

**AN ORDINANCE AUTHORIZING ESTABLISHING
BALANCED BUDGET POLICIES AND PROCEDURES
FOR THE CITY'S GENERAL FUND BUDGET**

WHEREAS, pursuant to Chapter 117, Chapter 109 and other chapters of the General Statutes of Connecticut, as amended (the "Connecticut Statutes") and accompanying regulations, the City Council has authorized the City of West Haven, Connecticut (the "City") to issue deficit obligations in an amount not to exceed \$16,515,000 (the "Deficit Bonds") to account for the City's anticipated cumulative General Fund deficit and costs of issuance related to such Deficit Bonds; and

WHEREAS, upon issuance of the Deficit Bonds and the elimination of the cumulative General Fund deficit through fiscal year 2015, the City Council desires that the City finish each future fiscal year with a balanced budget or surplus for its General Fund; and

WHEREAS, in order to achieve such outcome each fiscal year, the City Council has determined to authorize the following General Fund budget policies and procedures; and now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST HAVEN:

Section 1. In connection with the issuance of the City's Deficit Bonds, the following General Fund budget policies and procedures shall be implemented in order for the City to finish each fiscal year with a balanced budget or surplus for its General Fund:

(a) at a regularly scheduled meeting of the City Council no later than thirty (30) days after each September 30th, December 31st and March 31st of each fiscal year, the Director of Finance shall deliver to the City Council and the Mayor a General Fund budget report detailing the status of the revenues and expenditures for the then current fiscal year as of the fiscal quarter most recently ended, the projected revenues and expenditures for the remainder of the then current fiscal year and any significant variance in revenues and expenditures of the City's General Fund as compared to the current fiscal year's budget for the General Fund; and

(b) if the General Fund budget reports of the Director of Finance (described in (a) above) for the periods ending December 31st or March 31st reflect a projected General Fund deficit for the then current fiscal year, the Mayor and the Finance Director shall report to the City Council the specific line item expenditure adjustments and/or revenue enhancements proposed by the City administration in order to eliminate the projected General Fund deficit for the current fiscal year; and

(c) upon receipt of the proposed expenditure adjustments and/or revenue enhancements from the Mayor and Finance Director (described in (b) above), the City Council shall vote to approve or reject such adjustments or enhancements and may adopt further expenditure adjustments and/or revenue enhancements in order to eliminate the projected General Fund deficit for the current fiscal year; and

(d) if at the time the Mayor submits the City's General Fund budget to the City Council for any succeeding fiscal year, there exists a projected General Fund deficit for the current fiscal year, the Mayor shall include in the General Fund budget for the next succeeding fiscal year a sufficient appropriation to eliminate the current year General Fund deficit and the City Council shall adopt a budget with such appropriation for the projected General Fund deficit and a tax rate with the appropriate portion of the mill rate specifically allocated to pay the projected General Fund deficit; provided, however, if such projected General Fund deficit exceeds \$250,000, the Mayor may submit a request to the City Council that such deficit be eliminated over a period of up to three (3) fiscal years, and if such request is approved by the City Council, the Mayor shall include sufficient appropriations to eliminate such deficit in the General Fund budgets for the number of fiscal years approved by the City Council and the City Council shall adopt such budgets with such appropriations for the projected General Fund deficit and the tax rates with the appropriate portion of the mill rate specifically allocated to pay the projected General Fund deficit; and

(e) the City desires to reach an unassigned fund balance level of five percent (5%) of total annual General Fund appropriations; in order to attain such fund balance, the Mayor, shall endeavor to include (i) in the General Fund budget for the 2017-2018 fiscal year a fund balance appropriation of at least \$250,000, (ii) in the General Fund budget for the 2018-2019 fiscal year a fund balance appropriation of at least \$500,000, and (iii) starting in the General Fund budget for the 2019-2020 and for each fiscal year thereafter a fund balance appropriation of at least \$750,000, until the undesignated fund balance is at least five percent (5%) of total annual General Fund appropriations; and

(f) the policies and procedures in this Ordinance may only be amended or repealed by at least a two-thirds vote of the entire City Council.

Section 2. This Ordinance shall be effective immediately upon the Mayor's signature.

ENACTED BY THE CITY COUNCIL ON: 7/25, 2016

APPROVED BY THE MAYOR:  DATE: 7/29, 2016