds	41,579,261
Asset-backed securities	5,624,380
Venture capital partnerships	51,670,096
Private Equity - Real estate funds	20,232,000
Total pension trust funds	<u>403,508,372</u>
Total investments	<u>412,405,600</u>
Total cash, cash equivalents and investments	<u>\$ 585,304,343</u>

City of New Haven, Connecticut

Notes to Financial Statements

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	\$ 80,836,226
Investments	8,897,229
Restricted cash	37,797,000
	<u>127,530,455</u>
Fiduciary funds:	
Cash and cash equivalents	54,265,516
Investments	403,508,372
	<u>457,773,888</u>
Total cash, cash equivalents and investments	<u>\$ 585,304,343</u>

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

Cash and cash equivalents:	
New Haven Parking Authority	\$ 25,189,786
New Haven Solid Waste Authority	4,877,269
Total deposits	<u>\$ 30,067,055</u>

At June 30, 2016, the New Haven Parking Authority cash and cash equivalents included \$18,200,000 of restricted cash and cash equivalents.

At June 30, 2016, the Solid Waste Authority's cash and cash equivalents included \$2,794,928 of restricted short-term investments classified as cash equivalents.

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	\$ 5,624,380	\$ -	\$ -	\$ -	\$ 5,624,380
Corporate bonds	34,246,822	827,407	6,214,683	21,377,606	5,827,126
Fixed income funds	16,726,771	-	-	-	16,726,771
Government agencies	2,295,310	-	1,491,121	527,188	277,001
Government securities	13,199,576	782,465	5,989,848	2,690,608	3,736,655
Municipal bonds	52,310	-	52,310	-	-
Other bond funds	190,848	-	-	-	190,848
Total	<u>\$ 72,336,017</u>	<u>\$ 1,609,872</u>	<u>\$ 13,747,962</u>	<u>\$ 24,595,402</u>	<u>\$ 32,382,781</u>

City of New Haven, Connecticut

Notes to Financial Statements

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

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	Corporate Bonds	Government Agencies	Government Securities	Asset Backed Securities	Fixed Income	Municipal Bonds
AAA	\$ -	\$ -	\$ -	\$ -	\$ 2,504,010	\$ -
AA	2,951,486	2,295,310	7,782,245	5,085,247	673,784	-
A	8,951,394	-	-	-	1,417,678	52,310
BBB	10,358,553	-	-	-	5,022,054	-
BB	6,346,284	-	-	-	2,754,185	-
B	3,933,155	-	-	-	1,624,738	-
CCC	181,755	-	-	-	1,022,204	-
CC	23,800	-	-	-	125,943	-
D	-	-	-	-	115,035	-
Unrated	1,500,395	-	5,417,331	539,133	1,467,140	-
	<u>\$ 34,246,822</u>	<u>\$ 2,295,310</u>	<u>\$ 13,199,576</u>	<u>\$ 5,624,380</u>	<u>\$ 16,726,771</u>	<u>\$ 52,310</u>

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	2/1/2022 - 9/21/2047	\$ 217,561
Cash & cash equivalents, government/municipal bonds, corporate bonds	Indonesian Rupiah	1/8/2022 - 1/8/2047	334,384
Cash & cash equivalents, government/municipal bonds, corporate bonds	South African Rand	10/12/2028 - 1/31/2044	109,203
Cash & cash equivalents, government/municipal bonds, corporate bonds	Argentine Peso	3/5/2018 - 12/31/2038	179,466
Cash & cash equivalents, government/municipal bonds, corporate bonds	Hungarian Forint	10/27/2021 - 6/24/2025	165,075
Cash & cash equivalents, government/municipal bonds, corporate bonds	Euro	11/5/2019 - 1/26/2024	210,788
Cash & cash equivalents, government/municipal bonds, corporate bonds	Brazilian Real	1/1/2018 - 2/21/2047	464,751
Cash & cash equivalents	Russian Ruble		308,987
Cash & cash equivalents	British Sterling Pound	N/A	226,873
Cash & cash equivalents	Colombian Peso	N/A	167,615
Cash & cash equivalents	Indian Rupee	N/A	135,446
Cash & cash equivalents	Malaysian Ringgit	N/A	9,311
			<u>\$ 2,529,460</u>

The Pension Trust Funds have additional commitments to invest in certain alternative investments of approximately \$7,600,000 at June 30, 2016.

City of New Haven, Connecticut

Notes to Financial Statements

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

As of June 30, 2016, the Solid Waste Authority had restricted investments of \$2,794,000 in Money Market Mutual Funds.

Fair value: The Plans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plans has the following recurring fair value measurements as of June 30, 2016:

	Fair Value Measurements Using			
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Stocks	\$ 194,647,755	\$ 194,251,050	\$ 100,072	\$ 296,633
Mutual funds	46,708,723	27,114,837	3,753,776	15,840,110
Debt securities:				
Government agency	2,295,310	-	2,295,310	-
Corporate bonds	34,980,572	1,351,434	33,468,099	161,039
Asset and mortgage backed	5,624,380	5,624,380	-	-
Municipal bonds	52,310	-	52,310	-
U.S. Treasury bonds	13,199,576	9,221,024	3,978,552	-
Total debt securities	56,152,148	16,196,838	39,794,271	161,039
Exchange traded funds	54,630	54,630	-	-
Real estate funds	1,505,781	1,505,781	-	-
Total investments by fair value level	299,069,037	239,123,136	43,648,119	16,297,782
Investments measured at the net asset level (NAV):				
*Private equity funds	19,689,933			
*Hedge Funds	41,579,261			
*Venture capital investments	39,076,338			
*Partnerships	12,593,759			
*Equity hedge funds	397,272			
Total investments measured at the NAV	113,336,563			
Total investments measured at fair value	\$ 412,405,600			

* These amounts include investments in alternative investments which invest in various types of investments. The fair value of these investments have been determined using the NAV per share of the investment.

City of New Haven, Connecticut

Notes to Financial Statements

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

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
*Private equity funds	\$ 19,689,933	\$ 6,657,555	N/A	N/A
*Partnerships	12,593,759	1,090,579	N/A	N/A
*Hedge Funds	41,579,261	-	N/A	N/A
*Venture capital investments	39,076,338	-	N/A	N/A
*Equity hedge funds	397,272	-	N/A	N/A
Total Investments Measured at the NAV	<u>\$ 113,336,563</u>			

Hedge Funds – these investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. The own stakes in companies they expect to outperform and also sell short stocks they expect to underperform.

Private Equity, Partnerships and Venture Capital Funds: These limited partnerships provide for the portfolio exposure to private companies through equity and/or debt investments. Fund managers invest in private companies with the goal of enhancing value over the long-term.

Note 4. Receivables

Receivables at June 30, 2016 were as follows:

	General	Education Grants	Capital Projects	Other Nonmajor Funds	Total Governmental Funds
Property taxes and interest	\$ 25,120,834	\$ -	\$ -	\$ -	\$ 25,120,834
Amount due from component unit, Yale University and other receivables	13,205,980	428,252	447,358	271,573	14,353,163
Intergovernmental	24,117,512	3,948,531	42,223,823	2,290,764	72,580,630
Gross receivables	62,444,326	4,376,783	42,671,181	2,562,337	112,054,627
Allowance for doubtful accounts	(17,030,142)	-	-	-	(17,030,142)
Total receivables, net	<u>\$ 45,414,184</u>	<u>\$ 4,376,783</u>	<u>\$ 42,671,181</u>	<u>\$ 2,562,337</u>	<u>\$ 95,024,485</u>

The New Haven Parking Authority, a component unit, has accounts receivable of \$1,648,646 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 \$628,658. 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 \$619,654 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

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:

	<u>Deferred Inflows</u>	<u>Unearned</u>
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 7,975,200	\$ -
School construction receivable	24,107,000	-
Miscellaneous receivable	2,598,050	1,410,423
Advance tax collection	4,932,356	-
Capital Projects Fund:		
Intergovernmental grants receivable	42,225,573	-
Nonmajor Governmental Funds:		
Miscellaneous receivable	142,945	-
Intergovernmental grants receivable	187,014	180,767
Total	<u>\$ 82,168,138</u>	<u>\$ 1,591,190</u>

City of New Haven, Connecticut

Notes to Financial Statements

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.

Note 7. Interfund Balances and Interfund Transfers

Interfund balances: As of June 30, 2016, interfund balances were as follows:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
General Fund	\$ 6,359,885	\$ -
Major Funds:		
Education grants	1,457,506	5,678,863
Capital Projects Funds	9,776,899	-
	<u>11,234,405</u>	<u>5,678,863</u>
Other Nonmajor Funds:		
Community Development	-	1,856,007
Improvement	-	3,342,662
Human Resources	-	175,271
Other	-	5,120,658
Other ETF	-	496
	<u>-</u>	<u>10,495,094</u>
Internal Service Funds	<u>-</u>	<u>1,964,192</u>
Pension Trust Funds	<u>469,803</u>	<u>-</u>
Enterprise Funds	<u>87,553</u>	<u>13,497</u>
Total primary government	<u>\$ 18,151,646</u>	<u>\$ 18,151,646</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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 7. Interfund Balances and Interfund Transfers (Continued)

Interfund transfers: For the year ended June 30, 2016, amounts transferred between funds were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,511,026
Education Grant Funds	1,155,052	-
Capital Projects Funds	217,004	1,251,438
Enterprise Funds	-	70,000
Other nonmajor governmental funds	1,460,408	-
	<u>\$ 2,832,464</u>	<u>\$ 2,832,464</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 for various education programs including a transfer to the Cafeteria Program. Transfers from the Capital Projects Fund to Other Nonmajor Funds was for various small improvement projects.

City of New Haven, Connecticut

Notes to Financial Statements

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2016 is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 44,140,306	\$ -	\$ -	\$ -	\$ 44,140,306
Construction in progress	64,826,111	87,325,231	-	(83,724,677)	68,426,665
Total capital assets, not being depreciated	108,966,417	87,325,231	-	(83,724,677)	112,566,971
Capital assets, being depreciated:					
Buildings and improvements	1,595,551,480	6,733,588	-	83,724,677	1,686,009,745
Land improvements	22,255,977	660,576	-	-	22,916,553
Vehicles	47,145,532	4,501,492	(13,872,037)	-	37,774,987
Machinery, equipment, furniture, fixtures and other related assets	45,039,926	5,114,119	(230,550)	-	49,923,495
Infrastructure	251,256,950	6,735,071	-	-	257,992,021
Total capital assets being depreciated	1,961,249,865	23,744,846	(14,102,587)	83,724,677	2,054,616,801
Less accumulated depreciation for:					
Buildings and improvements	384,045,205	34,437,729	-	-	418,482,934
Land improvements	14,240,563	614,461	-	-	14,855,024
Vehicles	37,376,326	1,658,808	(13,849,703)	-	25,185,431
Machinery, equipment, furniture, fixtures and other related assets	19,527,628	3,236,506	(230,550)	-	22,533,584
Infrastructure	144,471,518	5,571,771	-	-	150,043,289
Total accumulated depreciation	599,661,240	45,519,275	(14,080,253)	-	631,100,262
Total capital assets, being depreciated, net	1,361,588,625	(21,774,429)	(22,334)	83,724,677	1,423,516,539
Governmental activities capital assets, net	\$ 1,470,555,042	\$ 65,550,802	\$ (22,334)	\$ -	\$ 1,536,083,510

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

Governmental activities:	
Education	\$ 32,238,495
General government	4,379,146
Public safety	1,908,816
Public works	6,108,855
Culture and recreation	883,963
Total depreciation expense - governmental activities	<u>\$ 45,519,275</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 8. Capital Assets (Continued)

Component units:	Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 2,561,000	\$ -	\$ -	\$ -	\$ 2,561,000
Construction in progress	4,961,296	4,764,211	(6,428)	(6,132,037)	3,587,042
Total capital assets, not being depreciated	7,522,296	4,764,211	(6,428)	(6,132,037)	12,280,079
Capital assets, being depreciated:					
Buildings and improvements	100,409,409	16,047	-	6,022,226	106,447,682
Equipment and motor vehicles	9,078,251	460,527	(884,029)	109,811	8,764,560
Total capital assets being depreciated	109,487,660	476,574	(884,029)	6,132,037	109,080,205
Less accumulated depreciation for:					
Buildings and improvements	69,627,414	3,941,728	-		73,569,142
Equipment and motor vehicles	4,759,922	1,137,450	(884,029)		5,013,343
Total accumulated depreciation	74,387,336	5,079,178	(884,029)	-	78,582,485
Total capital assets, being depreciated, net	35,100,324	(4,602,604)	-		30,497,720
Capital assets, net	\$ 42,622,620	\$ 161,607	\$ (6,428)	\$ (6,132,037)	\$ 42,777,799

Construction commitments: The City has the following major active construction projects as of June 30, 2016, 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, 2016	Expected Date of Completion
Bowen Field	\$ 11,600,000	\$ 11,261,603	\$ 338,397	05/01/17
New Haven Academy	44,840,000	35,701,504	9,138,496	09/01/17
Dr. Reginald Mayo School	53,825,000	36,761,570	17,063,430	09/01/17
ESUMS	85,500,000	52,561,224	32,938,776	04/01/18
	\$ 195,765,000	\$ 136,285,901	\$ 59,479,099	

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, 2016 is as follows:

	Balance July 1, 2015,	Issued/ Additions	Reductions	Balance June 30, 2016	Due Within One Year
Government activities:					
Long-term debt:					
General obligation bonds payable	\$ 515,645,466	\$ 100,100,000	\$ 92,751,641	\$ 522,993,825	\$ 43,685,694
Premiums/discounts on bonding, net	23,802,523	13,078,096	3,597,425	33,283,194	-
Notes payable	775,000	-	365,000	410,000	410,000
GANs	50,290,885	18,534,143	-	68,825,028	68,825,028
Capital leases	5,432,147	-	897,464	4,534,683	1,085,047
Other long-term liabilities:					
Clean water fund notes-GNHWPCA	9,331,488	-	848,863	8,482,625	758,591
Compensated absences	20,087,944	19,200,000	19,938,537	19,349,407	750,000
Accrued workers' compensation	27,663,621	7,499,186	7,769,434	27,393,373	7,500,000
Accrued claims and other	9,696,865	108,984,901	108,563,116	10,118,650	2,500,000
Retainage	2,302,895	3,894,216	462,622	5,734,489	5,734,489
Net pension liability	646,639,223	57,761,708	-	704,400,931	-
Unfunded OPEB obligations	138,999,300	7,707,700	-	146,707,000	-
Landfill closure and post-closure	750,000	-	150,000	600,000	150,000
Pollution remediation	460,316	-	460,316	-	-
Total long-term liabilities	<u>\$ 1,451,877,673</u>	<u>\$ 336,759,950</u>	<u>\$ 235,804,418</u>	<u>\$ 1,552,833,205</u>	<u>\$ 131,398,849</u>
Component unit activities:					
Long-term debt:					
Revenue bonds	\$ 20,431,409	\$ -	\$ 4,322,409	\$ 16,109,000	\$ 1,487,000
Total component unit	<u>\$ 20,431,409</u>	<u>\$ -</u>	<u>\$ 4,322,409</u>	<u>\$ 16,109,000</u>	<u>\$ 1,487,000</u>

2015 general obligation refunding bond in-substance defeasance: On December 22, 2015, the City issued \$53,400,000 of general obligation refunding bonds with interest rates of 3% to 5%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bonds of the City (the Refunding Bonds). Net proceeds of \$60,666,021 was placed in an irrevocable trust under an Escrow Agreement dated December 2015 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 \$2,490,121, and a cash savings of \$2,495,630 between the old debt payments and the new debt payments.

The balance of the defeased bonds was approximately \$ 50 million at June 30, 2016. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

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 \$100,100,000 were issued, \$46,700,000 of which is for various capital projects and \$53,400,000 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 2017 to August 2031	2.00-5.7%	\$ 227,763,208
School Bonds: Maturity Dates Ranging From August 2017 to August 2031	.34-5.7%	271,974,936
Urban Renewal Bonds: Maturity Dates Ranging From August 2017 to August 2031	2.00-5.7%	23,255,681
		<u>522,993,825</u>
Less current portion		43,685,694
Long-term portion		<u>\$ 479,308,131</u>

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

	Principal	Interest
Year ending June 30:		
2017	\$ 43,685,694	\$ 24,114,339
2018	43,767,527	21,836,822
2019	43,732,000	19,713,054
2020	43,115,840	17,740,167
2021	42,912,765	15,679,213
2022 through 2026	176,245,000	49,981,337
2027 through 2031	90,629,999	19,560,817
2032 through 2036	38,905,000	3,803,484
	<u>\$ 522,993,825</u>	<u>\$ 172,429,233</u>

City of New Haven, Connecticut

Notes to Financial Statements

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 \$120,000 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 \$11,000.

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, 2016 was approximately \$5,200,000. The City expects to receive approximately \$24,107,000 in principal payments and approximately \$2,512,000 in interest payments over the next 16 years.

Bonds authorized/unissued: At June 30, 2016, the City had approximately \$216,000,000 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2016.

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, 2016, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, is approximately \$176,835,000.

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, 2016, there were 2 series of limited obligation industrial bonds outstanding, with an aggregate principal amount of approximately \$3,765,000.

Clean Water Fund notes – GNHWPCA: The City entered into a cost-sharing agreement with the Greater New Haven WPCA with respect to the Clean Water Fund Program. The notes bear interest at 2 percent annually.

City of New Haven, Connecticut

Notes to Financial Statements

Note 9. Long-Term Liabilities (Continued)

Grant anticipation note: The City of New Haven issued a general obligation note in anticipation of State grants for school construction projects under a tax-exempt revolving loan agreement. This general obligation note can accommodate the issuance of up to \$70,000,000 of grant anticipation notes under the revolving loan agreement, with an interest rate of 1.12%, which expires on June 1, 2017.

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 percent per annum paid quarterly beginning November 1, 2014 through the maturity date of August 1, 2024.

The annual debt service requirements are as follows:

	Principal	Interest
Year ending June 30:		
2017	\$ 992,000	\$ 167,528
2018	992,000	146,200
2019	992,000	124,872
2020	992,000	103,544
2021	992,000	82,216
2022 through 2026	3,204,000	119,906
	<u>\$ 8,164,000</u>	<u>\$ 744,266</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 \$7,945,000 of outstanding revenue bond debt at June 30, 2016, with an interest rate ranging from 4 percent to 5.375 percent.

	Principal	Interest
Year ending June 30:		
2017	\$ 495,000	\$ 416,944
2018	520,000	391,575
2019	545,000	364,925
2020	575,000	336,994
2021	605,000	307,525
2022 through 2026	3,520,000	1,035,150
2027 through 2029	1,685,000	137,063
	<u>\$ 7,945,000</u>	<u>\$ 2,990,176</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

Note 9. Long-Term Liabilities (Continued)

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

	Principal	Interest
Year ending June 30:		
2017	\$ 410,000	\$ 9,184
	\$ 410,000	\$ 9,184

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 percent to 4.70 percent per annum.

The capitalized value of property under capital leases is approximately \$5,300,000, which has accumulated depreciation of approximately \$2,100,000 at year-end.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2016 were as follows:

	General Government
<u>Year ending June 30:</u>	
2017	\$ 1,085,047
2018	1,089,248
2019	1,093,575
2020	945,008
2021	445,008
2022 and thereafter	370,840
Total minimum lease payments	5,028,726
Less: Amount representing interest	494,043
Present value of minimum lease payment	\$ 4,534,683

Note 10. Fund Deficits

The following funds had fund deficits as of June 30, 2016:

	Fund Deficits
Internal Service Funds:	
Self-Insurance Reserve Fund	\$ 3,863,688
Medical Self-Insurance Fund	5,428,837
Enterprise:	
Skating rink	2,586

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.

City of New Haven, Connecticut

Notes to Financial Statements

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.

The individual plan net position is as follows:

	Statement of Net Position				
	June 30, 2016				
	City	Policemen's &	Other	Post	Total
	Employees'	Firemen's	Retirement	Employment	
	Retirement	Retirement Fund	Fund	Benefit Plan	
	Fund			Fund	
Assets					
Cash and short-term investments	\$ 12,554,667	\$ 38,871,771	\$ 1,157,388	\$ 369,366	\$ 52,953,192
Interest and dividends receivable	252,462	291,492	45	-	543,999
Accounts receivable-investment sales	2,508,222	248,601	-	-	2,756,823
Accounts receivable-other	589,713	216,980	1	30	806,724
Due from other funds	-	-	-	469,803	469,803
Investments	139,967,007	263,447,652	93,713	-	403,508,372
Total assets	155,872,071	303,076,496	1,251,147	839,199	461,038,913
Liabilities					
Accounts payable-investment purchases	2,431,791	359,283	-	-	2,791,074
Total liabilities	2,431,791	359,283	-	-	2,791,074
Net position:					
Restricted for pension benefits	\$ 153,440,280	\$ 302,717,213	\$ 1,251,147	\$ 839,199	\$ 458,247,839

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, 2016					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Additions:					
Contributions:					
Employer contributions	\$ 19,555,670	\$ 26,306,000	\$ -	\$ 25,863,397	\$ 71,725,067
Plan members	4,609,881	7,335,993	-	2,918,073	14,863,947
Total contributions	<u>24,165,551</u>	<u>33,641,993</u>	<u>-</u>	<u>28,781,470</u>	<u>86,589,014</u>
Investment earnings:					
Net increase (decrease) in fair value of investments	(6,896,397)	(9,277,282)	(8,071)	-	(16,181,750)
Interest and dividends	3,177,542	4,219,307	2,872	1,238	7,400,959
Miscellaneous Income	855	-	-	-	855
Total investment income (loss)	<u>(3,718,000)</u>	<u>(5,057,975)</u>	<u>(5,199)</u>	<u>1,238</u>	<u>(8,779,936)</u>
Less investment expenses:	680,304	750,489	-	-	1,430,793
Net investment earnings (loss)	<u>(4,398,304)</u>	<u>(5,808,464)</u>	<u>(5,199)</u>	<u>1,238</u>	<u>(10,210,729)</u>
Total additions	19,767,247	27,833,529	(5,199)	28,782,708	76,378,285
Deductions:					
Benefits	30,018,207	51,639,291	31,722	28,251,667	109,940,887
Total deductions	<u>30,018,207</u>	<u>51,639,291</u>	<u>31,722</u>	<u>28,251,667</u>	<u>109,940,887</u>
Net increase (decrease)	(10,250,960)	(23,805,762)	(36,921)	531,041	(33,562,602)
Net position, beginning of year	163,691,240	326,522,975	1,288,068	308,158	491,810,441
Net position, end of year	<u>\$ 153,440,280</u>	<u>\$ 302,717,213</u>	<u>\$ 1,251,147</u>	<u>\$ 839,199</u>	<u>\$ 458,247,839</u>

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	56
Active plan members	910
Total	<u><u>2,090</u></u>

City of New Haven, Connecticut

Notes to Financial Statements

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

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 percent of highest average pay for each year of service and fraction thereof in excess of 20 thereafter subject to a maximum of 70 percent 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 percent of all earnings, Public Works employees contribute 6.25 percent of all earnings, and all other employees contribute 6 percent of all earnings. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. In 2016, the City contributed approximately \$19,556,000 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.

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 percent survivor benefit for service pensioners and disabled pensioners.

City of New Haven, Connecticut

Notes to Financial Statements

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

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 percent (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 percent 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 percent 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: 100 percent 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 percent 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 percent of the plan’s net position as of June 30, 2016.

City of New Haven, Connecticut

Notes to Financial Statements

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

Net pension liability: The components of the net pension liability of the City at June 30, 2016 were as follows:

	City Employees' Retirement Fund	2016
Total pension liability		\$ 459,456,387
Plan fiduciary net position		153,440,281
Net pension liability		<u>\$ 306,016,106</u>
Plan fiduciary net position as a percentage of total pension liability		33.40%

Rate of return: For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -2.68 percent. 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, 2016:

	Description of Actuarial Methods
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).

City of New Haven, Connecticut

Notes to Financial Statements

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

Salary scale:

Current:

The following adjusted table:

<u>Age</u>	<u>Rate*</u>
<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)

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, 2016 are summarized in the following table:

<u>City Employees' Retirement Plan</u> <u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
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>		4.99%
Long-Term Inflation Expectation			<u>2.70%</u>
Long-Term Expected Nominal Return			<u>7.69%</u>

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2016 was 8.00 percent. 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 percent 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 percent to 8.00 percent. The payroll growth rate has been changed from 4.00 percent to 2.00 percent. 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 percent 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:

City Employees' Retirement Fund	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 354,789,262	\$ 306,016,106	\$ 264,596,519

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 6/30/15	\$ 449,262,186	\$ 163,691,240	\$ 285,570,946
Changes for the year:			
Service cost	5,045,428	-	5,045,428
Interest	35,166,980	-	35,166,980
Differences between expected and actual experience	-	-	-
Contributions - employer	-	19,555,672	(19,555,672)
Contributions - members	-	4,609,881	(4,609,881)
Net investment loss	-	(4,249,828)	4,249,828
Benefit payments, including refunds of employee contributions	(30,018,207)	(30,018,207)	-
Administrative expense	-	(149,332)	149,332
Other	-	855	(855)
Net changes	10,194,201	(10,250,959)	20,445,160
Balances at 6/30/16	\$ 459,456,387	\$ 153,440,281	\$ 306,016,106

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, 2016, the City recognized pension expense of \$30,980,396. As of June 30, 2016, 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	\$ 322,531	\$ -
Changes of assumptions	4,391,966	-
Net difference between projected and actual earnings on pension plan investments	23,269,890	-
Total	<u>\$ 27,984,387</u>	<u>\$ -</u>

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

Year ended June 30:	City Employees' Pension Plan
2017	\$ 8,089,263
2018	8,089,263
2019	8,089,265
2020	3,716,596
2021	-
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
Total	<u>1,916</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.

City of New Haven, Connecticut

Notes to Financial Statements

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 percent for Fire after July 1, 2014.

12 percent for Police effective after December 18, 2012.

In 2016, the City contributed approximately \$26,306,000 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 percent 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 percent (2 percent 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 percent (2.5 percent 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 percent (effective July 1, 2004: 83 percent 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 percent for Police hired after 12/18/2012 and for Fire hired after 4/23/2014).

City of New Haven, Connecticut

Notes to Financial Statements

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 percent of final average pay. For service connected disability there is no service requirement and there is a minimum disability benefit of 50 percent 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 percent (25 percent prior to July 1, 1987) of rate of pay being received at date of death;
2. Widow and one child – 60 percent (35 percent prior to July 1, 1987) of rate of pay being received at date of death; or
3. Widow and two or more children – 70 percent (45 percent prior to July 1, 1987) of rate of pay being received at date of death.

Special benefits for service connected deaths (equal to 100 percent 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 percent of pension being paid at date of death - for other members: 50 percent of pension being paid at date of death;
2. Widow and one child - for members actively employed after June 30, 1994: 75 percent of pension being paid at date of death - for other members: 70 percent 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 percent of pension being paid at date of death for other members: 90 percent 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 percent 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 percent (2 percent for Police hires after 3/28/1997 and 1.5 percent for Police hires after 10/20/2012), (3 percent for Fire hired after 4/23/2004 and 1.5 percent for Fire hired after 4/23/2014);
2. The overall increase in benefits will be limited to 25 percent (20 percent 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 percent for Police retirees after July 1, 2011 and were hired prior to 3/28/1997 applies, and a maximum of 10 percent applies for such Police retirees hired after 3/28/1997. Accumulated maximum of 15 percent for Fire retirees hired after 4/23/2004 and 10 percent 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 percent 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.

City of New Haven, Connecticut

Notes to Financial Statements

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

Net pension liability: The components of the net pension liability of the City at June 30, 2016 were as follows:

Policemen and Firemen Retirement Fund	2016
Total pension liability	\$ 701,102,039
Plan fiduciary net position	302,717,214
Net pension liability	<u>\$ 398,384,825</u>
Plan fiduciary net position as a percentage of total pension liability	43.18%

Rate of return: For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -1.79 percent. 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, 2016:

Description of Actuarial Methods

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:

<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%

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>	
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.)
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.

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 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, 2016 are summarized in the following table:

<u>Police and Firemen Retirement Plan</u> <u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
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>		<u>5.25%</u>
Long-Term Inflation Expectation			<u>2.70%</u>
Long-Term Expected Nominal Return			<u>7.95%</u>

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2016 was 8.00 percent. 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 percent 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 percent to 8.00 percent. The payroll growth rate has been changed from 4.00 percent to 3.00 percent. The salary scale rates were decreased by 0.5 percent. Also, the Actuarial Value of assets was reset to the Market Value of assets on July 1, 2014.

City of New Haven, Connecticut

Notes to Financial Statements

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

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 percent 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	\$ 473,491,235	\$ 398,384,825	\$ 334,995,914

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 6/30/15	\$ 687,591,252	\$ 326,522,975	\$ 361,068,277
Changes for the year:			
Service cost	11,267,233	-	11,267,233
Interest	53,882,845	-	53,882,845
Differences between expected and actual experience	-	-	-
Contributions - employer	-	26,306,000	(26,306,000)
Contributions - members	-	7,335,993	(7,335,993)
Net investment loss	-	(5,621,654)	5,621,654
Benefit payments, including refunds of employee contributions	(51,639,291)	(51,639,291)	-
Administrative expense	-	(184,309)	184,309
Other	-	(2,500)	2,500
Net changes	13,510,787	(23,805,761)	37,316,548
Balances at 6/30/16	<u>\$ 701,102,039</u>	<u>\$ 302,717,214</u>	<u>\$ 398,384,825</u>

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, 2016, the City recognized pension expense of \$52,093,770. As of June 30, 2016, 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	\$ 14,751,543	\$ -
Changes of assumptions	8,431,232	-
Net difference between projected and actual earnings on pension plan investments	40,727,872	-
Total	<u>\$ 63,910,647</u>	<u>\$ -</u>

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

	Police and Firemen Pension Plan
Year ended June 30:	
2017	\$ 19,501,343
2018	19,501,343
2019	18,701,936
2020	6,206,025
2021	-
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.

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

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 percent of average annual salary times years of credited service (maximum benefit is 75 percent 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 percent less 0.1 percent 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 percent of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2015/2016 school year, \$34,211,000 in 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 \$142,000,000.

Employers are not required to make contributions to the Plan.

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 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.

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%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Core Fixed Income	7.0%	1.3%
Inflation Linked Bond Fund	3.0%	1.0%
Emerging Market Bond	5.0%	3.7%
High Yield Bonds	5.0%	3.9%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	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.

City of New Haven, Connecticut

Notes to Financial Statements

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

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%) or 1-percentage-point higher (9.50%) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's proportionate share of the NPL associated with the City	\$ 481,008,892	\$ 381,425,862	\$ 296,779,469

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 \$381,425,862 and 100 percent 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, 2016, the City recognized \$31,979,000 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, 2015:

Division	Active Participants	Retired Participants and Spouses	Total
General City	690	641	1,331
Police and Fire	683	1,257	1,940
BOE Non-Certified	131	178	309
Teachers and Administrator	1,824	757	2,581
Total	3,328	2,833	6,161

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

The OPEB obtained its latest actuarial valuation as of July 1, 2015 upon which the annual required contribution for the fiscal year ended June 30, 2016 was determined based on a 5 percent 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)
7/01/15	\$ 338,000	\$ 557,227,000	\$ 556,889,000	0.1%	\$ 229,267,000	242.9%

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.

City of New Haven, Connecticut

Notes to Financial Statements

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

The calculation of the change in the net OPEB obligation for the year ended June 30, 2016 follows:

Actuarially Required

1. Contribution (ARC)	\$ 37,673,000
2. Interest on Net OPEB obligation	6,950,000
3. Adjustment To (ARC)	(8,612,300)
4. Annual OPEB Cost (AOC)	<u>36,010,700</u>
5. Contribution Made	<u>28,303,000</u>
6. Increase in Net OPEB obligation	7,707,700
7. Net OPEB obligation, beginning of year	<u>138,999,300</u>
8. Net OPEB obligation, end of year	<u><u>\$ 146,707,000</u></u>

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
6/30/14	\$ 37,128,000	\$ 24,486,000	66%	\$ 132,075,000
6/30/15	35,632,700	28,708,400	81%	138,999,300
6/30/16	36,011,000	28,303,000	79%	146,707,000

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 or 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.

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

Actuarial assumptions: The actuarial assumptions to value benefits for all locations except Police, Fire, Teachers, and School Administrators as of July 1, 2015:

Description of Actuarial Assumptions

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%

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

Actuarial assumptions: The actuarial assumptions to value benefits for Police and Fire as of July 1, 2015:

<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%

City of New Haven, Connecticut

Notes to Financial Statements

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

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, 2015:

<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.
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%

City of New Haven, Connecticut

Notes to Financial Statements

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

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.

The Authority's contributions amounted to \$128,274 for the year ended June 30, 2016.

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 percent of union salaries.

The Authority's contributions for the year ended June 30, 2016 amounted to \$617,061.

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 \$3,000,000 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 (deficit) of approximately \$3,863,688; 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.

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, 2016, total future minimum rental payments under these leases are as follows:

Year ending June 30:	
2017	\$ 3,437,824
2018	1,400,825
2019	815,810
2020	815,810
2021	486,355
Thereafter	169,170
	<u>\$ 7,125,794</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Commitments and Contingencies (Continued)

Rent expense related to these agreements amounted to approximately \$4,450,000 for the year ended June 30, 2016.

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, 2016 is \$37,500. The following is a schedule, as of June 30, 2016, of estimated future minimum rental payments, which are required of the Authority as lessee under this agreement:

Year ending June 30:	
2017	\$ 450,000
2018	450,000
2019	450,000
2020	450,000
	<u>\$ 1,800,000</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 \$920,000 for the year ended June 30, 2016.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Commitments and Contingencies (Continued)

A schedule as of June 30, 2016 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:	
2017	\$ 1,149,473
2018	716,642
2019	716,642
2020	716,642
	<u>\$ 3,299,399</u>

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, 2016 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 \$600,000, 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, 2016. 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.

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, 2016. 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 \$27,393,000 with a discount rate of 4 percent. 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.

The Medical Self-Insurance Fund is funded by monthly contributions from all funds incurring payroll charges. Anthem Blue Cross/Blue Shield, administrator of the claims process, aids the City in calculating "premium" rates per contract. Under the City's current policy, the Medical Self-Insurance Fund covers all employee claims up to \$500,000 per claim.

City of New Haven, Connecticut

Notes to Financial Statements

Note 14. Risk Management (Continued)

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
2016	\$ 3,823,000	\$ 1,743,946	\$ 1,743,946	\$ 3,823,000
2015	4,400,000	624,728	1,201,728	3,823,000

Fiscal Year Ended	Medical Self-Insurance Fund			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2016	\$ 5,873,865	\$ 107,240,955	\$ 106,819,170	\$ 6,295,650
2015	6,140,654	101,154,404	101,421,193	5,873,865

Fiscal Year Ended	Workers' Compensation and Heart & Hypertension			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2016	\$ 27,663,620	\$ 7,499,186	\$ 7,769,434	\$ 27,393,372
2015	28,466,573	7,314,084	8,117,037	27,663,620

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

Note 15. Related Party Transactions (Continued)

Related party account balances at June 30, are as follows:

	<u>2016</u>
Accounts payable and accrued expenses to the City from the Authority	<u>\$ 161,861</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>2016</u>
Under Air Rights	\$ 51,120
Residential Lots	6,048
Sherman Tyler	101,952
Lots N & O	15,000
State Street surface lots	33,480
Orchard and Sherman	99,360
	<u>\$ 306,960</u>

During 2016, the City received a voluntary financial assistance payment of \$2,016,554 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, 2016 is as follows:

	<u>2016</u>
Operating revenue received by Authority from the City for services	<u>\$ 2,839,591</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 16. Subsequent Events

In August 2016, the City issued \$48,400,000 in general obligation bonds and \$69,110,000 in general obligation refunding 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 2.0 percent to 5.0 percent and mature on August 15, 2036. The general obligation refunding bonds were used to refund \$72,520,000 of bonds outstanding.

In October 2016, the City issued \$33,300,000 in general obligation tax anticipation notes. The notes have an interest rate of 2.5 percent and mature on May 18, 2017.

On July 28, 2016, the New Haven Solid Waste Authority issued \$7,700,000 in Revenue Refunding Bonds, Series 2016. The proceeds of the refunding bonds were used to refinance the 2008 Series Revenue Bonds. The 2016 refunding bonds have an interest rate of 2.524% and mature on June 1, 2028.

Note 17. Fund Balances

Below is a table of fund balance categories and classifications at June 30, 2016 for the City's governmental funds:

	General Fund	Education Grants	Capital Project Funds	Nonmajor Governmental Funds	Total
Fund balances:					
Non-spendable:					
Inventory	\$ -	\$ 51,951	\$ -	\$ -	\$ 51,951
Permanent funds	-	-	-	2,381,320	2,381,320
	-	51,951	-	2,381,320	2,433,271
Restricted:					
General government-parks	-	-	-	2,399,548	2,399,548
General government-City	-	-	-	-	-
Education	-	2,720,464	-	-	2,720,464
Public works	-	-	47,491,906	1,152,292	48,644,198
Public services-other	-	-	-	1,025,528	1,025,528
Public services-human resources	-	-	-	2,248,899	2,248,899
Public services-community	-	-	-	1,838,062	1,838,062
	-	2,720,464	47,491,906	8,664,329	58,876,699
Unassigned	2,023,605	-	-	-	2,023,605
Total fund balances	\$ 2,023,605	\$ 2,772,415	\$ 47,491,906	\$ 11,045,649	\$ 63,333,575

City of New Haven, Connecticut

Notes to Financial Statements

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 75, which will most likely have a material impact, though the amount has not yet been determined:

- 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.
 - 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. 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 18. Governmental Accounting Standards Board (GASB) Statements (Continued)

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

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. 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.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

City of New Haven, Connecticut

Notes to Financial Statements

Note 18. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.
- GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how these activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.



**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, 2016
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Current City taxes:				
Real estate	\$ 204,446,672	\$ 204,446,672	\$ 205,001,759	\$ 555,087
Personal property	25,843,831	25,843,831	26,194,167	350,336
Motor vehicle	14,676,119	14,676,119	14,106,994	(569,125)
Supplemental	2,035,000	2,035,000	2,663,997	628,997
Current interest	1,100,000	1,100,000	964,244	(135,756)
Collection fees	-	-	(43,677)	(43,677)
Total current City taxes	<u>248,101,622</u>	<u>248,101,622</u>	<u>248,887,484</u>	<u>785,862</u>
Tax collection initiatives:				
Real and personal property initiatives	2,357,066	2,357,066	-	(2,357,066)
Delinquent City taxes:				
Real and personal property	1,700,000	1,700,000	1,204,052	(495,948)
Interest and penalties	725,000	725,000	901,558	176,558
Total delinquent City taxes	<u>2,425,000</u>	<u>2,425,000</u>	<u>2,105,610</u>	<u>(319,390)</u>
Education grants:				
Education cost sharing	142,509,525	142,509,525	142,681,585	172,060
School construction reimbursement	5,616,352	5,616,352	5,658,777	42,425
School transportation	2,424,172	2,424,172	2,284,948	(139,224)
Education of the legally blind	-	-	-	-
Health services non-public schools	45,000	45,000	30,253	(14,747)
Total education grants	<u>150,595,049</u>	<u>150,595,049</u>	<u>150,655,563</u>	<u>60,514</u>
Other government grants:				
Distressed cities exemption	250,000	250,000	394,837	144,837
Homeowners tax relief - elderly circuit breaker	425,000	425,000	416,557	(8,443)
Low income tax abatement program	85,000	85,000	-	(85,000)
Pequot funds	6,316,255	6,316,255	6,224,317	(91,938)
Municipal revenue sharing	1,002,745	1,002,745	-	(1,002,745)
Grants for Municipal Projects	1,369,123	1,369,123	1,369,123	-
PILOT - colleges and hospitals	41,906,620	41,906,620	41,698,019	(208,601)
PILOT - state property	7,465,427	7,465,427	6,993,359	(472,068)
PILOT - low income	54,000	54,000	63,989	9,989
PILOT - disabled	10,000	10,000	9,503	(497)
Shell fish	-	-	32,502	32,502
Tax relief for the elderly freeze	2,000	2,000	-	(2,000)
Telecommunications property tax	622,019	622,019	605,491	(16,528)
Town aid roads	1,251,332	1,251,332	1,248,795	(2,537)
Total other government grants	<u>60,759,521</u>	<u>60,759,521</u>	<u>59,056,492</u>	<u>(1,703,029)</u>
Total state aid	<u>211,354,570</u>	<u>211,354,570</u>	<u>209,712,055</u>	<u>(1,642,515)</u>

(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, 2016

(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues (continued):				
Licenses, permits and other fees:				
Animal shelter	\$ 4,500	\$ 4,500	\$ 7,225	\$ 2,725
Building inspections	10,151,178	10,151,178	10,096,766	(54,412)
Engineers - cost recovery	15,000	15,000	5,116	(9,884)
Fire service	80,000	80,000	130,874	50,874
Fire insurance recoveries	120,000	120,000	102,021	(17,979)
Health services	347,000	347,000	344,438	(2,562)
High school athletics	25,000	25,000	51,799	26,799
Map/Bid documents	4,000	4,000	2,455	(1,545)
Office of technology	2,000	2,000	1,285	(715)
Parks - Lighthouse carousel	1,000	1,000	1,872	872
Parks - Lighthouse admissions & concessions	75,000	75,000	87,451	12,451
Parks - other fees	75,000	75,000	44,864	(30,136)
Police service	95,000	95,000	146,316	51,316
Public works - evictions	3,000	3,000	3,750	750
Public works - public space, licenses & permits	175,000	175,000	192,122	17,122
Registrar of vital statistics	675,000	675,000	635,765	(39,235)
Residential parking permits	36,000	36,000	36,720	720
City Clerk	430,000	430,000	367,201	(62,799)
Traffic & parking meter receipts	6,100,000	6,100,000	6,487,834	387,834
Bulk trash permits	45,000	45,000	48,051	3,051
LCI Fines and Ticket Collections	50,000	50,000	50,000	-
Other agencies	45,000	45,000	41,294	(3,706)
Total licenses, permits and other fees	18,553,678	18,553,678	18,885,219	331,541
Investment income:				
Interest income	25,000	25,000	(6,891)	(31,891)
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	4,035	1,035
Parking tags	5,200,000	5,200,000	4,958,925	(241,075)
Parks employees rents	5,000	5,000	5,950	950
Fines false alarm ordinance	50,000	50,000	95,589	45,589
Public works - public space violations	5,000	5,000	5,000	-
Superior Court	70,000	70,000	99,835	29,835
Total received from fines	5,588,000	5,588,000	5,484,394	(103,606)

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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, 2016
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Payment in lieu of taxes (PILOT):				
52 Howe Street	\$ 65,000	\$ 65,000	\$ 72,245	\$ 7,245
Air Rights Garage - Yale	200,000	200,000	116,667	(83,333)
Eastview PILOT	29,000	29,000	29,131	131
Regional Water Authority	1,033,235	1,033,235	1,091,275	58,040
Greater NH WPCA	608,400	608,400	608,400	-
New Haven Parking Authority PILOT	2,000,000	2,000,000	2,016,544	16,544
Temple Street Arcade	45,000	45,000	-	-
Air Rights Garage - Temple	-	-	44,410	44,410
Trinity Housing	75,000	75,000	73,292	(1,708)
Total payment in lieu of taxes (PILOT)	<u>4,055,635</u>	<u>4,055,635</u>	<u>4,051,964</u>	<u>(3,671)</u>
Other taxes and assessments:				
Real estate conveyance tax	1,655,000	1,655,000	2,651,308	996,308
Yale payment for fire services	2,704,872	2,704,872	2,702,856	(2,016)
Total other taxes and assessments	<u>4,359,872</u>	<u>4,359,872</u>	<u>5,354,164</u>	<u>994,292</u>
Miscellaneous:				
BABS revenue	813,562	813,562	828,266	14,704
Controllers	750,000	750,000	1,362,438	612,438
I-95 highway expansion	250,000	250,000	678,887	428,887
Neighborhood preservation loan payments	3,000	3,000	685	(2,315)
Off track betting	885,000	885,000	688,344	(196,656)
Personal motor vehicles reimbursements	12,000	12,000	16,324	4,324
Other contributions	8,341,236	8,341,236	8,196,751	(144,485)
Welfare recoveries	-	-	205	205
Total miscellaneous	<u>11,054,798</u>	<u>11,054,798</u>	<u>11,771,900</u>	<u>717,102</u>
Total revenues and other financing sources	<u>\$ 507,875,241</u>	<u>\$ 507,875,241</u>	<u>\$ 506,245,899</u>	<u>\$ (1,629,342)</u>
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			31,979,000	
Refunding, net			5,100,124	
Excess cost - student based			<u>3,703,655</u>	
Total revenues and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.			<u>\$ 547,028,678</u>	

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, 2016
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures				
Current:				
General government:				
Assessor's office	\$ 970,785	\$ 970,785	\$ 728,240	\$ 242,545
Chief Administrators office	1,675,472	1,675,472	1,735,038	(59,566)
City/town	535,283	535,283	443,463	91,820
Corporation Counsel	1,864,365	1,864,365	2,158,437	(294,072)
Finance	10,472,782	10,472,782	10,394,902	77,880
Legislative services	961,589	961,589	809,916	151,673
Library	1,128,818	1,128,818	1,128,047	771
Mayor's Office	4,983,538	4,983,538	5,209,094	(225,556)
Parks	3,958,420	3,958,420	3,937,831	20,589
Registrar of voters	882,310	882,310	803,135	79,175
Total general government	27,433,362	27,433,362	27,348,103	85,259
Public safety:				
Fire	29,975,547	29,975,547	30,810,198	(834,651)
Police	37,791,848	37,891,848	38,569,445	(677,597)
Public safety communications	3,339,251	3,339,251	3,314,778	24,473
Total public safety	71,106,646	71,206,646	72,694,421	(1,487,775)
Public works & engineering:				
Engineering	5,025,000	5,025,200	4,951,062	74,138
Public works	12,026,793	12,026,793	11,827,452	199,341
Total public works	17,051,793	17,051,993	16,778,514	273,479
Human services:				
Community services admin.	2,535,605	2,635,605	2,487,363	148,242
Disability services	92,224	92,224	72,781	19,443
Elderly services	756,518	756,518	659,761	96,757
Fair rent commission	73,400	73,400	73,266	134
Health	3,527,820	3,527,820	3,325,121	202,699
Youth services	566,663	566,663	586,146	(19,483)
Total human services	7,552,230	7,652,230	7,204,438	447,792
Economic development:				
Office of Building Inspection and Enforcement	994,348	994,348	970,709	23,639
Business Development	1,805,099	1,805,099	1,788,931	16,168
City Plan	544,390	544,390	540,213	4,177
Commission of Equal Opportunity	121,705	121,705	24,487	97,218
Development Subsidies	675,000	675,000	567,783	107,217
Livable city initiative	678,641	678,641	645,601	33,040
Transportation/traffic & parking	2,568,720	2,568,720	2,576,576	(7,856)
Total economic development	7,387,903	7,387,903	7,114,300	273,603

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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, 2016
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Other departments:				
Contract reserve	\$ (1,591,264)	\$ (1,591,264)	\$ -	\$ (1,591,264)
Non-public transportation	465,000	465,000	672,476	(207,476)
Various organizations	537,295	537,295	537,295	-
Total other departments	<u>(588,969)</u>	<u>(588,969)</u>	1,209,771	(1,798,740)
Pensions/insurance/benefits:				
Employee benefits	77,430,400	80,814,425	82,060,293	(1,245,868)
Pensions	50,470,992	50,470,992	50,965,711	(494,719)
Self-insurance	4,700,000	4,700,000	3,984,536	715,464
Total insurance benefits	<u>132,601,392</u>	<u>135,985,417</u>	137,010,540	(1,025,123)
Education:				
Total education	<u>180,219,297</u>	<u>180,219,297</u>	180,207,166	12,131
Debt service:				
Principal	41,495,505	41,495,505	37,750,503	3,745,002
Interest	24,515,882	20,931,857	23,201,926	(2,270,069)
Refunding and Bond Premium Savings	(1,400,000)	(1,400,000)	(5,071,390)	3,671,390
Master Lease	500,000	500,000	500,000	-
Total debt service	<u>65,111,387</u>	<u>61,527,362</u>	56,381,039	5,146,323
Total expenditures and other financing uses	<u>\$ 507,875,041</u>	<u>\$ 507,875,241</u>	505,948,292	<u>\$ 1,926,949</u>

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	31,979,000
Premium, netted and other	5,100,127
Excess cost-student based	<u>3,703,655</u>
Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit D.	<u>\$ 546,731,074</u>

See note to required supplementary information.

**Required Supplementary Information - Unaudited
Schedule of Contributions
Last Ten Fiscal Years**

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
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%
2016	19,514,619	19,555,672	(41,053)	51,230,910	38.2%

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
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%
2016	26,297,294	26,306,000	(8,706)	53,433,356	49.2%

Notes to schedule:

Valuation date
Actuarial cost method
Amortization method
Remaining amortization period
Asset valuation method
Inflation
Salary increases
Investment rate of return
Mortality

P&F

07/01/2014
Entry age
Level percentage of payroll, closed
30 years
5-year smoothed
3.00%
3% - 11.5%
8.00%
RP-2000 Mortality Table projected by Scale AA

CERF

07/01/2014
Entry age
Level percentage of payroll, closed
28 years
5-year smoothed
3.00%
3% - 6.5%
8.00%
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 Three Fiscal Years**

Police and Firemen Retirement Plan	2016	2015	2014
Changes in Net Pension Liability			
Total pension liability:			
Service cost	\$ 11,267,233	\$ 12,179,952	\$ 11,711,492
Interest	53,882,845	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	(51,639,291)	(49,650,762)	(46,025,365)
Net change in total pension liability	13,510,787	52,842,606	15,850,497
Total pension liability, beginning	687,591,252	634,748,646	618,898,149
Total pension liability, ending (a)	701,102,039	687,591,252	634,748,646
Fiduciary net position:			
Employer contributions	26,306,000	25,259,846	24,358,055
Member contributions	7,335,993	7,873,208	6,728,075
Net investment income	(5,621,654)	409,813	54,822,571
Benefit payments, including refunds of member contributions	(51,639,291)	(49,650,762)	(46,025,365)
Administrative expenses	(184,309)	(170,518)	(845,314)
Other	(2,500)	5,614,956	8,524
Net change in plan fiduciary net position	(23,805,761)	(10,663,457)	39,046,546
Fiduciary net position, beginning	326,522,975	337,186,432	298,139,886
Fiduciary net position, ending (b)	302,717,214	326,522,975	337,186,432
Net pension liability, ending = (a) - (b)	\$ 398,384,825	\$ 361,068,277	\$ 297,562,214
Fiduciary net position as a % of total pension liability	43.18%	47.49%	53.12%
Covered payroll	\$ 53,433,356	\$ 51,378,227	\$ 56,661,371
Net pension liability as a % of covered payroll	745.57%	702.77%	525.16%

**Required Supplementary Information - Unaudited
Schedule of Investment Returns
Last Three Fiscal Years**

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-1.79%	0.73%	18.52%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Three Fiscal Years

City Employees' Retirement Plan	2016	2015	2014
Changes in Net Pension Liability			
Total pension liability:			
Service cost	\$ 5,045,428	\$ 6,161,890	\$ 5,924,895
Interest	35,166,980	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	(30,018,207)	(29,564,933)	(29,218,925)
Net change in total pension liability	10,194,201	19,062,460	7,571,331
Total pension liability, beginning	449,262,186	430,199,726	422,628,395
Total pension liability, ending (a)	459,456,387	449,262,186	430,199,726
Fiduciary net position:			
Employer contributions	19,555,672	17,592,663	16,927,028
Member contributions	4,609,881	4,568,385	4,104,738
Net investment income	(4,249,828)	(1,977,266)	23,978,199
Benefit payments, including refunds of member contributions	(30,018,207)	(29,564,933)	(29,218,925)
Administrative expenses	(149,332)	(459,176)	(377,446)
Other	855	44,573	31,927
Net change in plan fiduciary net position	(10,250,959)	(9,795,754)	15,445,521
Fiduciary net position, beginning	163,691,240	173,486,994	158,041,473
Fiduciary net position, ending (b)	153,440,281	163,691,240	173,486,994
Net pension liability, ending = (a) - (b)	\$ 306,016,106	\$ 285,570,946	\$ 256,712,732
Fiduciary net position as a % of total pension liability	33.40%	36.44%	40.33%
Covered payroll	\$ 51,230,910	\$ 49,260,490	\$ 53,572,427
Net pension liability as a % of covered payroll	597.33%	579.72%	479.19%

Required Supplementary Information - Unaudited
Schedule of Investment Returns
June 30, 2016

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-2.68%	-1.60%	14.17%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
OPEB Plan
Last Nine Fiscal Years
(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%
07/01/15	338,000	557,227,000	556,889,000	0.1%	229,297,000	242.9%

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
2016	37,673,000	75.13%	28,303,000

Required Supplementary Information - unaudited
Schedule of the City's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Last Two Fiscal Years

	2016	2015
City's proportion of the net pension liability	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	\$ 381,425,862	\$ 352,155,770
Total	\$ 381,425,862	\$ 352,155,770
City's covered-employee payroll	\$ 141,778,026	\$ 141,919,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	59.50%	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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**Note to Required Supplementary Information - Unaudited
June 30, 2016**

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 2015-2016 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, 2016**

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, 2016, the following line items over expended their appropriations:

Department	Amount
Chief Administrators Office	\$ (59,566)
Corporation Counsel	(294,072)
Mayor's Office	(225,556)
Fire	(834,651)
Police	(677,597)
Youth Services	(19,483)
Transportation/traffic & parking	(7,856)
Contract reserve	(1,591,264)
Non-public transportation	(207,476)
Employee benefits	(1,245,868)
Pensions	(494,719)



**Combining and Individual Fund
Financial Statements and
Other Schedules**

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**Nonmajor
Governmental Funds**

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, 2016

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Assets				
Cash and cash equivalents	\$ 4,216,982	\$ 4,517,493	\$ 2,314,968	\$ 19,552
Investments	444,546	-	-	-
Receivables, net	90,326	9,246	25,308	2,426
Receivables from other governments	1,802,535	8,728	443,096	-
Total assets	\$ 6,554,389	\$ 4,535,467	\$ 2,783,372	\$ 21,978
Liabilities				
Accounts payable	\$ 1,796,665	\$ 409,461	\$ 681,571	\$ 9,744
Accrued liabilities	90,349	6,077	88,468	-
Due to other funds	1,856,007	3,342,662	175,271	-
Due to other governments	419,524	19,785	-	-
Unearned revenue	-	180,767	-	-
Other liabilities	-	-	-	-
Total liabilities	4,162,545	3,958,752	945,310	9,744
Deferred inflows of resources:				
Unavailable revenue	142,945	-	-	-
Total deferred inflow of resources	142,945	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	2,248,899	576,715	1,838,062	12,234
Total fund balances	2,248,899	576,715	1,838,062	12,234
Total liabilities, deferred inflows of resources and fund balances	\$ 6,554,389	\$ 4,535,467	\$ 2,783,372	\$ 21,978

Schedule 1

<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds (See Exhibit C)
Other	Other ETF	Permanent Funds	
\$ 6,510,887	\$ 989,035	\$ 753,959	\$ 19,322,876
-	2,495,732	3,309,682	6,249,960
95,236	49,031	-	271,573
36,405	-	-	2,290,764
<u>\$ 6,642,528</u>	<u>\$ 3,533,798</u>	<u>\$ 4,063,641</u>	<u>\$ 28,135,173</u>
\$ 723,444	\$ -	\$ -	\$ 3,620,885
35,835	-	-	220,729
5,120,658	496	-	10,495,094
-	-	-	439,309
-	-	-	180,767
-	1,133,754	669,027	1,802,781
<u>5,879,937</u>	<u>1,134,250</u>	<u>669,027</u>	<u>16,759,565</u>
187,014	-	-	329,959
<u>187,014</u>	<u>-</u>	<u>-</u>	<u>329,959</u>
-	-	2,381,320	2,381,320
575,577	2,399,548	1,013,294	8,664,329
<u>575,577</u>	<u>2,399,548</u>	<u>3,394,614</u>	<u>11,045,649</u>
<u>\$ 6,642,528</u>	<u>\$ 3,533,798</u>	<u>\$ 4,063,641</u>	<u>\$ 28,135,173</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, 2016

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Revenues:				
Intergovernmental	\$ 9,355,496	\$ 7,956,519	\$ 8,851,866	\$ -
Investment earnings	-	75	178	13
Charges for services	733,305	-	23,518	-
Other contributions	388,461	1,274,777	1,240,071	-
Total revenues	10,477,262	9,231,371	10,115,633	13
Expenditures:				
Current:				
General government	44,430	-	-	-
Education	-	-	-	-
Public works	-	4,261,022	-	-
Economic development	-	-	-	-
Public services	10,697,348	-	11,076,541	-
Debt service:				
Principal	410,000	-	-	-
Interest	9,184	-	-	-
Total expenditures	11,160,962	4,261,022	11,076,541	-
Excess (deficiency) of revenues over expenditures	(683,700)	4,970,349	(960,908)	13
Other financing sources (uses):				
Transfer in	-	-	736,266	-
Total other financing sources (uses)	-	-	736,266	-
Net change in fund balances (deficits)	(683,700)	4,970,349	(224,642)	13
Fund balances (deficits), beginning	2,932,599	(4,393,634)	2,062,704	12,221
Fund balances (deficits), ending	\$ 2,248,899	\$ 576,715	\$ 1,838,062	\$ 12,234

Schedule 2

Special Revenue Funds			Total Nonmajor Governmental Funds (See Exhibit D)
Other	Other ETF	Permanent Funds	
\$ 29,794,570	\$ -	\$ -	\$ 55,958,451
868	1,300	-	2,434
1,508,621	-	-	2,265,444
351,976	-	10,486	3,265,771
<u>31,656,035</u>	<u>1,300</u>	<u>10,486</u>	<u>61,492,100</u>
3,817,134	267,102	236,974	4,365,640
27,410,000	-	-	27,410,000
-	-	-	4,261,022
149,135	-	-	149,135
-	-	-	21,773,889
-	-	-	410,000
-	-	-	9,184
<u>31,376,269</u>	<u>267,102</u>	<u>236,974</u>	<u>58,378,870</u>
<u>279,766</u>	<u>(265,802)</u>	<u>(226,488)</u>	<u>3,113,230</u>
<u>724,142</u>	<u>-</u>	<u>-</u>	<u>1,460,408</u>
<u>724,142</u>	<u>-</u>	<u>-</u>	<u>1,460,408</u>
1,003,908	(265,802)	(226,488)	4,573,638
<u>(428,331)</u>	<u>2,665,350</u>	<u>3,621,102</u>	<u>6,472,011</u>
<u>\$ 575,577</u>	<u>\$ 2,399,548</u>	<u>\$ 3,394,614</u>	<u>\$ 11,045,649</u>

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Nonmajor Enterprise Funds

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 (Deficit) - Nonmajor Enterprise Funds
June 30, 2016**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock	Total
			Communications Tower	
Assets				
Current assets:				
Cash and cash equivalents	\$ 408,114	\$ 21,849	\$ 391,290	\$ 821,253
Accounts receivable	12,513	-	-	12,513
Due from other funds	-	87,553	-	87,553
Total assets	420,627	109,402	391,290	921,319
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	195,454	111,090	1,433	307,977
Due to other funds	-	898	12,599	13,497
Total current liabilities	195,454	111,988	14,032	321,474
Net position (deficit):				
Unrestricted	225,173	(2,586)	377,258	599,845
Total net position (deficit)	\$ 225,173	\$ (2,586)	\$ 377,258	\$ 599,845

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) -
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Operating revenues:				
Charges for services	\$ 934,309	\$ 161,517	\$ 10,712	\$ 1,106,538
Total operating revenues	934,309	161,517	10,712	1,106,538
Operating expenses:				
Cost of service	744,836	149,320	12,473	906,629
Total operating expenses	744,836	149,320	12,473	906,629
Operating (loss) income	189,473	12,197	(1,761)	199,909
Nonoperating revenues:				
Interest income	-	-	577	577
Total nonoperating revenues	-	-	577	577
Net (loss) income	189,473	12,197	(1,184)	200,486
Transfers out:				
Transfers out	(70,000)	-	-	(70,000)
Change in net position	119,473	12,197	(1,184)	130,486
Fund net position (deficit), beginning	105,700	(14,783)	378,442	469,359
Fund net position (deficit), ending	\$ 225,173	\$ (2,586)	\$ 377,258	\$ 599,845

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 942,216	\$ 73,964	\$ 45,680	\$ 1,061,860
Payments to suppliers and personnel	(865,272)	(63,220)	(29,328)	(957,820)
Net cash provided by operating activities	76,944	10,744	16,352	104,040
Cash flows from investing activities:				
Interest income	-	-	577	577
Net increase in cash and cash equivalents	76,944	10,744	16,929	104,617
Cash flows from financing activities:				
Transfers out to other funds	(70,000)	-	-	(70,000)
Cash and cash equivalents:				
Beginning	401,170	11,105	374,361	786,636
Ending	<u>\$ 408,114</u>	<u>\$ 21,849</u>	<u>\$ 391,290</u>	<u>\$ 821,253</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 189,473	\$ 12,197	\$ (1,761)	\$ 199,909
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Changes in assets and liabilities:				
Decrease (increase) in other receivables	7,907	-	34,968	42,875
Decrease (increase) in due from other funds	-	(87,553)	-	(87,553)
Increase (decrease) in accounts payable	(91,692)	86,100	(191)	(5,783)
Increase in due to other funds and advance	(28,744)	-	(16,664)	(45,408)
Net cash provided by operating activities	\$ 76,944	\$ 10,744	\$ 16,352	\$ 104,040

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Internal Service Funds

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, 2016

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit F)
Assets				
Current assets:				
Cash and cash equivalents	\$ 178,358	\$ 801,622	\$ 65,871	\$ 1,045,851
Receivables, net	-	3,809,880	280,180	4,090,060
Total current assets	178,358	4,611,502	346,051	5,135,911
Liabilities				
Current liabilities:				
Accounts payable	141,489	2,054,792	-	2,196,281
Due to other funds	69,892	1,689,897	204,403	1,964,192
Accrued estimated healthcare claims	-	6,295,650	-	6,295,650
Claims and judgments	2,035,500	-	-	2,035,500
Other liabilities	7,665	-	-	7,665
Total current liabilities	2,254,546	10,040,339	204,403	12,499,288
Noncurrent Liabilities:				
Claims and judgments	1,787,500	-	-	1,787,500
	1,787,500	-	-	1,787,500
Total liabilities	4,042,046	10,040,339	204,403	14,286,788
Net position (deficit):				
Unrestricted (deficit)	(3,863,688)	(5,428,837)	141,648	(9,150,877)
Total net position (deficit)	\$ (3,863,688)	\$ (5,428,837)	\$ 141,648	\$ (9,150,877)

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
Internal Service Funds
For the Year Ended June 30, 2016

	Self-Insurance Reserve Fund	Medical Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Total (See Exhibit G)
Operating revenues:				
Employer's contribution	\$ 1,750,763	\$ 82,970,925	\$ 7,841,052	\$ 92,562,740
Charges for services	-	18,135,107	-	18,135,107
Other revenue	-	4,338,125	-	4,338,125
Total operating revenues	1,750,763	105,444,157	7,841,052	115,035,972
Operating expenses:				
Insurance claims and other expenses	1,743,946	106,819,170	7,769,434	116,332,550
Total operating expenses	1,743,946	106,819,170	7,769,434	116,332,550
Net (loss) income	6,817	(1,375,013)	71,618	(1,296,578)
Transfers:				
Transfer Out	-	(469,793)	-	(469,793)
Change in net position (deficit)	6,817	(1,844,806)	71,618	(1,766,371)
Net position (deficit), beginning	(3,870,505)	(3,584,031)	70,030	(7,384,506)
Net position (deficit), ending	\$ (3,863,688)	\$ (5,428,837)	\$ 141,648	\$ (9,150,877)

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016**

	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	\$ 1,750,763	\$ 86,428,909	\$ 7,838,042	\$ 96,017,714
Cash received from users (including other funds)	-	18,144,329	-	18,144,329
Cash payments to other funds	-	-	(410,982)	(410,982)
Claims and other expenses paid	(2,412,248)	(103,766,222)	(7,769,434)	(113,947,904)
Net cash provided by (used in) operating activities	(661,485)	807,016	(342,374)	(196,843)
Cash flows from financing activities				
Transfers out to other funds	-	(469,793)	-	(469,793)
Cash and cash equivalents:				
Beginning of year	839,843	464,399	408,245	1,712,487
End of year	\$ 178,358	\$ 801,622	\$ 65,871	\$ 1,045,851
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 6,817	\$ (1,375,013)	\$ 71,618	\$ (1,296,578)
Change in assets and liabilities:				
Increase in receivables, net	-	(880,141)	(3,010)	(883,151)
Decrease in claims and judgments	-	421,785	-	421,785
Increase in accounts payable and other	(115,880)	941,266	-	825,386
Increase in due from other funds	-	9,222	-	9,222
Increase (decrease) in due to other funds and advances	(552,422)	1,689,897	(410,982)	726,493
Net cash provided by (used in) operating activities	\$ (661,485)	\$ 807,016	\$ (342,374)	\$ (196,843)

Combining Statement of Activities
Internal Service Funds - Medical Self-Insurance Fund
For the Year Ended June 30, 2016

	Medical Self-Insurance Current Employees	Medical Self-Insurance Retirees	Total Medical Self-Insurance
Operating revenues:			
Employer's contribution	\$ 57,637,331	\$ 25,333,594	\$ 82,970,925
Charges for services and other	19,555,159	2,918,073	22,473,232
Total operating revenues	77,192,490	28,251,667	105,444,157
Operating expenses:			
Insurance claims and expenses	78,567,503	28,251,667	106,819,170
Total operating expenses	78,567,503	28,251,667	106,819,170
Transfers:			
Transfer Out	-	(469,793)	(469,793)
Change in net position (deficit)	(1,375,013)	(469,793)	(1,844,806)
Net position (deficit), beginning	(3,584,031)	-	(3,584,031)
Net position (deficit), ending	\$ (4,959,044)	\$ (469,793)	\$ (5,428,837)



Fiduciary Funds

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**Combining Statement of Trust Fund Net Position
Fiduciary Funds
June 30, 2016**

	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)
Assets					
Cash and short-term investments	\$ 12,554,667	\$ 38,871,771	\$ 1,157,388	\$ 369,366	\$ 52,953,192
Interest and dividends receivable	252,462	291,492	45	-	543,999
Accounts receivable-investment sales	2,508,222	248,601	-	-	2,756,823
Accounts receivable- other	589,713	216,980	1	20	806,714
Due from other funds	-	-	-	469,803	469,803
	<u>15,905,064</u>	<u>39,628,844</u>	<u>1,157,434</u>	<u>839,189</u>	<u>57,530,531</u>
Investments:					
Government agencies	-	2,295,310	-	-	2,295,310
Government securities	-	13,199,576	-	-	13,199,576
Common stock	58,575,032	131,437,301	93,713	-	190,106,046
Fixed income funds	8,465,421	7,266,086	-	-	15,731,507
Corporate bonds	9,098,496	22,994,484	-	-	32,092,980
Mutual funds	30,977,216	-	-	-	30,977,216
Hedge Fund	19,584,159	21,995,102	-	-	41,579,261
Asset-backed securities	672,924	4,951,456	-	-	5,624,380
Venture capital partnerships	12,593,759	39,076,337	-	-	51,670,096
Private Equity	-	20,232,000	-	-	20,232,000
Total investments	<u>139,967,007</u>	<u>263,447,652</u>	<u>93,713</u>	<u>-</u>	<u>403,508,372</u>
Total assets	<u>155,872,071</u>	<u>303,076,496</u>	<u>1,251,147</u>	<u>839,189</u>	<u>461,038,903</u>
Liabilities					
Accounts payable-investment purchases	2,431,791	359,283	-	-	2,791,074
Total liabilities	<u>2,431,791</u>	<u>359,283</u>	<u>-</u>	<u>-</u>	<u>2,791,074</u>
Net position:					
Restricted for pension and opeb benefits	\$ 153,440,280	\$ 302,717,213	\$ 1,251,147	\$ 839,189	\$ 458,247,829

**Combining Statement of Changes in Trust Fund Net Position
Fiduciary Funds
For the Year Ended June 30, 2016**

	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)
Additions:					
Contributions:					
Employer contributions	\$ 19,555,670	\$ 26,306,000	\$ -	\$ 25,393,594	\$ 71,255,264
Plan members	4,609,881	7,335,993	-	2,918,073	14,863,947
Total contributions	24,165,551	33,641,993	-	28,311,667	86,119,211
Investment earnings:					
Net depreciation in fair value of investments	(6,896,397)	(9,277,282)	(8,071)	-	(16,181,750)
Interest and dividends	3,177,542	4,219,307	2,872	1,238	7,400,959
Miscellaneous Income	855	-	-	-	855
Total investment income (loss)	(3,718,000)	(5,057,975)	(5,199)	1,238	(8,779,936)
Less investment expense	680,304	750,489	-	-	1,430,793
Net investment income (loss)	(4,398,304)	(5,808,464)	(5,199)	1,238	(10,210,729)
Total additions	19,767,247	27,833,529	(5,199)	28,312,905	75,908,482
Deductions:					
Benefits	30,018,207	51,639,291	31,722	28,251,667	109,940,887
Total deductions	30,018,207	51,639,291	31,722	28,251,667	109,940,887
Transfers:					
Transfers in	-	-	-	469,793	469,793
Net increase (decrease)	(10,250,960)	(23,805,762)	(36,921)	531,031	(33,562,612)
Restricted for pension and opeb benefits:					
Fund Net Position, beginning of year	163,691,240	326,522,975	1,288,068	308,158	491,810,441
Fund net position, end of year	\$ 153,440,280	\$ 302,717,213	\$ 1,251,147	\$ 839,189	\$ 458,247,829

**Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2016**

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 549,985	\$ 1,316,891	\$ (1,224,115)	\$ 642,761
Total assets	\$ 549,985	\$ 1,316,891	\$ (1,224,115)	\$ 642,761
Liabilities:				
Due to student groups	\$ 549,985	\$ 1,316,891	\$ (1,224,115)	\$ 642,761
Total liabilities	\$ 549,985	\$ 1,316,891	\$ (1,224,115)	\$ 642,761
Performance Bond				
Assets:				
Cash and cash equivalents	\$ 515,939	\$ 253,624	\$ (100,000)	\$ 669,563
Total assets	\$ 515,939	\$ 253,624	\$ (100,000)	\$ 669,563
Liabilities:				
Amounts held for others	\$ 515,939	\$ 253,624	\$ (100,000)	\$ 669,563
Total liabilities	\$ 515,939	\$ 253,624	\$ (100,000)	\$ 669,563
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 1,065,924	\$ 1,570,515	\$ (1,324,115)	\$ 1,312,324
Total assets	\$ 1,065,924	\$ 1,570,515	\$ (1,324,115)	\$ 1,312,324
Liabilities:				
Due to student groups	\$ 549,985	\$ 1,316,891	\$ (1,224,115)	\$ 642,761
Amounts held for others	515,939	253,624	(100,000)	669,563
Total liabilities	\$ 1,065,924	\$ 1,570,515	\$ (1,324,115)	\$ 1,312,324

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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, 2016

Grand List	Uncollected Taxes July 1, 2015	Current Levy	Lawful Corrections Additions/ Deductions	Transfers to Suspense	Net Amount Collectible
1999	55,859	-	(55,859)	-	-
2000	58,095	-	(58,095)	-	-
2001	70,437	-	-	-	70,437
2002	83,020	-	-	-	83,020
2003	92,259	-	-	-	92,259
2004	97,855	-	493	-	98,348
2005	152,157	-	(2,724)	-	149,433
2006	180,982	-	(13,731)	-	167,251
2007	250,502	-	(413,045)	-	(162,543)
2008	264,987	-	(59,913)	-	205,074
2009	273,299	-	(38,498)	-	234,801
2010	364,567	-	(68,478)	-	296,089
2011	1,838,564	-	(1,113,218)	(997,341)	(271,995)
2012	2,188,314	-	(1,384,437)	-	803,877
2013	5,238,254	-	(2,291,500)	-	2,946,754
Prior Years' Total	11,209,151	-	(5,499,005)	(997,341)	4,712,805
2014	-	255,369,165	(3,056,942)	-	252,312,223
	<u>\$ 11,209,151</u>	<u>\$ 255,369,165</u>	<u>\$ (8,555,947)</u>	<u>\$ (997,341)</u>	<u>\$ 257,025,028</u>

Schedule 13

Collections						Uncollected
Taxes	Overpayments	Interest and Lien Fees	Lien Fees	Total		Taxes June 30, 2016
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,571	-	3,862	-	5,433		68,866
674	-	1,542	-	2,216		82,346
790	-	1,650	-	2,440		91,469
2,074	-	3,937	-	6,011		96,274
962	-	2,669	-	3,631		148,471
9	(7,890)	(2,090)	-	(9,971)		175,132
9,473	(377,831)	11,265	-	(357,093)		205,815
28,065	(29,293)	31,580	-	30,352		206,302
48,858	(13,774)	55,035	-	90,119		199,717
82,452	(35,070)	70,000	-	117,382		248,707
(534,341)	(112,622)	112,980	-	(533,983)		374,968
(422,025)	(247,162)	177,613	-	(491,574)		1,473,064
1,360,834	(550,901)	430,932	-	1,240,865		2,136,821
579,396	(1,374,543)	900,975	-	105,828		5,507,952
247,811,024	(570,086)	860,297	-	248,101,235		5,071,285
<u>\$ 248,390,420</u>	<u>\$ (1,944,629)</u>	<u>\$ 1,761,272</u>	<u>\$ -</u>	<u>\$ 248,207,063</u>		<u>\$ 10,579,237</u>

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**Statistical Section
(Unaudited)**

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			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 590,164,856	\$ 690,783,952	\$ 795,545,245	\$ 790,216,721
Restricted	27,821,177	15,289,232	12,887,497	12,550,193
Unrestricted	(70,483,768)	(108,981,890)	(148,878,781)	(37,143,425)
Total governmental activities	547,502,265	597,091,294	659,553,961	765,623,489
Business-type activities:				
Unrestricted	3,835,849	1,785,564	1,647,934	652,000
Total business-type activities	3,835,849	1,785,564	1,647,934	652,000
City net position:				
Net Invested in capital assets,	590,164,856	690,783,952	795,545,245	790,216,721
Restricted	27,821,177	15,289,232	12,887,497	12,550,193
Unrestricted (deficit)	(66,647,919)	(107,196,326)	(147,230,847)	(36,491,425)
Total governmental activities	\$ 551,338,114	\$ 598,876,858	\$ 661,201,895	\$ 766,275,489

Source: Department of Finance

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 889,013,623	\$ 933,256,161	\$ 950,575,226	\$ 952,587,372	\$ 918,930,231	\$ 956,517,425
16,979,104	13,770,223	16,333,526	20,765,758	13,528,982	10,763,525
(97,426,220)	(136,664,640)	(154,091,504)	(190,023,485)	(717,176,614)	(751,798,333)
808,566,507	810,361,744	812,817,248	783,329,645	215,282,599	215,482,617
520,387	552,158	453,546	611,147	469,359	599,845
520,387	552,158	453,546	611,147	469,359	599,845
889,013,623	933,256,161	950,575,226	952,587,372	918,930,231	956,517,425
16,979,104	13,770,223	16,333,526	20,765,758	13,528,982	10,763,525
(96,905,833)	(136,112,482)	(153,637,958)	(189,412,338)	(716,707,255)	(751,198,488)
\$ 809,086,894	\$ 810,913,902	\$ 813,270,794	\$ 783,940,792	\$ 215,751,958	\$ 216,082,462

City of New Haven, Connecticut

**Statement of Activities
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
Expenses:				
Governmental activities:				
General government	\$ 32,110,858	\$ 37,693,461	\$ 33,128,676	\$ 38,324,187
Education	267,469,133	345,341,470	281,171,745	369,049,226
Public Safety	64,576,785	68,514,288	70,113,405	95,866,212
Public Works	25,542,135	24,673,176	25,800,652	46,150,257
Public Services	35,211,562	42,186,718	41,512,155	36,094,387
Employee benefits and insurance	82,174,588	114,344,620	115,508,082	-
Culture and Recreation	9,273,135	9,927,948	9,665,487	12,194,921
Economic Development	23,549,651	21,962,659	39,221,060	8,599,509
Interest on long-term debt	20,141,346	24,529,443	21,900,866	22,380,844
Total governmental expenses	560,049,193	689,173,783	638,022,128	628,659,543
Business-type activities:				
Recreation	1,379,843	1,772,097	1,255,002	883,496
Total business-type expenses	1,379,843	1,772,097	1,255,002	883,496
Total expenses	561,429,036	690,945,880	639,277,130	629,543,039
Program revenues:				
Governmental activities:				
Charges for services	69,016,817	65,209,673	48,839,095	32,703,214
Operating grants and contributions	230,990,261	310,303,937	273,622,190	304,571,883
Capital grants and contributions	123,116,731	108,404,390	110,706,951	69,966,267
Total governmental activities	423,123,809	483,918,000	433,168,236	407,241,364
Business-type activities:				
Recreation	1,596,325	(278,188)	1,117,372	1,353,464
Total business-type activities	1,596,325	(278,188)	1,117,372	1,353,464
Total program revenues	424,720,134	483,639,812	434,285,608	408,594,828
Net (expense)/revenue				
Governmental activities	(136,925,384)	(205,255,783)	(204,853,892)	(221,418,179)
Business-type activities	216,482	(2,050,285)	(137,630)	469,968
Total net expenses	(136,708,902)	(207,306,068)	(204,991,522)	(220,948,211)

Source: Department of Finance

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	38,378,265	\$	42,912,415	\$	44,273,863	\$	42,374,815	\$	45,019,352	\$	42,621,112
	387,620,341		398,188,801		422,504,443		441,022,674		471,239,560		551,621,913
	100,362,361		100,752,656		100,514,476		103,204,821		118,802,515		112,584,258
	43,462,757		29,571,591		28,086,703		36,849,330		36,357,486		46,241,701
	34,963,806		35,226,515		34,109,046		37,089,015		35,959,603		32,628,293
	-		-		-		-		-		-
	11,008,820		-		-		-		-		-
	7,778,651		7,748,513		16,022,738		20,216,634		14,227,659		8,673,822
	22,625,151		24,802,662		26,153,935		25,334,747		25,948,757		19,597,972
	646,200,152		639,203,153		671,665,204		706,092,036		747,554,932		813,969,071
	1,269,621		1,086,086		1,178,023		811,193		1,206,943		906,629
	1,269,621		1,086,086		1,178,023		811,193		1,206,943		906,629
	647,469,773		640,289,239		672,843,227		706,903,229		748,761,875		814,875,700
	23,694,252		25,775,734		36,907,521		35,291,621		40,886,610		32,702,396
	290,018,680		281,391,602		299,280,981		309,425,898		327,560,388		396,220,688
	94,495,718		43,861,614		49,720,146		30,467,436		38,134,971		75,476,816
	408,208,650		351,028,950		385,908,648		375,184,955		406,581,969		504,399,900
	1,137,624		1,227,809		1,189,355		1,078,769		1,175,155		1,106,538
	1,137,624		1,227,809		1,189,355		1,078,769		1,175,155		1,106,538
	409,346,274		352,256,759		387,098,003		376,263,724		407,757,124		505,506,438
	(237,991,502)		(288,174,203)		(285,756,556)		(330,907,081)		(340,972,963)		(309,569,171)
	(131,997)		141,723		11,332		267,576		(31,788)		199,909
	(238,123,499)		(288,032,480)		(285,745,224)		(330,639,505)		(341,004,751)		(309,369,262)

(Continued)

City of New Haven, Connecticut

**Statement of Activities (Continued)
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
General revenues and other:				
Changes in net position:				
Governmental activities:				
Property taxes	\$ 179,455,921	\$ 189,489,128	\$ 205,341,992	\$ 213,331,992
Grants and contributions not restricted to specific purposes	58,812,019	56,177,412	53,565,509	54,721,798
Investment income	4,925,231	3,068,272	823,478	192,676
Miscellaneous	-	-	7,475,580	3,775,000
Transfers	110,000	6,110,000	110,000	1,466,241
Total governmental activities	243,303,171	254,844,812	267,316,559	273,487,707
Business-type activities:				
Investment income	-	-	1,818	339
Transfers	-	-	(110,000)	(1,466,241)
Total business-type activities	-	-	(108,182)	(1,465,902)
Total general revenues	243,303,171	254,844,812	267,208,377	272,021,805
Change in net position:				
Governmental activities	106,377,787	49,589,029	62,462,667	52,069,528
Business-type activities	216,482	(2,050,285)	(245,812)	(995,934)
Change in net position	\$ 106,594,269	\$ 47,538,744	\$ 62,216,855	\$ 51,073,594

Source: Department of Finance

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 223,589,061	\$ 229,270,651	\$ 232,021,388	\$ 245,329,193	\$ 251,874,699	\$ 249,774,495
53,781,158	60,472,827	55,960,782	55,924,054	61,506,528	59,929,086
114,301	115,962	119,890	56,231	(7,977)	(4,392)
3,450,000	-	-	-	-	-
-	110,000	110,000	110,000	110,000	70,000
280,934,520	289,969,440	288,212,060	301,419,478	313,483,250	309,769,189
384	48	56	25	-	577
-	(110,000)	(110,000)	(110,000)	(110,000)	(70,000)
384	(109,952)	(109,944)	(109,975)	(110,000)	(69,423)
280,934,904	289,859,488	288,102,116	301,309,503	313,373,250	309,699,766
42,943,018	1,795,237	2,455,504	(29,487,603)	(27,489,713)	200,018
(131,613)	31,771	(98,612)	157,601	(141,788)	130,486
\$ 42,811,405	\$ 1,827,008	\$ 2,356,892	\$ (29,330,002)	\$ (27,631,501)	\$ 330,504

City of New Haven, Connecticut

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
General fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Reserved	-	-	-	7,000,000
Unreserved/unassigned	14,722,550	15,508,258	16,025,789	9,177,717
Total general fund	\$ 14,722,550	\$ 15,508,258	\$ 16,025,789	\$ 16,177,717
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	164,214,106	162,569,834	119,254,075	74,673,938
Unreserved, reported in:				
Special revenue funds	3,270,197	(1,030,960)	(4,394,417)	(10,990,440)
Capital projects funds	(187,149,898)	(194,775,989)	(166,587,369)	(107,306,164)
Permanent funds	3,253,463	2,992,757	2,447,525	2,536,873
Total all other governmental funds	\$ (16,412,132)	\$ (30,244,358)	\$ (49,280,186)	\$ (41,085,793)

* 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						
2011*	2012	2013	2014	2015	2016	
\$ 7,000,000	\$ 5,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	
9,827,620	3,791,796	-	-	-	-	
-	-	-	-	-	-	
-	-	(8,721,555)	22,047	1,726,001	2,023,605	
<u>\$ 16,827,620</u>	<u>\$ 8,791,796</u>	<u>\$ (4,721,555)</u>	<u>\$ 22,047</u>	<u>\$ 1,726,001</u>	<u>\$ 2,023,605</u>	
\$ 2,495,040	\$ 2,415,247	\$ 2,501,388	\$ 2,501,388	\$ 2,449,526	\$ 2,433,271	
13,149,999	12,577,203	13,952,206	56,816,595	53,526,263	58,876,699	
2,480,268	2,480,268	-	-	-	-	
858,106	696,429	783,844	-	-	-	
(42,124,903)	(41,238,667)	(48,281,991)	(9,830,956)	(4,821,965)	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ (23,141,490)</u>	<u>\$ (23,069,520)</u>	<u>\$ (31,044,553)</u>	<u>\$ 49,487,027</u>	<u>\$ 51,153,824</u>	<u>\$ 61,309,970</u>	

City of New Haven, Connecticut

Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Revenues:				
Property taxes	\$ 180,637,982	\$ 186,365,020	\$ 203,404,742	\$ 206,824,921
Licenses and permits	17,057,976	15,747,687	17,319,960	18,844,871
Intergovernmental	433,493,464	493,274,346	434,232,125	413,032,296
Charges for services	2,875,699	2,331,720	4,575,057	7,249,401
Fines	4,623,108	5,316,063	5,351,710	5,077,231
Investment income	4,925,231	3,068,272	823,478	192,676
Payments in lieu of taxes	2,490,936	2,596,308	2,435,344	5,364,603
Other	26,241,897	26,342,819	25,035,449	19,212,240
Total revenues	672,346,293	735,042,235	693,177,865	675,798,239
Expenditures:				
Current:				
General government	31,265,330	33,766,223	32,908,251	32,228,453
Public safety	63,189,813	67,413,221	68,810,405	70,769,960
Public works	18,683,458	18,283,955	19,439,170	29,061,135
Public services	35,211,562	42,186,718	41,512,155	33,753,120
Other departments	-	-	-	-
Culture and recreation	8,659,659	9,367,840	9,110,439	8,700,514
Employee benefits and insurance	79,590,747	84,643,661	91,498,136	97,698,274
Economic development	-	-	-	8,599,509
Education	254,693,814	331,066,638	265,877,829	273,173,543
Other expenditures	23,549,651	21,962,659	39,221,060	-
Debt service:				
Principal	40,728,447	40,587,130	42,147,976	41,333,551
Interest	20,424,798	22,116,729	21,669,413	22,380,844
Capital outlay	123,189,179	127,803,979	132,086,908	115,394,256
Bond issuance costs	-	-	-	-
Total expenditures	699,186,458	799,198,753	764,281,742	733,093,159
Excess (deficiency) of revenues over expenditures	(26,840,165)	(64,156,518)	(71,103,877)	(57,294,920)
Other financing sources (uses):				
Capital related debt	39,500,000	45,000,000	45,000,000	50,400,000
Bond proceeds	-	-	-	-
Issuance of grant anticipation notes	-	-	-	-
Bond proceeds	-	-	-	-
Proceeds from sale of capital assets	-	-	7,475,580	3,775,000
Payment to escrow	(75,015,706)	(35,074,324)	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	6,110,000	110,000	3,813,094
Transfers out	1,110,000	-	-	(2,346,853)
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	-	-
Total other financing sources (uses)	39,610,000	51,110,000	52,585,580	55,641,241
Net change in fund balances	12,769,835	(13,046,518)	(18,518,297)	(1,653,679)
Fund balance at beginning of year	(14,459,417)	(1,689,582)	(14,736,100)	(23,254,397)
Fund balance at end of year	\$ (1,689,582)	\$ (14,736,100)	\$ (33,254,397)	\$ (24,908,076)
Debt service as a percentage of noncapital expenditures	9.58%	8.51%	9.11%	9.52%
Source: Department of Finance				
Total debt service	\$ 61,153,245	\$ 62,703,859	\$ 63,817,389	\$ 63,714,395
Noncapital Expenditures	638,033,213	736,494,894	700,464,353	669,378,764

Fiscal Year						
	2011	2012	2013	2014	2015	2016
\$	218,720,737	\$ 226,146,445	\$ 230,988,343	\$ 243,999,342	\$ 249,968,781	\$ 250,993,094
	13,195,587	12,562,691	16,207,851	15,715,800	25,735,463	18,835,219
	405,712,082	375,716,436	368,505,030	395,251,811	427,556,702	507,395,162
	7,816,539	7,900,287	11,658,305	8,868,596	7,377,689	7,627,709
	5,709,988	5,312,756	4,502,154	4,713,752	5,127,968	5,534,394
	114,301	115,962	119,890	56,231	(7,977)	(4,309)
	1,820,138	2,018,863	1,943,383	1,975,822	1,436,103	1,427,020
	28,910,176	18,346,222	19,833,644	23,187,286	21,118,723	19,488,380
	681,999,548	648,119,662	653,758,600	693,768,640	738,313,452	811,296,669
	30,704,867	33,414,390	34,051,946	31,933,933	32,497,009	31,941,350
	73,739,649	72,617,616	72,103,165	72,312,347	76,868,915	72,663,255
	27,581,215	16,076,971	21,643,596	27,151,726	28,269,005	21,582,317
	31,895,908	29,207,328	28,020,430	27,256,339	28,071,550	28,241,064
	677,539	1,825,846	1,437,285	797,221	1,085,037	1,210,771
	106,160,244	-	-	-	-	-
	8,576,710	120,102,608	128,736,336	124,811,581	143,188,467	137,510,540
	7,778,651	7,748,513	16,022,738	20,216,234	14,227,659	8,673,822
	276,049,421	276,988,897	299,236,689	311,955,067	336,796,430	384,845,337
	-	-	-	-	-	-
	41,618,348	40,676,028	42,855,066	41,858,092	38,753,682	38,160,503
	23,333,353	24,482,136	22,955,367	20,423,668	26,059,727	24,327,972
	69,472,533	83,765,276	57,765,250	42,297,623	53,956,863	122,802,205
	-	-	-	-	-	-
	697,588,438	706,905,609	724,827,868	721,013,831	779,774,344	871,959,136
	(15,588,890)	(58,785,947)	(71,069,268)	(27,245,191)	(41,460,892)	(60,662,467)
	-	-	-	-	-	-
	-	44,500,000	43,000,000	53,870,000	96,150,000	100,100,000
	-	-	-	56,552,893	-	-
	44,265,000	-	-	24,235,000	-	-
	3,450,000	3,663,000	4,500,000	-	-	-
	(16,569,312)	-	(51,372,532)	(25,602,585)	(68,191,150)	(60,666,022)
	3,037,408	2,549,093	1,538,351	1,749,713	14,424,001	13,078,096
	6,218,541	2,465,303	9,118,246	2,584,489	1,554,742	2,832,464
	(6,218,541)	(2,355,303)	(9,008,246)	(2,474,489)	(1,444,742)	(2,762,464)
	-	-	-	-	2,360,839	-
	-	-	4,105,065	1,583,305	-	-
	-	-	47,700,000	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	34,183,096	50,822,093	49,580,884	112,498,326	44,853,690	52,582,074
	18,594,206	(7,963,854)	(21,488,384)	85,253,135	3,392,798	(8,080,393)
	(24,908,076)	(6,313,870)	(14,277,724)	(35,766,108)	49,487,027	52,879,825
\$	(6,313,870)	\$ (14,277,724)	\$ (35,766,108)	\$ 49,487,027	\$ 52,879,825	\$ 44,799,432
	10.27%	10.15%	9.99%	9.45%	9.69%	7.17%
\$	64,951,701	\$ 65,158,164	\$ 65,810,433	\$ 62,281,760	\$ 64,813,409	\$ 62,488,475
	632,636,737	641,747,445	659,017,435	658,732,071	668,704,267	871,959,136

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
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
2016	2,938,127,710	2,810,405,435	410,168,319	757,100,350

Source: City Assessor's Office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.

The City has no overlapping governments.

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
\$ 146,291,211	\$ 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%
326,046,053	6,589,755,761	0.00	9,879,716,877	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	\$ 287,376,014	1	4.699 %	81,032,012	2	0.204 %
Winn-Stanley	160,445,680	2	2.624	-	-	-
Fusco	122,613,210	3	2.005	49,792,575	5	0.125
Yale University	116,501,510	4	1.905	123,441,253	1	0.310
PSEG Power Connecticut LLC	74,521,401	5	1.219	54,527,826	4	0.137
MEPT Chapel Street LLC	66,382,020	6	1.085	-	-	-
Carabetta	51,966,290	7	0.850	29,560,832	8	0.751
Howe St Landlord LLC	47,250,630	8	0.773	-	-	-
New Haven Towers	46,320,700	9	0.757	18,788,826	-	0.477
HTA-YLW New Haven LLC	41,655,970	10	0.681	-	-	-
	<u>\$ 1,015,033,425</u>		<u>16.598 %</u>	<u>\$ 357,143,324</u>		<u>2.004 %</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
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	2,172,939	184,262,356	99.12
2009	204,055,698	199,464,168	97.75	2,467,427	201,931,595	98.96
2010	206,066,188	201,314,351	97.69	2,130,486	203,444,837	98.73
2011	219,290,220	213,902,372	97.54	2,786,398	216,688,770	98.81
2012	226,835,431	220,502,270	97.21	3,473,770	223,976,040	98.74
2013	233,426,979	227,626,731	97.52	(82,867)	227,543,864	97.48
2014	245,563,608	240,521,693	97.95	452,802	240,974,495	98.13
2015	252,620,573	247,382,319	97.93	809,933	248,192,252	98.25
2016	252,312,223	247,240,939	97.99	-	247,240,939	97.99

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
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%
2016	522,994	7.94%	4,014	17.20%

Source: Department of Finance

Note: The City has no overlapping debt.

City of New Haven, Connecticut

**Schedule of Debt Limitation
For the Year Ended June 30, 2016
(Unaudited)**

Total tax collections (including interest and lien fees) received for the year ended June 30, 2016						\$ 248,207,063
Reimbursement for revenue loss from: Elderly tax relief						-
Base						<u>\$ 248,207,063</u>
	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding	Total
Debt limitation:						
2-1/4 times base	\$ 558,465,892	\$ -	\$ -	\$ -	\$ -	\$ 558,465,892
4-1/2 times base	-	1,116,931,784	-	-	-	1,116,931,784
3-3/4 times base	-	-	930,776,486	-	-	930,776,486
3-1/4 times base	-	-	-	806,672,955	-	806,672,955
3 times base	-	-	-	-	744,621,189	744,621,189
Total debt limitation	<u>558,465,892</u>	<u>1,116,931,784</u>	<u>930,776,486</u>	<u>806,672,955</u>	<u>744,621,189</u>	<u>4,157,468,305</u>
Indebtedness:						
Bonds payable	227,763,208	271,974,936	-	23,255,681	-	522,993,825
Grant anticipation note	-	68,825,028	-	-	-	68,825,028
School grants receivable	-	(24,107,993)	-	-	-	(24,107,993)
Bonds authorized and unissued	-	216,220,187	-	-	-	216,220,187
Total indebtedness of the City	<u>227,763,208</u>	<u>532,912,158</u>	<u>-</u>	<u>23,255,681</u>	<u>-</u>	<u>783,931,047</u>
Component unit indebtedness:						
New Haven Parking Authority	8,164,000	-	-	-	-	8,164,000
New Haven Solid Waste Authority	7,945,000	-	-	-	-	7,945,000
Total indebtedness	<u>243,872,208</u>	<u>532,912,158</u>	<u>-</u>	<u>23,255,681</u>	<u>-</u>	<u>800,040,047</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 314,593,684</u>	<u>\$ 584,019,626</u>	<u>\$ 930,776,486</u>	<u>\$ 783,417,274</u>	<u>\$ 744,621,189</u>	<u>\$ 3,357,428,258</u>

Source: Department of Finance

City of New Haven, Connecticut

**Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

	2007	2008	2009	2010
Debt limit	\$ 1,264,844,147	\$ 1,304,875,551	\$ 1,424,007,039	\$ 2,984,366,075
Total net debt applicable to limit	677,462,562	688,741,505	692,566,863	770,266,215
Legal debt margin	\$ 587,381,585	\$ 616,134,046	\$ 731,440,176	\$ 2,214,099,860
Total net debt applicable to the limit as a percentage of debt limit	53.56%	52.78%	48.64%	25.81%

Source: Department of Finance

	2011	2012	2013	2014	2015	2016
\$	3,650,066,669	\$ 3,760,220,716	\$ 3,886,957,715	\$ 4,093,343,175	\$ 4,182,734,307	\$ 4,157,468,305
	743,923,424	723,700,313	793,344,746	776,296,792	774,789,991	800,040,047
\$	2,906,143,245	\$ 3,036,520,403	\$ 3,093,612,969	\$ 3,317,046,383	\$ 3,407,944,316	\$ 3,357,428,258
	20.38%	19.25%	20.41%	18.96%	18.52%	19.24%

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
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	2,827,755	21,789	30.1
2015	130,282	3,040,652	23,339	30.4
2016	130,322	3,101,142	23,796	30.5

Source: U.S. Department of Commerce, Census Bureau

Educational Attainment			
High School	Bachelors Degree	School Enrollment	Unemployment Rate
87.1%	30.7%	20,033	4.8%
88.3%	32.7%	19,846	5.8%
87.6%	32.7%	19,050	8.2%
87.8%	32.2%	19,810	9.5%
88.1%	31.8%	19,841	9.2%
88.0%	32.6%	19,826	9.7%
88.2%	32.7%	20,794	10.1%
89.8%	33.5%	20,474	9.8%
81.3%	32.6%	21,439	8.0%
82.3%	33.6%	21,722	7.6%

City of New Haven, Connecticut

Principal Employers New Haven's Major Employers (Unaudited)

Employer	City	Industry	Employees Min.
Yale University	New Haven	Schools-Universities & Colleges Academic	5,000 - 9,999 employees
Yale New Haven Health System	New Haven	Clinics	5,000 - 9,999 employees
General Counselors Office	New Haven	Business Services Nec	1,000 - 4,999 employees
Southern Connecticut State Univ	New Haven	Schools-Universities & Colleges Academic	1,000 - 4,999 employees
Temple Medical Ctr	New Haven	Surgical Centers	1,000 - 4,999 employees
American Medical Response	New Haven	Ambulance Service	500 - 999 employees
Assa Abloy Americas	New Haven	Hardware-Manufacturers	500 - 999 employees
Assa Abloy Door Security Sltns	New Haven	Door & Window Components Manufacturing	500 - 999 employees
AT&T	New Haven	Telephone Companies	500 - 999 employees
Elm City Newspapers	New Haven	Newspapers (Publishers/Mfrs)	500 - 999 employees
Knights of Columbus	New Haven	Clubs	500 - 999 employees
Knights of Columbus Insurance	New Haven	Insurance	500 - 999 employees
New Haven Police Dept	New Haven	Police Departments	500 - 999 employees
New Haven Register	New Haven	Newspapers (Publishers/Mfrs)	500 - 999 employees
Pwc	New Haven	Accountants	500 - 999 employees
Sargent Manufacturing CO	New Haven	Hardware-Manufacturers	500 - 999 employees
United Illuminating CO	New Haven	Utilities	500 - 999 employees
US Post Office	New Haven	Post Offices	500 - 999 employees
Yale School of Med Psychiatry	New Haven	Psychiatric Hospitals	500 - 999 employees
1-3 Long Wharf Drive Ownership	New Haven	Real Estate Management	250 - 499 employees
Advanced Nursing & Rehab Ctr	New Haven	Nursing & Convalescent Homes	250 - 499 employees
Connecticut Mental Health Ctr	New Haven	Mental Health Services	250 - 499 employees
Cornell Scott Hill Health Corp	New Haven	Clinics	250 - 499 employees
Corrections Dept	New Haven	Government Offices-State	250 - 499 employees
Department of Anesthesiology	New Haven	Schools-Medical	250 - 499 employees
Ikea	New Haven	Furniture-Dealers-Retail	250 - 499 employees
Mental Health Ctr	New Haven	Government Offices-State	250 - 499 employees
New Haven City Offices	New Haven	Counseling Services	250 - 499 employees
New Haven Fire Dept	New Haven	Fire Departments	250 - 499 employees
New Haven Police Dept	New Haven	Police Departments	250 - 499 employees
South Central Connecticut Rwa	New Haven	Water & Sewage Companies-Utility	250 - 499 employees
United Electrical Radio & Mach	New Haven	Labor Organizations	250 - 499 employees
Walmart Supercenter	New Haven	Department Stores	250 - 499 employees
Wiggin & Dana Llp	New Haven	Attorneys	250 - 499 employees
Yale Anesthesiology	New Haven	Physicians & Surgeons	250 - 499 employees
Yale Student Health	New Haven	Physicians & Surgeons	250 - 499 employees
Yale Diagnostic Radiology	New Haven	Physicians & Surgeons	250 - 499 employees
Yale University Law School	New Haven	Law Schools	250 - 499 employees
DCF New Haven	New Haven	Government Offices-State	100 - 249 employees

Source: Connecticut Department of Labor, 2016 (Top 100 Employers in New Haven County)

City of New Haven, Connecticut

**Full-Time Equivalent Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Mayor's Office	11	12	10	11	11	12	10	11	13	12
Legislative Services	10	10	10	10	10	10	10	10	10	10
Human Resources	-	-	-	-	-	7	7	7	7	6
Labor Relations	-	-	-	-	-	2	2	2	2	2
Economic Development:										
Economic Development	16	10	13	13	13	15	13	14	10	10
Transportation, Traffic and Parking	35	32	33	33	30	31	31	33	33	32
City Plan	8	6	8	8	8	9	9	11	11	11
Building Inspection and Enforcement	17	14	16	16	16	17	17	16	-	15
Livable City Initiative	40	9	40	40	40	43	44	54	72	66
Commission on Equal Opportunity	6	2	9	9	10	12	6	13	11	10
Administrative Services:										
Chief Administrator's Office	11	11	11	12	12	6	5	7	7	9
Finance Department	65	60	67	69	70	75	73	80	79	63
Assessor's Office	12	12	12	12	12	13	13	7	7	7
Corporation Counsel	18	18	17	17	17	18	18	22	22	22
Town Clerk	6	6	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	1	2	2	2	2	2
Public Safety:										
Police	553	551	554	554	551	577	613	617	619	606
Fire	366	376	376	376	376	382	415	419	420	418
Public Safety Communications	60	57	77	79	79	71	-	-	-	-
Physical Services:										
Public Works	114	114	115	116	113	116	115	132	130	129
Engineering	14	8	14	13	11	12	13	13	13	13
Human Services:										
Youth & Family Services	6	1	5	5	5	7	6	7	7	18
Senior & Community Services	25	14	13	16	13	12	17	28	23	32
Public Health	96	56	86	88	88	95	96	103	105	104
Leisure/Culture:										
Parks & Recreation	42	55	59	59	59	63	63	73	73	72
Public Library	59	38	39	41	43	47	47	51	50	50
	-									
Education:	3,388	2,488	2,484	2,368	2,288	2,295	2,307	2,301	5,089	5,174
Total Town and Education	4,986	3,968	4,081	3,978	3,888	3,961	3,964	4,045	6,827	6,905

* 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, 2016 and 2015
(Unaudited)

FY 2016 FY 2015

Performance Indicator: Corporation Counsel

A. Lawsuits:

i. Total New Cases Received During Year	279	284
ii. Total New Cases Closed During Year	357	452
iii. Settlement	61	68
iv. Withdrawal	93	72
v. Statute Expired, Bankruptcy & Workers Compensation)	137	276
vi. Dispositive Motion	16	9
vii. Dismissal/Win after Hearing	50	27
viii. Pending Active Cases (as of 12/7/12)	725	780
ix. CMN-19, MAW-69, ACK-271, RRW-116	73	78

B. Notices Of Intent To Sue:

i. Notices Received	90	127
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C. Contracts:

i. Number of New Contracts Received	731	580
ii. Number of Contracts Completed	670	516
iii. Contracts Not Executed)	61	64

D. Legal Opinions:

i. Legal Opinions Formally Delivered	16	3
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E. Freedom of Information Requests:

i. Freedom of Information Requests Received	237	181
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F. Subrogation Claims:

i. Claims Brought Against the City	23	26
ii. Amount Claimed	55,910	84,410
iii. Amount Paid by the City	4,485	21,391

G. Property Damage Claims:

i. Claims Brought Against the City	92	155
ii. Amount Claimed	\$ 243,344	\$ 337,435
iii. Amount Paid By the City	\$ 27,557	\$ 33,523

Performance Indicator: Department of Finance

A. Accounts Payable:

i. No. of Checks Issued	23,451	23,175
ii. No. of 1099's Issued	1,313	580

B. Internal Audit:

i. Operational Reviews	10	12
ii. Other Special Projects	42	40

C. Accounting:

i. Total Bank Reconciliations	190	182
ii. Completion Date of Audit	1/31/17	2/25/16
iii. Journal Entries	22,861	21,626

D. Tax Collector's Office

i. Collection Rate	98.30	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, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
E. Payroll:		
i. Payroll Checks Processed	217,986	212,017
ii. Employee Verifications	2,500	2,403
F. Treasury:		
i. Total Deposits Received	\$ 4,598	\$ 4,596
ii. Bond Issuance Debt	\$ 46,700,000	\$ 37,425,000
G. Accounts Receivable:		
i. Parking Tickets Paid	\$ 4,958,925	\$ 4,624,283
ii. Residential Permits Paid	\$ 36,720	\$ 34,290
iii. Police Private Duty Payments	\$ 8,090,510	\$ 7,225,720
H. Purchasing:		
i. Purchase Orders Processed	11,609	11,020
ii. Solicitations	185	185
I. Labor Relations:		
i. Contract Negotiations - To begin 01/01/15	7	4
ii. Grievances Filed	184	157
iii. MPPs Filed	58	49
K. Workers Compensation:		
i. Number of Cases Filed	1123	911
ii. Number of Cases Resolved	635	687
L. Management & Budget:		
i. Number of Grant Applications Processed	81	77
ii. Monthly/Annual Financial Reports	16	16
Performance Indicator: Department of Assessments		
A. Real Estate Corrections	1,188	625
B. Motor Vehicle Corrections	7,133	6,621
C. Supp Motor Vehicle Corrections	1,172	903
D. Personal Property Corrections	143	1,101
E. City Elderly Applications	333	470
F. State Elderly Applications	327	425
G. City Veterans Applications	98	146
H. State Veterans Applications	95	125
I. Change Mailing Address Apps	583	685
J. Number of Field Inspections	872	1,085
K. Personal Property Declarations	4,027	3,596
L. Income and Expense Reports	2,641	2,467
Performance Indicator: Library		
A. Hours/Week open to Public	178	178
B. Number of visits (Total)	590,586	620,058
i. Main	345,265	398,934
ii. Branches	245,321	221,124

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
C. New Card Registrations	9,402	9,577
D. Circulation	422,865	420,128
E. Reference Activity	67,168	73,143
F. Database Usage	358,215	253,142
G. Library Programs	2,640	2,279
H. Attendance	49,998	44,881
I. Computer Usage (session log-ins)	185,804	143,924
J. Website Sessions (active engagement)	292,046	309,799
Performance Indicator: Parks, Recreation, and Trees		
A. Parks System Profile:		
i. Parks	142	142
ii. Playgrounds	65	65
iii. Acres per 1,000 Persons	15.4	15.4
B. Park Services & Programs:		
i. # of Park Visits	675,000	635,000
ii. # of Playground Inspections Performed	360	360
iii. # of Trees Trimmed	903	1,011
iv. # of Trees Removed	415	140
v. # of Stumps Removed	330	215
vi. # of Trees Planted	560	350
C. Recreation Programs:		
i. Athletic Field Permits Issued	6,377	4,584
ii. # of Participants in Summer Day Camp (average per day)	1,650	1,650
iii. # of Participants in Youth Basketball	350	300
iv. # of Youth Programs	60	57
v. # of Adult Programs	15	17
vi. Total # of Participants	352,000	352,000
vii. # of Summer Day Camps	19	19
viii. # of Volleyball Participants (ages 12-15)	225	165
ix. Youth Basketball	350	275
x. Youth Baseball Little Leagues	7	7
D. Revenue:		
i. Skating Rinks	\$ 50,964	\$ 175,000
ii. Golf Course	\$ 934,310	\$ 925,000
iii. Lighthouse	\$ 87,451	\$ 80,000
E. Other Park Services:		
i. # of participations/Visitors Ranger Programs (non-school)	72,000	60,000
ii. # of Ranger Programs offered to the Public	610	525
iii. # of Park Permits	6,767	6,933
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	72	82
vii. # of Volunteers in Park Programs/Services	2,800	2,500
viii. # of Organized Park Friends Groups	20	14

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
Performance Indicator: City/Town Clerk		
i. # of deeds Recorded	13,241	11,500
ii.# of recording fees	316,782	275,350
iii. Conveyance fees	\$ 2,300,774	\$ 1,450,000
iv. City Land Preservation	\$ 9,862	\$ 11,200
v.Capital Projects Land Preservation	\$ 39,448	\$ 55,000
vi. Trade Name Certificates	\$ 2,685	\$ 1,450
vii. Liquor Permits	502	320
viii. Notary Fees	2,214	975
ix. Copies	38,947	35,500
x. Maps	650	325
xi. Dog Licenses	\$ 4,474.50	\$ 3,755.00
xii. Legal Documents - Scanned/Indexed	535	850
xiii. Absentee Ballots Issued	3,400	2,500
xiv. Aldermanic Committee Minutes	40% bound	70% bound
xv. Dog Licenses Issued	774	620
Performance Indicator: Department of Public Safety		
i. Number of 911 Calls Received	124,000	122,922
ii. Number of Dispatchers Crossed Trained	11	9
iii. Number of Complaints Received	N/A	14
iv. Percentage of 911 Calls Answered in less than 10 seconds	93.5	94.9
Performance Indicator: Public Health		
A. Health Program Division		
i. Syringes Distributed Through Needle Exchange	100,000	119,776
ii. Average # of Clients Served Through Needle Exchange	300	336
iii. HIV Tests Performed	129	105
iv. Child Home Safety Assessments	121	105
v. Child Passenger Safety Presentations	8	7
B. Bureau of Nursing:		
i. Schools Served	52	53
ii Students Served	22,237	23,950
iii. Students With Health Problems	8611	8653
iv. Nurse/Student Ratio	1:529	1:684
Information Services:		
C. Epidemiology		
i. Average # of Reportable Disease and Lab Findings Reviewed Per Month	361	592
ii. Interviews Conducted for Enteric Pathogens, Hepatitis, TB and Legionella	36	N/A
iii. Data Requests for program planning & grant applications	2	10
iv. Presentations to City officials, community organizations & the public	4	4
v. Major documents (author or significant contributor)	1	0
vi. Infectious disease surveillance reports	12	12
D. Infectious Disease Control Measures		
i. Outbreak & contact investigations	22	N/A
ii. Foodborne disease patient interviews	60	N/A

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
E. Vital Statistics		
i. Birth Certificates (Full Size)	16,443	17,809
ii. Death Certificates	10,192	10,755
iii. Burial, Cremation, Disinterment	2,617	2,508
iv. Marriage Licenses	1,316	1,274
v. Marriage Certificates	2,464	2,774
vi. State Copies Processed	2,669	2,719
vii. Resident Town Copies Processed	3,040	3,398
F. Maternal & Child Health Division:		
i. Pregnant/Postpartum Women Enrolled in HUSKY	445	878
ii. Children Enrolled in HUSKY	539	571
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	340	679
iv. Woman Served Through Intensive Care Management	155	124
v. Children Served Through Intensive Care Management	155	130
vi. Home Visits Through CT Healthy Start	300	543
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	106	224
viii. Families Served Through Nurturing Families Program	34	47
ix. Home Visits Through Nurturing Families	1039	886
G. Bureau of Environmental Health:		
i. Food Service Inspections & Re-Inspections	1,712	1,612
ii. Food Service Licenses	1,114	1,112
iii. Temporary Food Service Inspections & Licenses	1558/224	1,698
iv. Child Daycare Inspections	26	32
v. Group Home Inspections	5	3
vi. Swimming Pool Inspections	90	61
vii. Bathing Area Inspections	229	106
viii. Lead Inspections of Housing Units- EBL	78	87
ix. New Cases of Lead Housing Units- EBL	150	90
x. Re-Inspections Performed During Lead Abatement	566	793
xi. Cases of Lead Poisoning Closed	167	26
xii. Housing Units Abated for Lead	93	26
xiii. Nuisance Complaints Investigated & Resolved	110	35
xiv. Food Service Complaints Investigated and Resolved	56	47
H. HUD Lead Hazard Control Grant Activities:		
i. Housing Units Inspected for Lead	73	137
ii. Housing Units Lead Abated	75	73
iii. Individuals Trained in Lead Abatement Field	88	86
iv. Education Outreach Events	22	27
v. Individuals Reached	10,300	18,231
I. Office of Emergency Preparedness:		
i. Flu Vaccinations Provided	800	600
ii. Number of Mass Vaccination Tabletop Exercises	1	0
iii. Number of Activation EOC Events	2	0

City of New Haven, Connecticut

Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)

FY 2016 FY 2015

Performance Indicator: Fair Rent

i. Number of Inquiries	945	*1,300
ii. Number of Complaints	34	39
iii. Number of Inspections	67	*60
iv. Number of Preliminary Hearings	43	48
v. Number of Public Hearings	23	12
vi. Walk-in Consultations	200	*50
* Indicates Approximate Numbers		

Performance Indicator: Elderly Services

A. Estimated Service Population

i. 55 and Up	19,000	19,000
ii. 65 and Up	1,200	12,000
iii. 85 and Up	1,700	1,700

B. Senior Centers:

i. Average Weekly Attendance	677	584
ii. Calls, case management and referrals weekly average - centers, outreach and City Hall	389	412

C. Energy Assistance:

i. Seniors Served	66	82
ii. Number of Centers Providing Services	3	3
iii. Outreach Staff	3	2

D. Rental Rebate

Rental Rebate Applicants

i. Seniors Approved Total	5,286	4,772
ii. Centers Providing Service	5021 + pen ext	4,532
iii. Seniors over 65 approved	3	3
iv. Seniors over 65 approved	4,892	2,325
v. Seniors 65 and under approved	129	2,207
vi. Seniors 65 and under disallowed	16	5
vii. Seniors 65 and up disallowed	0	3
viii. Senior 65 and up not payable	0	74
ix. Seniors 65 and under not payable	0	158
ix. Outreach staff at libraries	3	2

E. Share Program

i. Centers Providing Service	3	3
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F. Transportation Services:

i. Seniors Transported to Centers	105	204
ii. Trips	13,895	13,565

G. Property Tax Credit/Tax Freeze

	93	154
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*Information not available.

Performance Indicators: Youth Services Department

A. Youth Commission:

i. Youth Commission Number of Meetings	5	5
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City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
B. Youth @ Work		
i. Jobs Funding	650,000	0
ii. Number of School Year Employers	75	85
iii. Number of Summer Employers	616	678
iv. Number of Applicants Processed	808	1,165
v. Number of Students Employed School Year/ Summer	691	763
vi. % of Participants Job Ready: Pre Program	60%	53%
vii. % of Participants Job Ready: Post Program	90%	85%
C. CDBG Programs:		
i. CDBG Monitoring Number of Programs Monitored	13	11
D. Open Schools:		
iv. Programs offered	15	17
E. Summer Busing:		
i. Number of Organizations served	50	32
F. Street Outreach Workers:		
i. # of outreach workers	4	8
ii. # of youth served (undup)	150	197
iii. Ratio (Workers to Youth)	1:37	124
iv. Percentage of youth engaged in a program who have not recommitted a crime or acts of violence	0:85%	89%
v. % Employment of program participants	70%	79%
vi. % of Participants Enrolled in School	70%	70%
G. Leadership Council		
i. # of youth engaged/enrolled	0	0
ii. % attendance	0	0
H. Youth Map:		
i. # of organizational partners registered	n/a	n/a
ii. # of website hits	n/a	n/a
I. Youth Texting:		
i. # of teens signed up	n/a	NA
J. Youth Guide		
i. # of guides distributed	5000	3000
Performance Indicator: Services for Persons With Disability		
i. Handles all requests for disability related accommodations as requested by the Americans With Disabilities Act. Pursuant to 42 USC 1201 et seq. and New Haven Ordinance 16 1/2 - 17 (c)(5)	15	18
ii. Monitoring and taking appropriate action to ensure that federal and state laws and regulations pertaining to persons with disabilities are complied with the City. New Haven Ordinance 16 1/2 - 17 (c)(5)	2	3
iii. Upon request or complaint assist other department with various aspects of ADA compliance.	0	5
iv. Represent residents with disabilities at various local and statewide events, committees and conferences.	15	33
v. Advocate for legislative initiatives that will benefit New Haven residents with disabilities	0	1
vi. Provide training and/or consultations on various disability related issues, promote access and understanding of individuals with disabilities. Recent trainings include Yale Medical School, UNH Diversity Class, and Greater New Haven Chamber of Commerce.	8	6

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

FY 2016 **FY 2015**

Performance Indicator: Community Service Administration

i. Persons receiving SAGA Medical/ Medical LIA (SS)*	2,276	2,052
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)	298	325
x. Number of Client Assessments Completed (S)	N/A	N/A
xi. Number of Client Service Plans Created (SS)	298	325
xii. Number of Clients receiving transportation assistance	388	504
xiii. Instances of Clients receiving CT Drivers' License services	25	21
xiv. Number of Clients receiving CT Non-Drivers' Photo Identification	31	27
xv. Number of Client Service Plans Created (S)	N/A	N/A
xvi. % Clients in the program have successfully obtained food, clothing, fuel assistance, shelter and other basic needs (SS)*	83%	90%
xvii. % Clients in Program seeking employment that obtain employment (SS)*	1%	1%
xviii. Amt (\$) collected on liens and assignments of interest (Welfare)	0%	219.07*
xix. Number of Clients Assisted with Gasoline Vouchers	3%	2%
xx. Number of Clients assisted in obtaining Rx eyeglasses via Lens Crafters collaborative	0	2
xxi. Instances of clients receiving Justice of the Peace services	2	3
xxii. Number of clients assisted in obtaining under garments/toiletries - new service	44	6
Homeless :		
- Columbus House	357	597
- Continuum of Care	128	98
- Emergency Shelter Management Services	1,098	1,758
- New Reach	275	217
- Youth Continuum	225	159

* Information not available*

Performance Indicator: Public Works

A. Administration

i. Solid Waste and Recycling Authority Surplus/(Deficit)	\$	285,254	\$	536,865
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B. Bridges (24 hour operation of three bridges):

i. Maintenance cost: Ferry Street	\$	50,382	\$	10,157
ii Maintenance cost: Chapel Street	\$	10,532	\$	26,685
iii. Maintenance cost: Grand Avenue	\$	116,916	\$	22,930
vi. Total number of closures	\$	19	\$	10

City of New Haven, Connecticut
Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)

	FY 2016	FY 2015
C. Solid Waste/Refuse Management:		
i. Tons of residential solid waste	31,438	32,402
ii. Tons of residential recycling	6,486	6,384
iii. Recycling per household	1.11lbs/day	1.09 lbs/day
iv. Percent Recycling	16.82%	16.14%
v. Number of litter barrels	400	400
vi. Number of residential transfer station customers served	1,832	2,712
vii. Number of commercial transfer station customers served	13,726	10,210
viii. Total tons of municipal solid waste	76,700	65,155
D. Street Division:		
i. Tons of pothole patching	4,147	3,500
ii. Pavement conditions rating	65	70
iii. Number of storms	17	17
iv. Overtime expenses	\$ 275,040	\$ 173,347
v. Cost of bulk trash pickup	\$ 250	\$ 250
E. Storage and disposal of the possessions of evicted individuals:		
i. Total labor hours	1,200	1,200
ii. Number of right of way warnings issued	150	1,300
iii. Number of right of way citations issued	800	1,000
Performance Indicator: Engineering		
A. Sewer Separation:		
i. Pollution Overflow	17.0	19.8
ii. Miles of Combined Sewer	52	52
iii. Miles of New Storm Sewers Installed	-	-
iv. Projects Under Design or Construction	5	5
B. City Bridges		
i. City Bridges	51	51
ii. Bridges in Poor Condition	1	2
iii. Projects Under Design or Construction	3	4
iv. Bridges Completed and Open	3	3
C. Drainage:		
i. Drainage Complaints	200	200
ii. Catch Basin Backlog	50	50
D. Road Improvements:		
i. Miles of Local Roads	224.8	224.8
ii. Road Design	2.0	1.6
iii. Road Reconstructed	0.6	-
E. Support Service:		
i. Department Support Service Project	105	95
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, 2016 and 2015
(Unaudited)**

	FY 2016	FY 2015
Performance Indicator: City Plan		
A. Zoning Board of Appeals:		
i. Hearings	10	10
ii. Zoning Compliance Letter	207	192
iii. Agenda Items	192	95
B. City Plan Commission:		
i. CAL	2	5
ii. Meetings	12	11
iii. Total Number of Agenda Items	186	183
iv. Ordinance Text & Map Amendments	6	5
v. Items Associated with Planned Development	1	4
vi. Items Associated with Inland Wetlands Reviews	4	11
vii. Items Associated with Land Disposition	12	1
viii. Items Associated with Coastal Site Plans	11	17
ix. Items Associated with Site Plan Review	69	63
x. Items Referred by Zoning Board of Appeals	18	25
xi. Items Associated with Livable City Initiative	N/A	19
xii. Items Associated with Special Permits	7	6
xiii. Other Items referred to by the Board of Aldermen	56	41
C. Walk-In Applicants Assistance:		
i. Zoning & City Plan Inquiries	more than 640	600est
D. Project Management:		
i. Development Projects	6	6
ii. Dollar Value of Development Projects Managed	\$72.5m	\$72.5m
F. Neighborhood Plans:		
i. Zoning Ordinance Amendments/Sections	0	5
ii. G.I.S. Maps provided to public	N/A on web	NA on web
iii. G.I.S. Maps to City Departments	N/A on web	NA on web
G. Publications Sold:		
i. Zoning Maps	N/A on web	NA on web
H. Zoning:		
i. Applications/Historic District Commission - New	7	6
Performance Indicator: Transportation, Traffic and Parking		
A. Traffic Signals:		
i. Signalized Intersections	331	331
ii. Intersections Rebuilt	8	12
iii. Repair Visits	1643	1500
iv. % of Requests for Emergency Service on Traffic Control Equipment within 1 hour	70	100
B. Signs and Markings:		
i. Inventory of Street Signs	110,000	110,000
ii. Signs Replaced	4,200	4,000
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, 2016 and 2015
(Unaudited)

	FY 2016	FY 2015
C. Enforcement & Collection:		
i. Tickets Written	145,070	141,603
ii. Revenue Collected	\$ 5,074,074	\$ 4,813,019
iii. Appeals Adjudicated	10,818	7,016
D. Meters:		
i. Total Collections	\$ 7,244,583	\$ 6,777,017
ii. Repair Visits	4,850	4,600
iii. Total Replacements	370	-
E. Other:		
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	58%	100%
Performance Indicator: Office of Building Inspection and Enforcement		
A. Number of Permits Issued:		
i. Building	1905	1382
ii. Electrical	1602	972
iii. HVAC	825	629
iv. Plumbing	873	576
v. Demolition	50	16
vi. Total	5255	3575
B. Building Permits Issued By Category:		
i. Residential (new)	23	28
ii. Non-Residential (new)	22	15
iii. Mixed Use (new)	7	1
iv. Residential (Rehab)	1217	840
v. Non-Residential (Rehab)	547	440
vi. Mixed Use(Rehab)	89	58
C. Demolition		
i. Residential	19	2
ii. Non-Residential	29	13
iii. Revenue from Permits & Fees	\$ 10,202,343.93	\$ 17,614,236.18
iv. Routine Building Inspections	9,560	9,069
v. Building & Zoning Code Violations Cited	383	375
vi. Auction	1	0
vii. Broker	18	13
viii. One Day Food Vendor	13	19
ix. Food Vendor	207	214
x. Parking Lot	13	14
xi. Peddler	41	31
xii. One Day Peddler	39	42
xiii. Rooming House	27	40
xiv. Excavation Permit	743	588
xv. Obstruction	393	369
xvi. Sidewalk License	57	49
xvii. Sandwich Board	13	11
xviii. Special Event	184	180
xix. Outdoor Seating	22	23

City of New Haven, Connecticut

**Operating Indicators by Function/Program (Continued)
For the Years Ended June 30, 2016 and 2015
(Unaudited)**

FY 2016 **FY 2015**

Performance Indicator: Livable City Initiative

i.# of Complaints	23987	52
ii. # of Letters	76	52
iii. # of Citations	16	18
iv. # of Foreclosures	3	2
v. # of Community Meetings Attended	235	235
vi. # of Complaints Addressed	2358	2275
vii. # of Vacant Homes Monitored	519	601
viii. # of Foreclosed Properties Registered	235	811
ix. # of Tons of Trash Removed	251	240
x. # of Properties Maintained	203	215
xi. # of Liens Placed as it relates to Property Maintenance	69	101
xii. # of Structures to be Demolished	0	5
xiii. # of Properties Demolished	0	7
xiv. # of Liens Placed as it Relates to Demolition of Private & City Owned Property	0	2
xv. # of Properties for Sale	203	215
xvi. # of Properties Sold	12	21
xvii. # of Properties Condemned due to Fire	7	17
xvii. # of Properties Condemned due to Code	13	14
xviii. # of Persons Temp Relocated Fire	21	37
xviii. # of Persons Temp Relocated Code	39	26
xix. # of Persons Permanently Relocated	67	83
xx. # of Liens Placed as it Relates to Relocation	8	4
xxi. # of For Profit Community Partners	6	6
xxii. # of Not-For-Profit Community Partners	17	17
xxiii. # of Projects in Development	24	21
xxiv. # of Units in Development	594	356
xxv. # of Rental Units Completed	45	39
xxvi. # of Homeownership Units Completed	41	60
xxvii. # of Individuals Completing Post Purchase/Homeownership/Counseling	19	0
xxviii. # of Down Payment Loans	19	16
xxix. # of Energy Improvement Loans	23	21
xxx. # of Elderly/Disabled Emergency Repair Loans	7	8
xxxi. # of Complaints as it Relates to Code Enforcement	1486	1369
xxxii. # of Cases Resolved	897	901
xxxiii. # of Units Inspected.	5180	4747

Performance Indicator: Economic Development Administration

A. Citywide Indicators

i. Employment Base-Total number of jobs in New Haven.	81,419	80,581
ii. Unemployment Rate-% of city residents who are unemployed.	7.2%	7.3%
iii. Business Start-Ups-Total number of business start-ups in the city.	71	75
iv. Downtown Retail Occupancy-% of downtown retail storefronts that are occupied.	92.1%	90.1%
v. Commercial Vacancy Rate-% of vacant citywide commercial office space.	13.0%	12.2%

B. Department Indicators

i. Technical Assistance to Small- and MBE-Contractors-Number of contractors served in-person by ED.	391	304
ii. Registered Small- and MBE-Contractors-Number of contractors registered in SCD program.	142	127
iii. Contractor Participation Rate-% of City contracts awarded to non-women-owned MBEs.	7.1%	9.7%
iv. Contractor Workshops-Number of contractor workshops conducted by ED.	6	9
v. Arts, Culture and Tourism Events-Number of people served.	322,329	39,400
vi. Project Storefronts Activity-Number of participating businesses.	80	94

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APPENDIX B

SOCIOECONOMIC INFORMATION

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New Haven Economic Development Official Statement



July 2017

Toni N. Harp
Mayor

Matthew Nemerson
Economic Development Administrator

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INTRODUCTION TO NEW HAVEN

New Haven is a city on the rise. Under the guidance of Mayor Toni N. Harp and her Safety, Education, and Employment (SEE) vision, violent crime has fallen to new lows; high school graduation rates have climbed; and total jobs in New Haven have expanded to a level unseen since 1991. Given New Haven's ongoing and accelerating progress against these and other measures, it is no surprise that people are choosing to work, live, and raise families in New Haven in greater numbers. Since 2000, the city has attracted more than 6,900 new residents, making its population growth rate of 5.5% the fastest among major New England cities. At the same time, it has continued to distinguish itself as a place where people gravitate who want to make great ideas happen, with an increase in its already-high college degree attainment placing it 6th highest in the nation.

New Haven's recent success is due in no small part to its reputation as a city of makers, filled to the brim with innovation, ingenuity, invention, and initiative. Historically, New Haven has always been a place where creative and talented individuals go to make something happen or to test out new ideas: in the late 18th century, Eli Whitney commercialized the concept of interchangeable machinery parts and, in doing so, solidified New Haven as an early hub of innovation.

Over the next century and a half, world-renowned companies such as the Winchester Arms Company exported carriages, clocks, firearms, and pianos of the highest quality across the U.S. and around the world. For decades, manufacturing served as a path to the middle class, and tens of thousands flocked to New Haven from around the country and abroad to meet the demand for skilled factory labor and, in the process, created many vibrant new communities.

Like many other Northern mid-sized cities, New Haven suffered from the effects of deindustrialization and suburbanization. In the late 20th century, factories left in search of cheaper labor, and the fortunate fled to the suburbs. New Haven saw its population and its tax base decline substantially. At the same time, "urban renewal," a now discredited mid-century urban planning consensus, called for urban planners to clear low income neighborhoods and build highways and parking lots to facilitate suburban commuting. As a result, thousands were displaced just as jobs disappeared and underinvestment led to blight, failing schools, and rising crime.

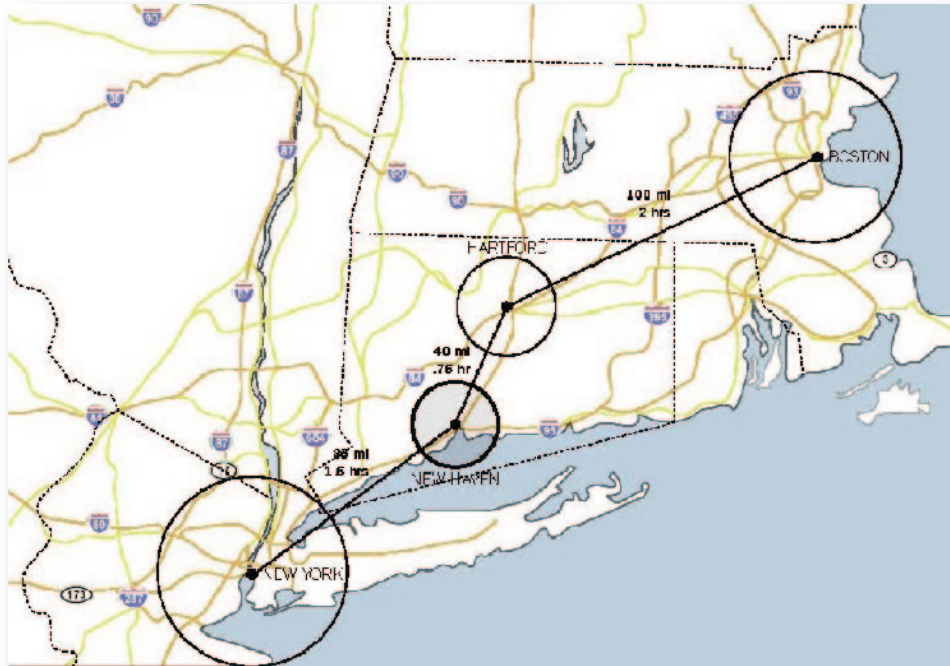
While some in the public may still view New Haven this way, it no longer reflects current reality. Today, New Haven is once again a city of makers, with innovation abounding, especially in the thriving bioscience, tech, and food industries. For example, New Haven has the second-largest bioscience cluster in New England. With Yale University and Yale New Haven Hospital as major anchor institutions, New Haven institutions receive \$421 million in NIH research grants each year, making it the 14th greatest recipient in the nation, and its residents have filed over 6,000 bioscience patents since 2000. In tech, in April 2017 Verizon named New Haven the top U.S. city in which to launch a tech startup. In food, New Haven consistently has been named a foodie capital of the state, region, and nation, and its food service companies contribute \$284 million to New Haven's economy.

In addition, New Haven is a growing, increasingly diverse, and international city. New Haven continues to attract and welcome visitors, scholars, and immigrants from across the U.S. and around the world looking for urban living, abundant cultural amenities, and a more affordable cost of living. In fact, a 2016 DataHaven survey determined that one in six city residents (15.8%) is foreign-born, and recent immigrants, of which close to half (43%) have at least a college degree, have nearly doubled their numbers since 1990. New Haven's population is set to grow by at least 7% through 2025, adding another 10,000 to 15,000 people to the city. This demand to live and work in New Haven has spurred extensive real estate investment in commercial developments, including office and lab space, and residential developments, including 863 recently completed units and another 2,250 already in the development pipeline.

The City's Office of Economic Development (part of its Economic Development Administration), along with its various departmental and quasi-public partners, actively assembles city resources, private investment, and nonprofit support to pursue the Mayor's vision for New Haven: a thriving, mixed-use urban core; vibrant, interconnected neighborhoods, with ample access to opportunities for work and leisure; and inclusive growth from the knowledge-based "maker economy" that benefits all residents. Economic Development supports this vision by 1) facilitating major initiatives and projects, 2) attracting and retaining quality investment, 3) developing local jobs and businesses, 4) revitalizing the city's neighborhoods, and 5) improving New Haven's overall competitiveness.

REGIONAL CONTEXT

New Haven offers quick and easy access to New York City and Boston, the two largest cities in the Northeast. With several major highways passing through it, and frequent rail service via Amtrak, Metro North, and Shoreline East, New Haven is among the most convenient destinations 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, 91, and the northeast rail corridor.



DEMOGRAPHICS

New Haven is the central city of 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
Total Population	130,553	861,277	3,592,053

AGE

	New Haven City	New Haven MSA	Connecticut
Population below age 18	22%	21%	22%
Population between ages 18 & 64	68%	63%	63%
Population 65 and older	10%	16%	15%

RACE & ETHNICITY

	New Haven City	New Haven MSA	Connecticut
White	32%	75%	70%
Black	34%	13%	10%
Hispanic	26%	17%	14%
Asian	5%	4%	4%
Other	3%	6%	2%

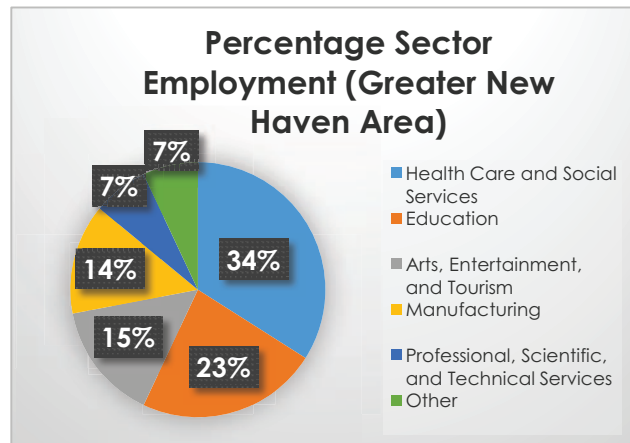
Source: DataHaven 2014 New Haven Neighborhood Estimates; ProximityOne U.S.-State-Metro Demographic-Economic Interactive Tables, 2014.



Economic Snapshot

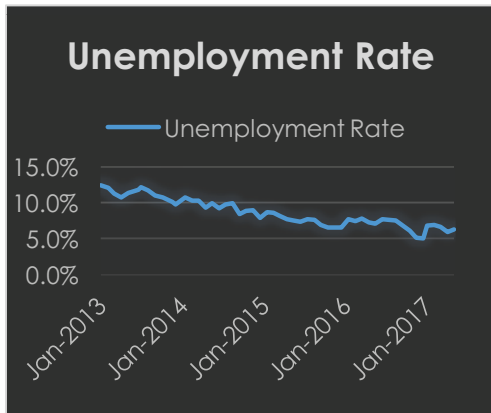
New Haven is a city with . . .

- 1 A diverse economic base**
 - **2nd largest** bioscience cluster in New England.
 - 34 of Connecticut's 64 biotech firms reside in New Haven.
 - **300 new business accounts** opened in the past year.



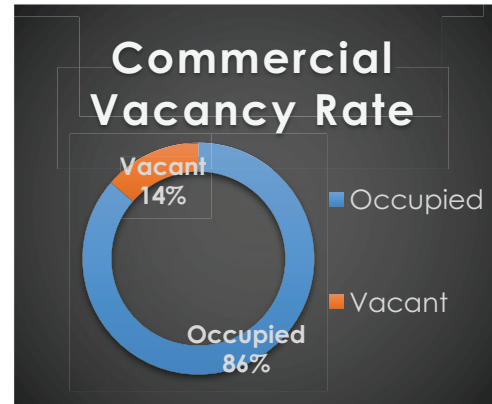
REX Development, 2017 Southern Connecticut Comprehensive Economic Development

- 2 A declining unemployment rate**
 - Since January 2013, unemployment has dropped from 12.4% to 6.3%.



Connecticut Department of Labor May 2017

- 3 A low commercial vacancy rate**
 - Due to high demand, city-wide commercial vacancy sits at 14%.



Colliers Intl. Q1 New Haven Office Market Report

- 4 Strong anchor institutions**
 - Yale University employs 14,000 people, 4,000 of which reside in New Haven. The university has committed to **hiring 1,000 more NH residents by April 2019.**
 - Yale University's \$1 billion expansion will result in 800 new students attending the university and living in New Haven.
 - Yale-New Haven Hospital is the 9th largest hospital by bed-count in the country.

Education's Impact:
 With over **37,000** students and **31,000** employees, colleges in the New Haven area create **1.5 billion** in local economic impact.

REX Development, Key Industries, Higher Education, 2017

MAJOR INITIATIVES & PROJECTS

New Haven is a growing and in-demand city with room to expand. Economic Development's major initiatives and projects help to direct expansion into targeted zones and to continually improve upon the factors that draw people to New Haven—its thriving economic ecosystem and its quality of life. Economic Development currently has five major initiatives and projects: 1) **Downtown Crossing** bolsters New Haven's connectedness and walkability, 2) **Hill-to-Downtown** provides room for the expanding biotech industry and creates a whole new neighborhood, 3) **Biotechnology Expansion Space** highlights the biotech firms that have recently expanded, 4) **Facilitating Innovation** builds upon New Haven's culture of innovation and entrepreneurship, and 5) **Real Estate Development** ensures a healthy pipeline of residential units to accommodate the influx of people wanting to live and work in New Haven.



The City finished Downtown Crossing Phase 1 in 2016, paving the way for the relocation of Alexion Pharmaceuticals' world headquarters and a new chapter in New Haven's growth in a competitive 21st century economy (Photos courtesy of the New Haven Register and New Haven Independent)

Downtown Crossing

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—disconnecting neighborhoods, creating a high-speed transit corridor that proved inhospitable to business, and consuming prime downtown real estate. In its place, the City has planned two urban boulevards and new or rebuilt crossings. 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. In addition, the project will improve New Haven's connectivity, increase its walkability, and create more vibrant street life—three highly in demand urban qualities. In 2017, the City continues work on project close-out, traffic safety and community benefits monitoring, and the expanding biotechnology sector.

- **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 the removal of the existing College Street Bridge and replacing it with a fill structure and then the conversion of North and South Frontage Roads to urban boulevards with various road, streetscape, bicycle and pedestrian enhancements between York Street and Union Avenue. 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 concluded in 2015, enabling the completion of the 100 College Street development, the new home of Alexion Pharmaceuticals and the first development in the former highway corridor.

- **Phase II Downtown Crossing and Coliseum Site (Orange Street)**

In 2013, the City signed an agreement with LiveWorkLearnPlay (LWLP) to redevelop the former Coliseum site into a mixed-use, mixed-income neighborhood with residential, retail, office, and hotel components. 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 cars. The project will create job opportunities for local 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. Developments in 2017 regarding Phase II included being awarded the state Assistance Agreement for a \$21.5 million infrastructure matching grant, which leverages the City's \$12 million investment in road, utility, and infrastructure improvements in and around the former Coliseum site.



LiveWorkLearnPlay, developer of the former Coliseum site, is currently finishing its design of a 1,000,000 square-foot mixed-use development with a hotel, residential rental units, retail, and recreation and leisure.

- **Phase III Downtown Crossing (Temple Street)**

The final phase of Downtown Crossing involves reconnecting 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. In June 2016, New Haven received a \$20 million TIGER grant to open up two new development sites, bringing the total in TIGER grants received for the project to \$36 million. Receiving two TIGER grants for one project is unusual, but the merits of Downtown Crossing merited it. This was New Haven's third TIGER grant altogether. In 2017, the city continued with advanced planning and design for Phase III. Economic Development also initiated site development work and outreach to potential development partners.

Hill-to-Downtown Project

As a growing city with room to expand, New Haven can accommodate the projected future expansion of its growing biotech industry. On the border of Yale-New Haven Hospital and the Yale School of Medicine, Hill-to-Downtown is perfectly positioned to absorb future expansions of either institution as well as the demands of the many spin-off biotech firms looking for lab and office space in New Haven. Much of the district's property remains underused and neglected, occupied by outmoded buildings or large surface parking lots.

Altogether, the Hill-to-Downtown Project envisions remaking the district into a vibrant, walkable, and mixed-use neighborhood that centers around a newly-created public green space, Union Square, by expanding the existing medical district, promoting infrastructure investments, and improving the street network. Over the next ten years, the project will result in 1,400 new housing units, of which 300 are low-to-moderate-income units, up to one million additional square feet of lab/research space, up to forty thousand square feet of retail, 2,500 new permanent jobs, 10,000 temporary construction jobs, and \$165 million in annual tax receipts. The project will better connect New Haven's train station, the Yale medical facilities, the Hill neighborhood, and downtown.

- **Phase I**

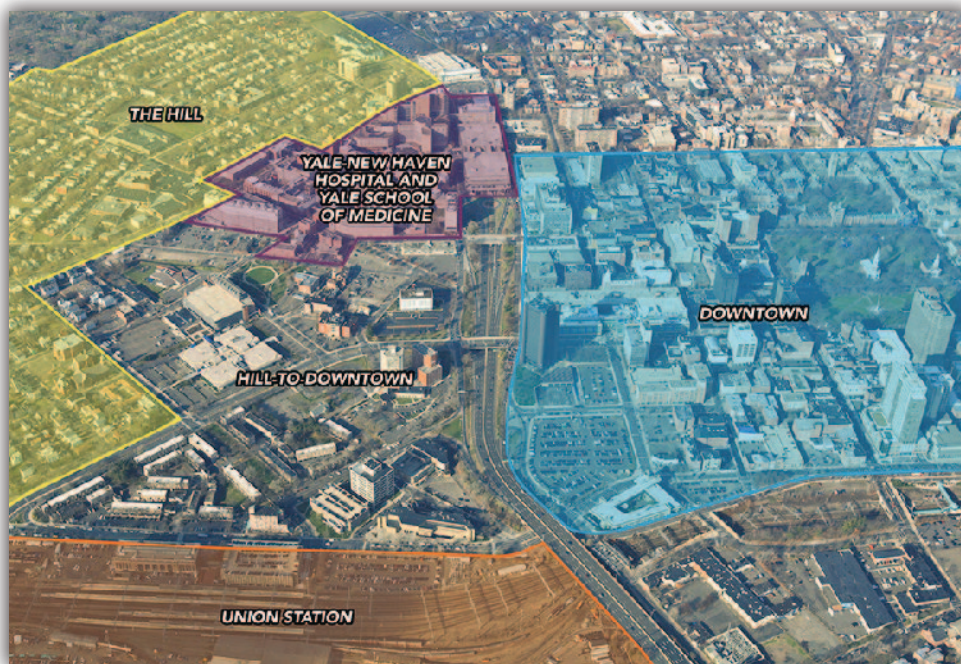
RMS Companies of Stamford recently concluded successful negotiations with the City and its stakeholder partners to spend \$100-150 million to construct 150 apartments, 7,000 square feet of retail, 120,000 square feet of research space and 50,000 square feet of offices on 20 acres of mostly-vacant lots with a significant affordable housing component. Phase I of the project will break ground in the Fall of 2017.

- **Phase II Church Street South**

The next priority of the Hill-to-Downtown project is the redevelopment of the largely dilapidated 300-unit public housing complex. The City is working with property owner Northland Investment Corporation to create 750 new units, made up primarily of mid-rise apartments with approximately 150 affordable units and ground-level retail. This would transform the area into a hub of community activity.

- **Phase III Municipal Land**

The City commissioned a \$160 thousand study to explore the feasibility of relocating municipal public service departments (police, health, and education) from their current outdated spaces in the Hill-to-Downtown area. In their place, the City plans for a general repurposing of the land and buildings in the block generally bounded by Meadow, Union, and Lafayette Streets. Due to the irregular parcel size, age of structures, and proximity to the train station, the City believes a higher and better use of these properties is foreseeable and will be explored in further detail over the course of the year.



City of New Haven Economic Development, Official Statement

Biotechnology Expansion Space

The biotech industry is flourishing in New Haven, and Economic Development works with companies founded in, moving to, and expanding in New Haven to locate office and lab space. Recent examples include the move of Alexion Pharmaceuticals back to New Haven and the constant investment in, and expansion of, Science Park, the formerly dilapidated industrial factories now re-designated for scientific research. Altogether, these projects create jobs for New Haveners, expand the city's tax base, and repurpose industrial factories and unneeded parking lots to bring economic activity to underinvested neighborhoods.

- **Alexion Pharmaceuticals**

Founded in New Haven in 1992, Alexion has become the world's leading pharmaceutical company focused on the discovery and commercialization of "orphan drugs" for rare, life-threatening diseases. Alexion Pharmaceuticals has made 100 College Street, built in the former Route 34 highway right-of-way near Yale-New Haven Hospital and the Yale School of Medicine, its world headquarters.

- Medical / Lab Space: 495,000 square-feet
- Construction Jobs: 2,000
- Permanent Jobs: 1,200
- Project Cost: \$140 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

- **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. Yale began moving administrative staff into the building in 2017.

- **SCSU Academic Science and Laboratory Building**

In 2015, SCSU completed its Academic Science and Laboratory Building, 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.



SCSU's new Academic Science and Laboratory Building enhances its capacity to educate more students in the STEM disciplines – science, technology, engineering and mathematics.

- **Medtronic Innovation Lab**

After purchasing Covidien in 2015, Medtronic is now expanding in New Haven and has plans to open an innovation lab that partners with Yale University in the creation of biomedical devices.

Facilitating Innovation

New Haven is a hotbed for innovation. Many innovative startups spin out of Yale University, its School of Management, School of Medicine, and Yale New Haven Hospital. These ventures are supported by the Yale Office of Cooperative Research, the Yale Center for Engineering Innovation and Design, and the Yale Entrepreneurial Institute, all of which provide technical assistance and funding opportunities. Economic Development helps these startups grow into thriving businesses, while also supporting New Haven's greater innovation ecosystem, which includes co-working spaces, maker spaces, and an innovation district. These efforts not only make New Haven a top destination for innovative entrepreneurs to move, but also make innovation accessible to all New Haven residents.

- **Innovation Places**

Pursuant to legislation enacted in 2016, the state of Connecticut announced a competitive multimillion-dollar grant program to provide communities with funding for initiatives that will make them even more creative places to live, work, and start a business. To secure a planning grant Economic Development, in concert with staff from EDC and the Mayor's Office, assembled a broad coalition of partners from the entrepreneurial community, higher education stakeholders, venture capital partners, and corporate and civic institutions to collaborate on this comprehensive, cross-sector initiative. In June 2017, the state awarded New Haven \$2 million to implement the plan.

- **DISTRICT NHV**

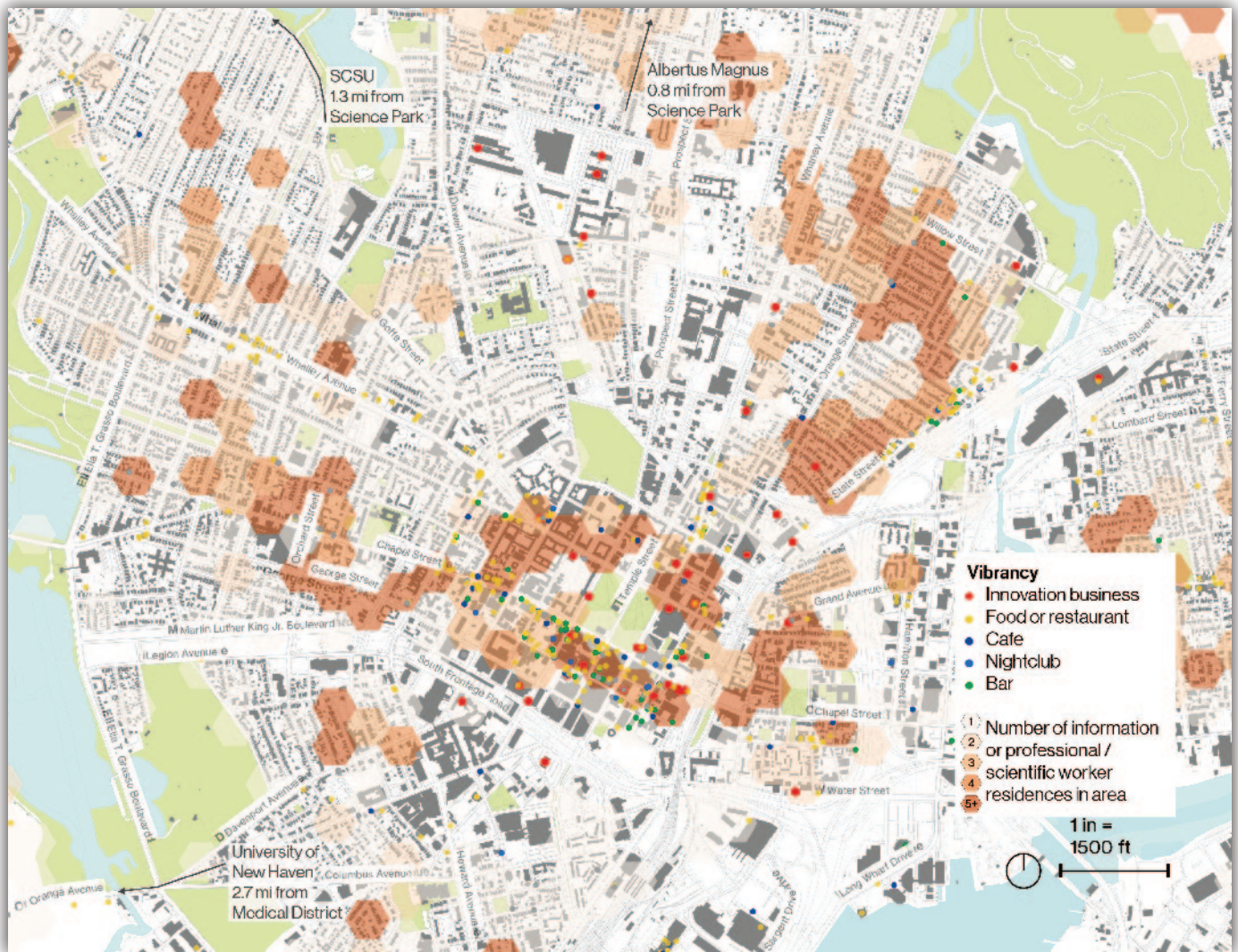
This project will establish a 10,000-sq. ft. tech campus that will foster innovation through the creation of startup incubator space, Class A office space, a performing arts amphitheater, and a boat and kayak launch to the Mill River. This site, located next to I-91 at the intersection of State and James Streets on the border of East Rock and Fair Haven, was formerly the Connecticut Transit garage and is now one of the city's most valuable unused properties. Two local information technology companies are leading the redevelopment, Digital Surgeons and Urbane NewHaven.

In 2016, the Board of Alders approved a Development and Land Disposition Agreement for the redevelopment of the site. The redevelopment involves remediation of brownfield issues using a State DECD cleanup grant, construction of a Mill River Trail, kayak launch, and an outdoor amphitheater and will keep more than 100 jobs in New Haven and create additional 200-300 new, permanent jobs. It will also utilize both Façade and Assessment Deferral Programs to assist with development. Currently, the City is assisting the development team in recruiting businesses to its new development.



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 currently under construction.

City of New Haven Economic Development, Official Statement



Thousands of science and innovation workers live in New Haven with the ability to walk or bike to work, restaurants, and nightlife and cultural attractions.

Real Estate Development

Due to its rapid 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 real estate investment. The diverse influx of long-time residents, new employees, and students supports a strong rental and homeownership market. Smaller local and regional development interests have invested more than \$35 million 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.

Recently Completed Projects

- **The Novella**

The Novella is a new 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 residential units and approximately 4,500 square-feet of ground-floor retail space. The developer invested \$35 million without any public subsidy and also preserved three historic buildings. The Novella opened in late summer 2015.

- **Winchester Lofts**

Leading Ohio development company, Forest City, transformed an abandoned rifle factory that was once the economic engine of Newhallville into 21st century apartments, while keeping the historic 20th century art style. The \$54 million historic rehab project resulted in 158 apartments, 20 percent of which will be affordable, government subsidized housing. The project opened to tenants in the summer of 2015.

- **College & Crown: A CenterPlace**

CenterPlan College Square LLC invested \$55 million to open 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. The building serves as the new home for the iconic J. Press men's clothing store.

- **Corsair Apartments**

Completed in the fall of 2016, Corsair Apartments is a new and renovated mixed-use development at the corner of Mechanic and State Streets. The former factory building served as a fighter aircraft assembly plant for F4U Corsairs during World War II. Post Road Residential, a distinguished regional developer, invested \$30 million to construct 235 studio, one-bedroom, and two-bedroom units.

- **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. Metro 260 began leasing in early 2016.



- **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 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. The Union opened in the summer of 2016.

- **Metro 280**

Opened in early 2017, Metro Star Capital converted the parking garage at 280 Crown Street into a 24-unit 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, is a boutique residential building with modern architecture and outdoor decks.

Clockwise from top left: Corsair Apartments, CenterPlace, The Union, The Novella.

Project Pipeline

As of June 2017, approximately 950 residential units have received approval or are under construction in New Haven, and another 1,300 are in the planning stage, including the previously discussed redevelopments of the former New Haven Coliseum site and Hill-to-Downtown Project.

- **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. This project broke ground in 2016 and is currently under construction.

- **Lofts at Wooster Square**

Spinnaker Real Estate Partners received approvals in 2015 to develop the 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 2017.

- **Torrington Plumbing Supply Site**

Petra Construction and David Adam Realty intend to replace a series of warehouses and a plumbing supply store with six wood-framed stories of market-rate apartments, 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 construction is slated to start in late 2017.

- **Audubon Square**

In February 2016, Spinnaker Real Estate Partners 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 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. The project received final regulatory approvals in the winter of 2016, and will break ground in 2017.

- **Former New Haven Clock Factory**

In July 2015, Reed Realty proposed creating more than 100 artist live/work spaces in a large historic former industrial building at 133 Hamilton Street in the Mill River District. In 2016, a state DECD grant of \$100,000 was secured to determine the best way to develop a mixed-use site that fits with existing Mill River District planning. The project also received state funding to be used for environmental assessment and redevelopment planning of the historic complex. A Phase III Environmental Site Assessment was completed, and a DECD loan application was submitted to offset future cleanup costs.

- **George and High Streets**

RMS Companies is also building 108 furnished apartments at the former Budget Rental Car site at 323 George Street. This innovative style of housing will cater to everyone from short-term students and professors at Yale to extended-stay employees of local biotech firms. The building will also have 2,000 square-feet of retail space. RMS 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.

- **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.

ATTRACTING AND RETAINING QUALITY INVESTMENT

New Haven’s economy reflects its history and reputation as a city of makers. New Haven residents and companies usher in the latest advances in medicine, develop innovative applications for cutting edge software and technology, and produce delicious products for local, regional, and global food markets. The bioscience, information technology, and food industries are all major drivers of economic growth in New Haven.

In addition, with its large foreign-born population, New Haven is increasingly used as an entry point for foreign companies entering the U.S. market and is increasingly exporting its products abroad. Economic Development diligently works to unleash the growth potential of the city’s main industry clusters by providing technical assistance, promoting their products, and creating jobs pipelines—all of which expand the city’s tax base.

Made in New Haven

In 2016, Economic Development created the “Made in New Haven” program to promote New Haven as a place where artists, creators, and innovators make great products, offer unique and valuable services, and build new and successful businesses. “Made in New Haven” communicates what is unique about us, celebrates New Haven products and makers, and enhances a sense of pride in our city and our people.

Eligible businesses for the Made in New Haven brand include: (1) manufacturers and makers that produce goods in or in honor of New Haven; (2) retail establishments that sell such goods; and (3) production companies and web-based businesses that actively promote New Haven as an attractive place to live, learn, work, and play.

In 2017, Made in New Haven:

- Expanded its Made in New Haven enrollment to more than 85 manufacturers, makers, and artisans
- Distributed branded merchandise at regional economic development events
- Accepted historic invitation from Town Green Proprietors to sell on the New Haven Green
- Prepared gift baskets and art exhibitions featuring New Haven makers
- Prepared .pdf directory with live website links to participating businesses
- Sponsored several Made in New Haven companies to show at the “Made in Connecticut” exposition
- Received approval from the U.S. Patent and Trademark Office for the Made in New Haven logo



Biotechnology Industry in New Haven

Many small biotechnology firms thrive in New Haven and play an increasingly important role in the regional economy, 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.

- **Science Park**

Science Park is an urban reuse project and New Haven's premier Innovation District. It is located at the former site of the Winchester Repeating Arms Company and is owned and managed by a not-for-profit. Several of the buildings on the 80-acre campus have been successfully redeveloped. 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
- Blackboard/Higher One
- Connecticut Center for Arts and Technology (CONNCAT)



Science Park is one of New Haven's centers for innovation and economic growth, particularly in scientific research and financial services.

- **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

Information Technology in New Haven

Information technology is thriving in New Haven. Locations such as the Grove, a co-working space, and MakeHaven, a maker space, are providing citizens with the ability to expand their businesses or build upon their innovative ideas. Additionally, Verizon named New Haven the best city in America to start a tech business, which indicates New Haven is providing the necessary resources to entrepreneurs and innovators to succeed.

- **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 2018.

- **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.

- **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. Continuity was named to the Inc. 5000 list of fastest growing companies in America for 2015. The company serves hundreds of institutions across 40 states.

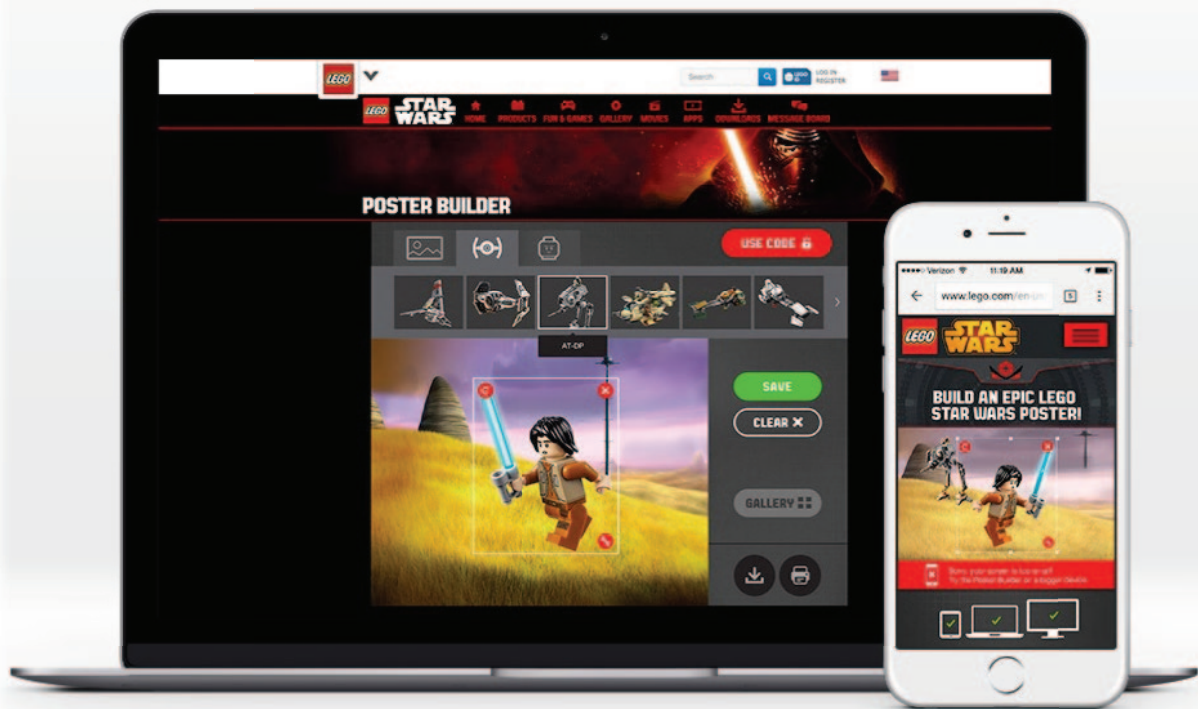
- **SeeClickFix**

A New Haven "civic tech" start-up that is growing exponentially, SeeClickFix allows citizens 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 Detroit, Houston, Minneapolis, and Oakland. SeeClickFix's headcount is currently at 35 and the company plans to remain at that level.

- **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.





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

Food Industry in New Haven

New Haven's food culture defines what the city is today. From award-winning international cuisine to simple, savory delights, New Haven delivers a diverse and creative menu of options to satisfy any appetite and budget. Additionally, New Haven pizza establishments such as Frank Pepe Pizzeria Napoletana, Modern Apizza, and Sally's Apizza consistently rank as some of, if not the best, pizza restaurants in the country.

- **Onofrio's Ultimate Foods**

Onofrio's Ultimate Foods has a long history as a leader in the preparation and distribution of fine food products. Onofrio's provides their clients with expert advice, high quality private label food packing, co-packing, food bottling, sauce and marinade bottling, and food manufacturing.

- **Palmieri Food Products**

Becoming a full-scale operation by 1935, Palmieri Food Products has been manufacturing high-quality pasta sauces for over 80 years. As the company grew, they began to produce horseradish, cocktail sauce, and even began to privately label for several companies throughout the country. Palmieri Food Products is considered a "New Haven Original."

- **FreshBev Craft Juicery**

In pursuit of all fresh, all natural ingredients free from corn syrup, artificial flavors and preservatives, FreshBev developed a proprietary juicing process that retains the color, flavor, and nutrients of the fruit. Only four years after its founding, FreshBev was named the "Best Juice or Juice-Based Beverage" by BevNET, a beverage-oriented media company. FreshBev currently sells its juices across most of the United States in Whole Foods, H.E.B., and Stop & Shop, among other smaller retailers.

- **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. In 2017, the city designated Long Wharf as a special vending district, allowing 29 food trucks to vend at the location.

- **East Rock Brewery Co.**

New Haven's first commercial brewery since Elm City Brewing Co. closed in 1998, East Rock Brewery Co. is set to open in fall 2017 after refurbishing a portion of the former Rockbestos factory. It will initially produce 4,500 barrels of beer per year to serve its own tasting room as well as the local market, but it has plans to eventually expand their operation to more than 45,000 barrels per year.



Businesses located on Long Wharf include: Something Sweet, Lamberti's Sausage, Gelato Giuliana., and Hummel Brothers.

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 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. New Haven is also home to two notable financial service firms, Knights of Columbus and Higher One.

- **Knights of Columbus**

Knights of Columbus, the world's largest Catholic fraternal service organization, 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.

- **Blackboard/Higher One**

Founded by Yale alumni in 2000, Higher One provides students with customized financial services through college business offices. The company 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 Connecticut and is part of Deloitte's "Fast 100." In August 2016, the international education technology company, Blackboard, acquired Higher One, an acquisition that will allow for collaboration with software such as CASHNet, which provides secure online payment for tuition and education fees.

International Business

As a diverse and international city, New Haven continues to build strong international business connections based upon bringing foreign companies to New Haven and exporting "Made in New Haven" goods to other countries.

- **Advanced Manufacturing**

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 Swedish manufacturer and global leader in lock production. Assa Abloy has actually been named on Forbe's list of 100 most innovative companies multiple times, most recently in 2016. Other examples of New Haven advanced manufacturing firms include 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.

- **Hub55**

In April 2017, New Haven welcomed Hub55, a Brazilian business incubator, to the city. The partnership between Brazilian consulting firm Paseli Consulting and New Haven City Hall aims to bring Brazilian businesses in information technology, medical equipment and aerospace to New Haven. The hub seeks to attract companies of varying levels of maturity and will provide guidance in addition to office and co-working space.

- **Bridge Innovations**

Bridge Innovations is an accelerator focused on medical device startups that are developing surgical robots, minimally-invasive procedures and therapeutic devices, and digital connectivity technologies. In partnership with Israel's Technological Incubators Program (TIP), Bridge Innovations facilitates the incubation of ventures in Israel and their acceleration in New Haven to benefit from its quickly expanding medical device ecosystem.

DEVELOPING LOCAL JOBS AND BUSINESSES

To grow New Haven's economy and prepare residents for the jobs of tomorrow, Economic Development works with the City's Board of Education, Gateway Community College, Southern Connecticut State University, and other stakeholders to develop a highly trained workforce for the city's emerging employment growth sectors, including bioscience, information technology, and food processing.

Economic Development's work is integral for ensuring inclusive growth in these fields—economic growth that benefits all of New Haven's residents. Many cities across the U.S. are struggling to manage the recent influx of the mostly young and educated workers in knowledge economies who prefer urban living. Without intentional intervention or management, the situation has too often exacerbated preexisting inequalities along the lines of wealth, education, and race. At best, certain populations fail to share in the economic gains, and, at worst, the prices of housing and services rise so much that long-term residents are displaced from their neighborhoods.

Instead, New Haven is taking advantage of this great opportunity and using the influx of capital, talent, and ideas to break down historic inequalities. Shared growth not only ensures greater social cohesion, but also helps build a thriving ecosystem of connected parts. An economy in which all parts of a city take part in and benefit from has the potential to sustainably raise substantially more tax revenues compared to just a successful business, industry, or downtown. In the Office of Economic Development, encouraging inclusive growth means both developing local jobs and businesses and revitalizing New Haven's neighborhoods. In terms of developing local jobs and businesses, Economic Development 1) creates job pipelines that train New Haveners in the skills needed by New Haven's growth sectors, 2) expands access to innovation and entrepreneurship, and 3) provides extensive resources and technical support.

Workforce Development

Jobs Pipeline

Jobs pipelines exist in order to boost local hiring in growth sectors. The city creates and backs programs that train New Haven students and adults in skills in demand in our major growth sectors. In fact, the Brookings Institute finds that half of all STEM occupations are available to workers without a four-year college degree. In addition, knowledge economies create jobs in auxiliary sectors, including housing, construction, medical, tech, services, and retail. Economic Development works to ensure New Haveners are qualified applicants when applying to these jobs. Local hiring is a key factor in achieving inclusive growth. Economic Development has helped create a general pipeline, New Haven Works, and two specific pipelines in bioscience and tech.

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.

Since New Haven works opened in 2015, it has placed over 1000 residents into employment and established relationships with 60 local and regional employers. Over half of New Haven Work's placements benefited residents of the most underserved neighborhoods in New Haven.



New Haven resident utilizing New Haven Works computer lab and receiving assistance with job applications.

City of New Haven Economic Development, Official Statement

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, Economic Development has worked to bring together workforce development partners to more fully understand job typologies, education and training requirements.

Three initiatives are underway:

1. A partnership with CURE to assist New Haven-based companies with key capital purchases that will support their base of operations in New Haven.
2. Internship programs, administered through the Workforce Alliance or CURE.
3. New academic pathways leveraging the new science building at SCSU. In 2016, Economic Development continued to work with the EDC and Southern Connecticut State University on the 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 4 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. To date, the Connecticut Board of Regents approved the new BS/Biotechnology degree, interns have been placed at two biotech companies and SCSU has convened an advisory committee to further work on curriculum, articulation agreements, and fund-raising activities.

Tech Career Ladder

Given the growth of the IT/Tech sector in Downtown New Haven, the Office of Economic Development worked with Gateway Community College to launch a new “Learn to Code” certificate course, with tuition scholarships 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. All of the graduates of the program found work in the New Haven area and are utilizing the tools learned in the course. The “Web Development Certificate” program, as it’s now called, is in its second year. Through the success of this course and guidance from Gateway’s Advisory Committee, Gateway is also offering, new for fall 2017, Certificates in Business Analyst as well as Web Design.

As part of this pilot project, Gateway also convened the previously mentioned 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.

Innovation and Entrepreneurship

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, which included technical assistance around ideation, creating and refining business plans, business forecasting, and customer validation processes. The Grove also provides connections with mentors, capital sources, space providers, and talent.

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, Economic Development pivoted to focus more 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 has worked with Continuity and SeeClickFix on talent development efforts and securing new office space.

Regional Workforce Development Board

Since 2013, a staff member from the Economic Development Agency 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.

Working Cities Challenge

In early 2017, Economic Development applied for and secured a Working Cities Challenge planning grant. The Working Cities Challenge, sponsored by the Federal Reserve Bank of Boston, is designed to support innovative problem-solving partnerships that address complex economic, community, and workforce development issues in Connecticut's cities. The Fed is looking for communities that can develop collaborative solutions to improve the lives of low-income residents that use evidence-based outcome measurement.

Given these parameters, the City's application focused on improving New Haven's public transportation network to better connect low-income residents without cars to jobs. During the summer and fall of 2017, the team will engage in community outreach and participation efforts to draft and submit a full implementation grant application to the Fed.



Recent meeting with key stakeholders for the Working Cities Challenge.

Business Development

The Office of Economic Development's initiatives in regards to business development include supporting food-based businesses, assisting small- and minority-owned contractors, encouraging entrepreneurship, and providing technical assistance.

Food Business Development

Food Incubator

Economic Development 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 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, thereby creating jobs and employment opportunities for New Haven residents.

Mobile Vending

In 2017, Economic Development, secured Board of Alders approval of a comprehensive rewrite of the mobile vending ordinances that regulate food trucks in New Haven. These new ordinances increase oversight, bolster systemic fairness and transparency, and improve public safety through stricter enforcement. The ordinances also expand opportunity for food entrepreneurs by creating four managed special vending districts, with significant additional spots for food trucks and carts in New Haven.

To celebrate the city's growing mobile food vending culture, and to provide local businesses and vendors with exposure to the broader regional community, the City sponsored the third annual Food Truck Festival on Long Wharf on June 3, 2017. The free, all-day event featured more than 30 New Haven-area food trucks and craft vendors, beer gardens, a Dragon Boat Race, bike exhibitions, and musical entertainment, and attracted thousands of people.



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.



Small Contractor Development Program

At the start of the program in 2001, 4.7 percent of City contracts were awarded to women and minority business enterprises. In 2015, 25.7 percent of the \$13.6 million in City construction contracts were awarded to women and minority businesses, coming out to \$3.5 million in contracts. In 2016, \$4 million in contracts were awarded to New Haven resident construction businesses, and \$2.1 million in contracts were awarded to women and minority businesses. There are currently 125 contractors registered in the program. During 2016, Economic Development provided assistance to 828 small-, women-, and minority-owned contractors with contract issues, bid documents, payments, credit, contractor conflicts, and registration.

Developing Entrepreneurship

Project Storefronts

Negotiating with property owners for access to empty locations, Project Storefronts provides these spaces to budding entrepreneurs via a competitive application process. By gaining access to these spaces, these entrepreneurs then learn how to become successful businesspeople, even as they test the viability of new innovative business and retail ideas. The community as a whole also benefits, by bringing community-oriented, cutting-edge arts-related businesses to life in formerly-vacant retail spaces.

In 2016, Project Storefronts:

- Provided 80 small business owners with access to free expertise and/or microloan
- Launched two new, thriving storefront businesses in New Haven
- Celebrated 2-year and 1-year anniversaries for graduated businesses
- Attracted more than 4,500 people to promotional events
- Received coverage in the CT Mirror, New Haven Register and other publications

Start Up Weekends

Part of Start Up America, this weekend is held to foster entrepreneurial spirit and innovation as it includes events for entrepreneurs to pitch ideas, build teams, network, learn skills and find mentors. It is an intense 46-hour event which focuses on conceptualizing a business model that can range from a web or mobile application to a physical device, which could form the basis of a credible business. In 2016, the University of New Haven partnered with The Grove, New Haven's co-working epicenter, to hold the event. Students from six Connecticut universities gathered in New Haven to brainstorm ideas for products and services, test marketing ideas with potential customers, and receive professional mentoring from 22 entrepreneurs within the region. The event was recognized at the Connecticut Entrepreneur Awards Ceremony where it received a first-place award in the community-favorite education category.

Technical Assistance and Business Services

Business Services

Economic Development staff 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 2016, 216 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.

Small Business Technical Assistance & Outreach

Economic Development 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 Connecticut Small Business Development Center (CSBDC) to provide technical assistance and mentorship to New Haven small businesses in marketing, bookkeeping, and insurance. Economic Development staff strive to enhance the City's tax base and support business, community, and resident employment by using public resources to leverage private sector investment. To this end, staff provide businesses and developers with help finding space to relocate or expand, as well as assistance in navigating local state and federal incentive programs such as:

- The City of New Haven Property Tax Assessment Deferral Program;
- The State Enterprise Zone & Urban Jobs Tax Abatement Program;
- State Urban Site Tax Credits Program;
- State Research & Development Tax Credits;
- State Small Business Express Program;
- State Job Creation Tax Credit Program; and
- Programs and Incentives related to the State's Public Utilities, including C-PACE and the Connecticut Green Bank.

Small Business Resource Center

Opened in May 2014, the Small Business Resource Center (SBRC) has assisted more than 300 small businesses in the Greater New Haven area. The mission of the SBRC is to assist in the development and growth of small businesses and entrepreneurs, by providing them with technical assistance and access to capital. The core initiatives of the SBRC are business development, business retention and attraction, neighborhood business revitalization, and business advocacy. Research supports that effective and comprehensive small business programming leads to new entrepreneurs becoming successful business owners.

The SBRC plays a lead role in encouraging the development of entrepreneurship and microenterprises by providing capital-building initiatives that assist in small business growth and job creation. Implementation of this strategy will lead to future economic growth and prosperity for the city and the region. In the fall of 2016, the SBRC partnered with the U.S. Small Business Administration (SBA) to provide the "Ready, Set, Go" entrepreneurial training program to more than 30 participants. The SBRC tracked each participant, offering them post-training, one-on-one assistance with business plan development, financing, and other technical assistance as required. Also in the fall of 2016, the SBRC partnered with Liberty Bank to offer 20 existing businesses training in topics such as time management, tax planning, and other pertinent topics required to run a successful business.

The SBRC is working to bring services to neighborhoods throughout the City, and continues to create a formal "One Stop Shop" where new entrepreneurs and current business owners alike can obtain resources and services that will support business start-ups and growth. The SBRC recognizes that start-ups foster job creation and yield personal, community, and economic development; implementation of this strategy will continue to serve as an important catalyst for economic growth in the City of New Haven.



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

To revitalize its neighborhoods, New Haven takes a three-pronged approach: 1) targeted economic development through a “Main Streets” approach, 2) leveraging public financing as a catalyst for private investment, and 3) neighborhood-specific development initiatives that preserve historic buildings, integrate resilience planning, and facilitate place-based investments.

Neighborhood Commercial Revitalization

In 2016, Economic Development continued identifying, designing, and implementing “Main Streets” improvements and activities in the Whalley, Grand, and Dixwell Avenue districts. For instance, each corridor received a street-level sidewalk “inventory,” which the City then used to repair specific sections of sidewalk in Fall 2016 and Spring 2017. In addition, Economic Development worked to increase green spaces and beautification by planting new trees along the main streets. In addition, staff pursued the following avenue-specific initiatives:

- Whalley Avenue: Worked with the Main Streets stakeholder team to plan and deliver “Wheels on Whalley,” an annual New Haven Bike Month neighborhood event in May
- Grand Avenue: Repainted crosswalks, worked with the Grand Avenue Special Services District (GASSD) to improve street cleaning and trash pickup, updated the GASSD website, and nearing completion on a revamped “Business Map & Guide” for Grand Avenue businesses
- Dixwell Avenue: Made plans to improve the Broadway “gateway,” moved forward with the Q-House project, and developed revitalization plans for Dixwell Plaza



From left: Wheels on Whalley participants, The historic Grand Ave Bridge (Chris Randall Photography).

In 2017, Economic Development will increase its efforts to recruit desired businesses to those corridors, will work with Transportation, Traffic & Parking to relight all of the decorative streetlamps on Whalley and Grand Avenues, and reinstate, in collaboration with Parks, Recreation & Trees, a planter/flower program for each corridor.

The City and EDC also 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

Leveraging Public Financing

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 2016, the Program supported 19 Façade projects, with eligible grants totaling in excess of \$700,000, leveraging nearly \$15 million in private investment. Each dollar of public financing brings in over \$21 in private investment.

FY 2016-2017 Highlights:

- **35-39 Church Street, LLC, (Downtown):**

Located at the corner of Church and Crown Streets, the Washington Building was built by Mayor Edward M. Clark in 1890. Designed with large, sweeping windows, fluted columns, an ornate cornice and decorative stonework, the site has been the home to a variety of retailers and restaurants over the years, while upper stories contained offices and studios. The current owners, the Hurley Group have embarked on a \$5+ million restoration of the façade, while completely renovating the interior of upper stories into 18 residential units. The project is expected to be complete in the summer of 2017.

- **Bender Plumbing and supplies, Inc., 335 East Street (Mill River):**

Bender has maintained their New Haven showroom at this site for a number of years and, as part of their 2015 decision to remain in New Haven and expand in Mill River, embarked on a \$5 million upgrade of the building, expanding the Showroom to the second floor. A façade grant at this site was the last part of the City's financial support of this company's New Haven expansion. The project added 12 new positions in 2016 and will add another 12 jobs once the showroom is completed.

- **Caffe Bravo, 794 Orange Street (East Rock):**

Caffe Bravo was formed by John DiPaola, who immigrated to the U.S. from his hometown of Amorosi, Italy, and John's wife, Mary Lou, in 1994. John brought the traditional Italian cooking passed down from generation to generation to the quaint East Rock neighborhood of New Haven. From a neighborhood market, Caffe Bravo has grown into one of New Haven County's best-known eating establishments.

FY 2017-2018 Initiatives:

- **"Main Street" Corridors**

One of the focuses of the Façade Improvement Program over the next year is to coordinate the implementation of a pilot program in "Main Street" corridors (Whalley Avenue, Dixwell Avenue and Grand Avenue). This program will provide a portion of the façade grant to the grantee at the start of the project, with a Leasehold Improvement Program for Small Businesses, a new program from Livable Cities Initiative (LCI). The goal of these new pilot programs is to help stimulate small business development in these neighborhoods.



A before and after picture of Bender Plumbing Supply Company's new facility which was part of the Façade Improvement Program.

City of New Haven Economic Development, Official Statement

Livable City Initiative

The City created the Livable City Initiative (LCI) as a main platform for growth. LCI is a neighborhood focused agency whose primary mission is to enhance the experience of the individuals who live and work in the City of New Haven. LCI achieves this mission through enforcing the city's housing code and public space requirements; implementing housing programs to support high quality, affordable, and energy efficient housing; educating and increasing awareness on solution for neighborhood concerns; and designing and implementing public improvements and programs to facilitate safer, healthier, and more attractive communities.

During Fiscal Year 2015-2016 alone, LCI attended 235 community meetings, addressed 15,134 cases of blight, monitored 601 vacant homes, removed 240 tons of trash, and maintained 215 properties. In addition, LCI had 24 housing preservation and development projects with 356 units in development, of which 60 were homeownership units.

Neighborhood-Specific Initiatives

Mill River District Planning Study

In 2014, 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, the Farnam Courts Redevelopment, and redeveloping the CT Transit garage at 470 James Street (DISTRICT NHV). In 2016, work was completed on a previously awarded CDBG-DR grant (\$192,000) to plan coastal resiliency improvements within the district.

Middletown Avenue Streetscape Study

Economic Development is studying corridor improvements to the important Middletown Avenue gateway into New Haven, from I-91 Exit 8 to Ferry Street. The goal is to improve aesthetics, increase safety, and encourage property development in the area. The introduction of Complete Streets principles to this corridor, a primary access point into the Fair Haven neighborhoods, will help to place a greater focus on this important route, encourage redevelopment of underutilized parcels in the area, and improve safety for all modes of transportation.

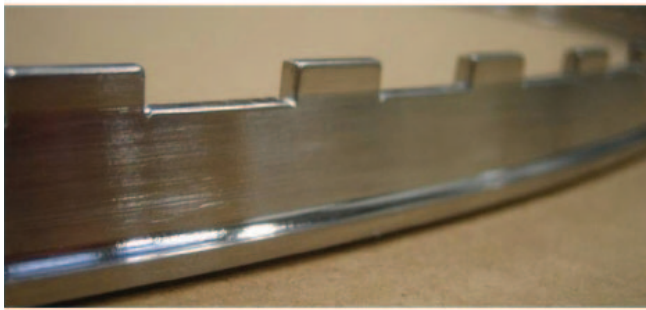
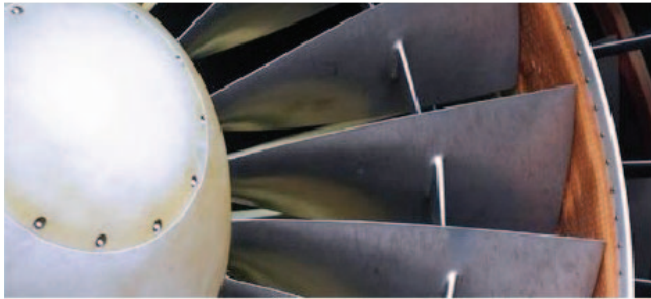
Wooster Square

- **Wooster Street Neighborhood Improvement Association**

In 2016, Economic Development collaborated with merchants and the Alder to create the Wooster Street Neighborhood Improvement Association (WSNIA). The WSNIA collects dues from business and property owners to in turn provide street maintenance (via Downtown Ambassadors), infrastructure improvements, and public events which market Wooster Street, such as "An Old Fashioned Christmas on Wooster Street."

- **Wooster Square Planning Grant**

Economic Development obtained a \$125,000 grant to develop, design and provide development guidance for the Wooster Square neighborhood and southern portion of Downtown along State Street. The project has featured significant community involvement in the form of two well-attended community meetings, four stakeholder advisory meetings and opportunities for public comment at the City Plan Commission. In addition, the grant funded a transportation demand management roundtable with major employers in the Downtown Crossing area with the intent of developing shared "best practices" to reduce single-occupant trips to the area.



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.

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.

In 2016, progress was made in remediating redevelopment parcels, improving infrastructure, and preserving the historic buildings in the 53-acre project area. Several milestones were achieved in 2016 as well as Phase III of an Environmental Site Assessment was completed which lead to the application of initial cleanup funds for 198 River Street. Additionally, the Board of Alders approved a lease with Capasso Restoration to renovate the historic Bigelow Boiler buildings at 198 River Street. Lastly, a shoreline stabilization study including plans and specifications to protect the River Street shoreline was completed as well.

St. Luke's Development Corp.

In 2016, a Phase III Environmental Site Assessment and Hazardous Building Materials Survey of several properties was completed using a \$200,000 grant from the state DECD to support a mixed-use development at Dickerman Street, Sperry Street, and Whalley Avenue.

Upper State Street Business District

Economic Development collaborated with retail businesses and restaurant owners in 2016 to reinvigorate merchant association and assisted Transportation, Traffic & Parking with addressing parking conditions and regulations.

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 for 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 food trucks. This is part of a larger Long Wharf makeover that will transform the area with a new Boathouse, sidewalk improvements, the Farmington Canal Line and Vision Trail as well FEMA-funded repairs to areas damaged by recent storms. Improving New Haven's water front results in significant returns in quality of life and desirability of living in New Haven.

- **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 new home for parts of UNH's Marine Biology Program. The project is funded by ConnDOT as part of the I-95 mitigation program, a project backed by the Federal Highway Administration (FHWA). The boathouse platform is complete, and construction for the final phase of the project began in early 2017.



A photo of New Haven's picturesque harbor. Completion of the Boathouse and other waterfront improvements will access to use and the use of New Haven's waterfront.

IMPROVING NEW HAVEN'S REGIONAL COMPETITIVENESS

New Haven is not only attracting investment and business, but also people. Compared to a state growth rate of 4.9%, New Haven's population grew 5.5% since 2000, making it the fastest growing major New England city. Over the 2000s, it also achieved the 6th highest increase in college degree attainment in the nation. And, by 2025, New Haven is set to add an additional 10,000 to 15,000 people to the city. People are attracted to New Haven's extensive cultural amenities and high quality of life. For example, 17% of New Haven is dedicated to parks and open space, a ratio on par with famously park-friendly cities such as San Francisco. In addition, New Haven contains 40 miles of bike lanes, forming the most extensive network in Southern New England. New Haven's competitiveness relates to four factors: 1) arts and culture, 2) high quality health care, 3) extensive transportation networks, and 4) impressive education and innovation.

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 issued an RFP and selected Long Wharf mainstay Brazi's Restaurant to renovate and enhance the Long Wharf Visitors Center as a food service, resource, and information center. Brazi's is restoring and augmenting the 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 2016, the City 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 Long Wharf Snack Shack will be completed and open for business in July 2017.



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 mid-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.
- **Music on the Green** is a free series of late July concerts in 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 week-long August event and multiple smaller, pop-up jazz-themed events, draws up several thousand attendees.
- **The Connecticut Open** at Yale, held annually in mid-August, 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.
- **The New Haven Grand Prix**, co-sponsored each September by the City and the Connecticut Cycling Advancement Program, is a multi-event celebration of bicycling in New Haven. This event annually brings several thousand spectators downtown to enjoy activities that promote youth bicycling programs in New Haven's schools, encourage a more bicycling and pedestrian-friendly community, and highlight the New Haven's cultural vibrancy.
- **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 hold a themed set of events and activities and 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 34% of jobs in the New Haven region 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 1,552 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 19 out of 26 specialties by *U.S. News & World Report*, and ranks in the Top 10 nationally in two specialties, geriatrics (#10) and psychiatry (#10).

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 recently received approval to merge with Lawrence and Memorial Hospital in Norwich, CT.

Smilow Cancer Hospital

Part of Yale-New Haven Hospital, 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 48 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. Smilow has 168 hospital beds and has 500 permanent employees.

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 5,108 faculty & staff and 1,280 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 2016, it received \$407.2 million in awards from the NIH, the 10th highest total amount in the nation. There have been 61 Yale-founded biotech companies to date.



Source: EDC New Haven / REX

Transportation Infrastructure

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.

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 642,000 Amtrak passengers annually. In addition to Amtrak, Union Station also serves as a hub for the heavily-used Grand Central Terminal and New Haven MetroNorth Line, which posted record ridership figures in 2016. 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 2016, Economic Development worked with ConnDOT on major issues related to the design of the second garage at Union Station, including intermodal transit; retail and overall design. An agreement was also reached with the State on a five-year operating lease extension for Park New Haven.

Amtrak/NEC Future:

In 2016, Economic Development participated in extensive discussions with the Federal Railroad Administration concerning the future of the Northeast Corridor and prepared the City's official testimony on the NEC Future Environmental Impact Statement, advocating for continued service through New Haven as opposed to "bypass routes." Advocacy with other shoreline municipalities and stakeholders was also continued in 2016.

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, with New Haven as the southern terminus of the line. The project is expected to allow speeds of up to 110 miles per hour, and is anticipated to draw more than 600,000 passengers annually once completed. CT DOT expects it to commence operation in January 2018.



*Main concourse of Union Station
City of New Haven Economic Development, Official Statement*

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 16th busiest station in the national Amtrak system in terms of ridership numbers, with over 642,000 passengers in 2016.

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.

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 #52 in the nation for domestic trade (7.1 million short tons) and #52 in the nation for foreign trade (2.7 million short tons) based on 2015 volume. The Port of New Haven moves 75 percent of the annual tonnage entering through Connecticut ports. The federal navigation channel at New Haven Harbor is periodically dredged to maintain its 35 feet depth. To maintain its global competitiveness in the 21st century, New Haven is conducting a study with the Army Corps of Engineers on the feasibility of deepening the channel from 35 feet to 40+ feet. The study is being carried out in tandem with the environmental impact study and is expected to take three years to complete.

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 2016, there were 27,771 enplanements out of Tweed, down slightly from 31,031 in 2015. 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. In 2016, an assessment of air service development programs nationwide was completed to further support Tweed's efforts to secure new commercial air service to key business markets.

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. The Federal Aviation Administration has approved Tweed's Capital Improvement Plan to expand its runway from 5,600 feet, to 7,200 feet. Tweed is currently awaiting approval from the state to go ahead with the plan. As of May 2017, Tweed is accepting bids from contractors to establish sound insulation programs to benefit homes within the surrounding community as part of their efforts to provide benefits to the community.

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 2017.

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

City of New Haven Economic Development, Official Statement

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 dozens of 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 such as the New Haven Bike Share, the Clean Air Run, PARK[ing] Day, and Transportation on Tap.

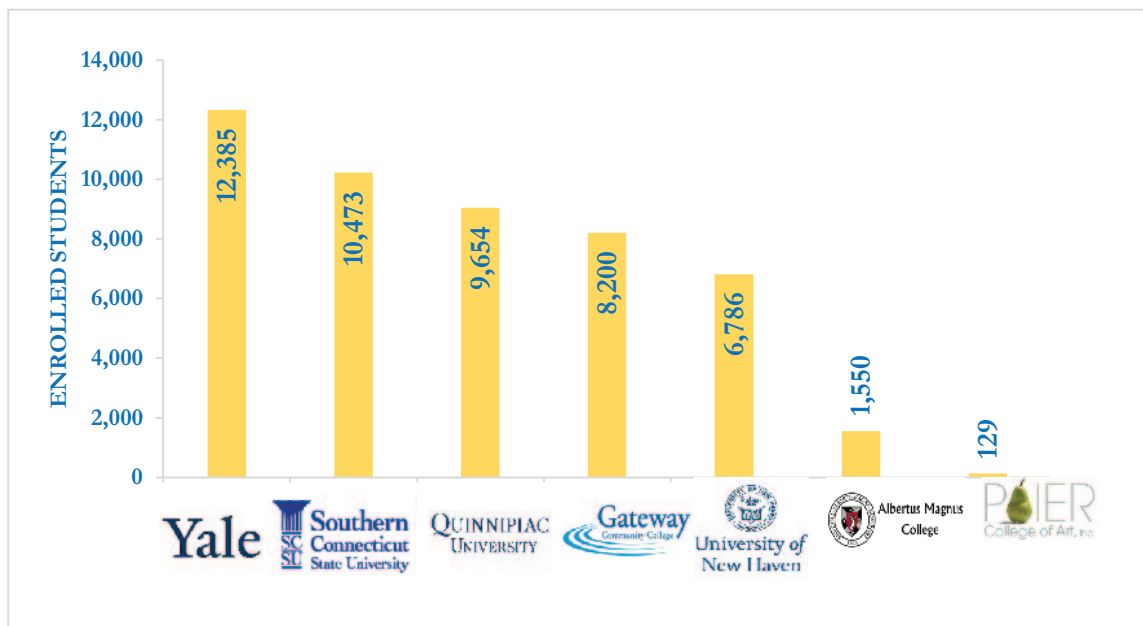


Top row: City workers installing bike lanes on Clinton Avenue; Bottom row: cyclists using new bike lanes on Elm Street.

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	4,420 Full-time	12,385
Southern Connecticut State University	439 Full-time & 566 Part-time	10,473
Quinnipiac University	371 Full-time	9,654
Gateway Community College	107 Full-time & 462 Part-time	8,200
University of New Haven	262 Full-time & 379 Part-time	6,786
Albertus Magnus College	44 Full-time & 230 Part-time	1,550
Paier College of Art	8 Full-time & 26 Part-time	129
Total	8,404	58,285



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 \$264 million in federal R&D obligations, which ranks 11th 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. Cooperative High school earned a silver medal in the 2017 *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. 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 2016, the district's graduation rate climbed to 83 percent, a 21 percent increase since 2010.

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 21st 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. ESUMS opened a new building on the University of New Haven's campus in early 2017. The 122,000-square-foot building is the most technologically advanced of New-Haven's 41 school construction projects and is equipped to handle 21st century challenges.



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 program requirements. In 2016, the program supported 307 scholars.



*New Haven Promise makes a college education possible for every New Haven student who meets its academic qualifications.
City of New Haven Economic Development, Official Statement*

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, 2016”** 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, 2016, and the City’s GASB OPEB Valuation as of July 1, 2015, dated February 2, 2017, 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.

Valuation information for the City’s Policeman’s and Fireman’s Retirement Fund (“P&F”) is shown in the table below.

	July 1, 2016	July 1, 2014
Number of members		
Active employees	752	634
Terminated vested members	5	3
Vested in employee contributions only	34	3
Retired, disabled and beneficiaries	1,290	1,273
Total	2,081	1,913
Covered employee payroll	61,714,054	51,378,227
Average plan salary	82,067	81,038
Actuarial present value of future benefits	879,478,079	774,962,813
Actuarial accrued liability	775,126,009	673,601,157
Plan assets		
Market value of assets	302,717,214	337,186,432
Actuarial value of assets	339,727,866	337,186,432
Unfunded accrued liability	435,398,143	336,414,725
Funded ratio	43.8%	50.1%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2018	2016
ADEC	34,607,856	26,297,794
Fiscal year ending	2019	2017
ADEC	35,559,572	27,081,778

Valuation information for the City Employees' Retirement Fund ("CERF") is shown in the table below.

	July 1, 2016	July 1, 2014
Number of members		
Active employees	943	910
Terminated vested members	20	20
Vested in employee contributions only	65	36
Retired, disabled and beneficiaries	1,103	1,124
Total	2,131	2,090
Covered employee payroll	53,237,062	49,260,490
Average plan salary	56,455	54,132
Actuarial present value of future benefits	500,786,918	479,342,509
Actuarial accrued liability	461,503,244	439,581,003
Plan assets		
Market value of assets	153,440,281	173,486,994
Actuarial value of assets	176,433,401	173,486,994
Unfunded accrued liability	285,069,843	266,094,009
Funded ratio	38.2%	39.5%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2018	2016
ADEC	21,662,916	19,514,619
Fiscal year ending	2019	2017
ADEC	22,096,174	19,904,911

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 26 years as of July 1, 2016 (30 years fixed at July 1, 2012) for CERF, increasing at 2.0% per year and a closed period of 28 years as of July 1, 2016 (30 years fixed at July 1, 2014) for P&F, increasing at 2.75% per year.

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. The actuarial value of assets was reset to equal the market value of assets as of July 1, 2014.

Calculation of the Actuarially Determined Employer Contribution (ADEC)

The ADECs for CERF for the FYEs 2018 and 2019 were calculated as follows:

	July 1, 2016		July 1, 2014	
	Cost	% of payroll	Cost	% of payroll
Gross normal cost	\$5,847,690	11.0%	\$4,851,373	9.8%
Estimated employee contributions	(4,798,967)	-9.0%	(4,463,000)	-9.1%
Estimated administrative expenses	165,000	0.3%	165,000	0.4%
City's normal cost	1,213,723	2.3%	553,373	1.1%
Amortization of unfunded accrued liability	20,024,430	37.6%	18,581,057	37.7%
Contribution before adjustment as of the valuation date	21,238,153	39.9%	19,134,430	38.8%
Estimated valuation year payroll	53,237,062		49,260,490	
Fiscal year ending	2018		2016	
Adjustment for interest and inflation	424,763		380,189	
Actuarially determined employer contribution	21,662,916		19,514,619	
Fiscal year ending	2019		2017	
Adjustment for interest and inflation	433,258		390,292	
Actuarially determined employer contribution	22,096,174		19,904,911	

Calculation of the Actuarially Determined Employer Contribution (ADEC)

The ADECs for P&F for the FYEs 2018 and 2019 were calculated as follows:

	July 1, 2016		July 1, 2014	
	Cost	% of payroll	Cost	% of payroll
Gross normal cost	\$13,176,954	21.4%	\$10,833,878	21.1%
Estimated employee contributions	(7,125,251)	-11.5%	(5,959,874)	-11.6%
Estimated administrative expenses	165,000	0.2%	165,000	0.3%
City's normal cost	6,216,703	10.1%	5,039,004	9.8%
Amortization of unfunded accrued liability	27,464,909	44.5%	20,499,913	39.9%
Contribution before adjustment as of the valuation date	33,681,612	54.6%	25,538,917	49.7%
Estimated valuation year payroll	61,714,054		51,378,227	
Fiscal year ending	2018		2016	
Adjustment for interest and inflation	926,244		758,877	
Actuarially determined employer contribution	34,607,856		26,297,794	
Fiscal year ending	2019		2017	
Adjustment for interest and inflation	951,716		783,984	
Actuarially determined employer contribution	35,559,572		27,081,778	

ESTIMATED RATES OF RETURN NET OF INVESTMENT RELATED EXPENSES

CERF:

Rate of Return on Market Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
	June 30	1 Year	3 Years	5 Years
2007	15.1%	10.2%	9.7%	8.3%
2008	-2.1%	6.4%	8.5%	6.2%
2009	-23.2%	-4.7%	0.1%	2.6%
2010	10.9%	-5.9%	0.5%	3.1%
2011	18.1%	0.2%	2.5%	4.3%
2012	-0.4%	9.3%	-0.4%	4.5%
2013	7.2%	8.0%	1.4%	4.9%
2014	14.3%	6.9%	9.8%	4.9%
2015	-1.1%	6.6%	7.3%	3.9%
2016	-2.6%	3.2%	3.3%	2.9%

P&F:

Rate of Return on Market Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
	June 30	1 Year	3 Years	5 Years
2007	16.3%	10.9%	9.7%	7.6%
2008	-5.0%	5.8%	7.9%	5.0%
2009	-16.1%	-2.5%	1.7%	2.1%
2010	12.6%	-3.5%	2.3%	2.6%
2011	19.0%	4.0%	4.4%	4.8%
2012	-1.3%	9.8%	1.1%	5.3%
2013	15.6%	10.8%	5.1%	6.5%
2014	19.9%	11.0%	12.9%	7.1%
2015	1.8%	12.2%	10.7%	6.4%
2016	-1.8%	6.3%	6.5%	5.5%

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:

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

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:

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).

January 1, 1993 (June 30, 1993 for Fire) through June 30, 1994: 2½% times final average pay times years of service, up to a maximum of 75% of final average pay.

July 1, 1987 through January 1, 1993 (June 30, 1993 for Fire): 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.

Prior to July 1, 1987: 2% times final average pay times years of service subject to a maximum of 70% of final average pay.

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.

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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FORM OF OPINION OF BOND COUNSEL

August __, 2017

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 10, 2017 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$76,715,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2017, consisting of \$43,300,000 General Obligation Bonds, Series A, and \$33,415,000 General Obligation Refunding Bonds, Series B, each dated August 10, 2017 (together, the “Bonds”), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2018 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable, at the rates per annum as follows:

Series A Bonds

<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>
2018	\$625,000	3.000%	2028	\$2,095,000	5.000%
2019	1,685,000	5.250	2029	2,200,000	5.000
2020	1,755,000	5.250	2030	2,315,000	5.000
2021	1,830,000	5.250	2031	2,435,000	5.000
2022	1,910,000	5.250	2032	2,560,000	5.000
2023	1,615,000	5.250	2033	2,690,000	5.000
2024	1,700,000	5.250	2034	2,830,000	5.000
2025	1,790,000	5.250	2035	2,975,000	5.000
2026	1,890,000	5.250	2036	3,125,000	5.000
2027	1,990,000	5.250	2037	3,285,000	5.000

Series B Bonds

<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>
2021	\$510,000	4.000%	2026	\$12,055,000	5.000%
2022	530,000	4.000	2027	7,095,000	5.000
2025	13,225,000	5.000			

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 business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Series A Bonds are subject to redemption prior to maturity as therein provided. The Series B Bonds are not subject to redemption prior to maturity.

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 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

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut
\$76,715,000 General Obligation Bonds, Issue of 2017
Consisting of
\$43,300,000 General Obligation Bonds, Series A
\$33,415,000 General Obligation Refunding Bonds, Series B
dated August 10, 2017

August 10, 2017

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of \$76,715,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2017, consisting of \$43,300,000 General Obligation Bonds, Series A, and \$33,415,000 General Obligation Refunding Bonds, Series B, each dated August 10, 2017 (together, the “Bonds”), and to mature on the dates and in the amounts as set forth in the City’s Official Statement dated August 3, 2017 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 3, 2017 (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.

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: _____
Toni N. Harp
Mayor

By: _____
Daryl Jones
Controller

