

City Of New Haven – Citizen’s Budget Proposal

Fiscal Year 2007-2008 Budget

Although we do not expect everyone to agree with all of the suggestions listed in this proposal, we feel that many of the ideas are valid. We now look to the Board of Alderman to give their feedback. We would welcome the opportunity to form a Citizens Budget Task Force to work directly with the BOA and all city departments so as to develop a reasonable budget that will protect the interests of the city and its residents.

The inability to maintain taxes close to current levels will force people to move out of the city (see comments by petitioners). **Flight will be followed by blight.** As many have noted, it is not difficult to move to less expensive suburbs where taxes are lower, air quality is better and public schools provide students with better education and long term opportunities.

Some Alders have told us we are unrealistic in expecting the mil rate to remain this high over the next five years, but until the BOA can *guarantee* a lower mil rate over the ensuing years, it is unrealistic to expect a reduction.

We as citizens/ residents each balance our household budget to accommodate higher utility costs, gasoline, and insurance (car, homeowners, health), etc. The City has the responsibility to do the same. We must assume each department understands its business better than we do, so the first step is for **each department to go back to the drawing board and cut 10% from its budget.** It may be painful, but it is certainly necessary.

Government must be brought into the 21st century. **CENTRALIZE , UPDATE and IMPROVE Information Technology and applications in all departments to reduce costs.** Many of these applications will result in a **GREENER** City government. IT results in more efficient, streamlined, smaller, cost effective government (reference books by Elaine Kamarck, **The End of Government...as We Know It** and **Governance.Com: Democracy in the Information Age**). (MAYBE A GOOD CONSULTANT FOR THE CITY)

Ask the Yale School of Business to help the City come up with solutions for the city’s financial problems. Can this become an assignment in one of the courses? - perhaps an annual event where future businesspeople look for new revenue sources, ways to save money, and in general ways to improve city government. The Yale SOM is training tomorrow’s leaders to become industry consultants performing these very tasks.

We ask the BOA to work with us to solve the most pressing issue- high taxes.

Respectfully submitted

Jeffrey Kerekes
Mona Berman

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(12 pages total)

The BIG ISSUES

NON-TAXABLE PROPERTIES

YALE and its Social Responsibility to the City of New Haven

The lack of revenue from the ever increasing presence of Yale University and Yale-New Haven Hospital is more complex than most of us realize. Yale does not pay tax on its land and buildings (it does not pay **Commercial Real Estate Tax**). But Yale also does not pay **Personal Property Tax** on what is probably at least a half-billion dollars of goods (computers, office supplies, office equipment and inventory) which would translate to close to **\$2.5 million** in tax. This is a tax the smallest of businesses pay, including home offices. Additionally, Yale does not pay **Motor Vehicles Tax** on its fleets of cars and trucks.

This loss is compounded by the ever-expanding purchases of property that Yale is making in our city, effectively decreasing the amount of taxable property in the city. Their renovations and construction continue to create traffic, parking, noise and pollution problems in New Haven while every new building erected on every newly acquired plot of land takes away any potential for tax generating properties to exist in our City. The move of Gateway Community College to Downtown New Haven takes away more property from the City's already too small tax base. Construction will cause years of disruption to pedestrian and vehicle traffic, disruption to business and will create yet more parking problems and add to noise and other types of pollution.

When a regional public school (for example) is built upon taxable property the region and the state do not compensate the city for lost revenue.

These entities use our facilities and our roads, and granted support our stores and restaurants. But they also pollute the air we breathe and add to the need for more parking garages and other non-income generating buildings.

The burden consequently falls largely on the shoulders of only 100,000 permanent residents, equal to probably about 33,000 households, many of which live in multi-family dwellings.

Yale's support of the City cannot be overlooked, but it is not proportionate to its physical or economic position in this city. We ask President Levin and his Board of Directors to make the commitment that Yale contribute a fixed percentage of the value of all personal and real property it owns in this city. Their endowment is certainly large enough.

We understand that Yale provides employment for many in our city, but many of those people employed by Yale do not live in City. This leads us to the discussion of regionalism.

REGIONALISM

New Haven provides the region with jobs and services which unquestionably improve the quality of life in the suburbs and of the Greater New Haven Region. Our attractions expand the more limited resources of the towns around us. New Haven provides everything from entertainment to homeless shelters. Our tax money helps support the airport.

It is now time for the Region to pay for some of the benefits they receive.

Homeless shelters keep the homeless out of the suburbs and cost New Haven almost \$1.5 million (\$400,000 for families, \$1,146,372 for individuals) NOT including salaries.

The region should pay into a general fund to support such services.

The Airport

Of the City's annual budget (NOT counting STATE and FEDERAL FUNDS) we spend \$900,000 to support Tweed New Haven Airport. Anticipated repairs over the next five years will be approximately \$650,000 per year.

We all know businesses and Yale need to fly in and out of the region quickly and efficiently. Tweed made sense. But today it does not. Bradley is conveniently located only 45 minutes from New Haven. Today, Bradley Airport with its new facilities, parking and services can fly us to almost any destination more efficiently, generally faster and certainly less expensively than can Tweed. It stands in sharp contrast to the few flights Tweed offers. The "on-time" rating for US Air's flights to and from Tweed is dismal.

Furthermore, we doubt that each taxpayer in this city has used the airport as frequently as it is used by others in the region.

The City has learned many hard lessons and this is one. It is time to cut and run. If the corporations, Yale and other towns in the region think Tweed is indispensable, let them support it.

State and Federal governments should take money earmarked for Tweed and invest it in commuter transportation- in buses and trains. If we want easy quick, affordable access to Bradley, revitalize the old train line from New Haven to Hartford and create a commuter rail to Bradley airport.

Regionalize Support of the Shubert Theater

Shubert Theater - \$410,000 of City tax money: In their report to the BOA during budget "workshops" the Shubert Theater indicated a gross of millions from ticket sales, etc. After 92 years, they should be self-sufficient. And certainly, many New Haveners cannot afford ticket prices. If The Shubert needs to be subsidized, it should be with Regional support.

Notes:

The Shubert Theater supports NPR (National Public Radio), a commendable cause, but this is City money they are donating!

Perhaps **Market New Haven** with their half-million dollar budget can help the Shubert become more profitable and relieve the City of a major tax burden.

ECONOMIC DEVELOPMENT, MARKET NEW HAVEN and MUNICIPALLY OWNED SPORTS AND ENTERTAINMENT VENUES

Is New Haven in the sports business? Or the entertainment business? Or is it supposed to govern and serve its constituents?

All municipal owned sports and entertainment venues must develop programs to increase their revenue. They must cover all direct and indirect expenses through better programming and management. If Market New Haven is to continue, it should be put to better use and help promote these venues so they become **income positive properties**.

- a. **Municipal golf course** not covering its own expenses – lower tee fees have "hacked" the greens which in turn increases maintenance costs.
- b. **Skating rink** had best year ever and only netted \$3,000! Can we generate more money from this resource? Area schools for field trips, night hockey leagues? Rent the rink to other cities lacking adequate facilities for ice hockey practices?
- c. **Pilot Pen** – \$135,000 – stop investing in sports franchises. This should be supported by the region.

GENERAL PROPOSALS, SUGGESTIONS, COMMENTS

ALL DEPARTMENTS

1. **Cap on non-union salary increases** to 3% (and/or) + COLA.
 - a. \$10,000 increase for Mayor's Director of Public Information during a problematic Budget Period????
 - b. Zoning Director (\$ 6,000), see Budget p. 137
 - c. Utilization Monitor (\$5,000 raise), see Budget p.140
 - d. BOE requesting large raises (see Budget p. 144)
2. **Eliminate or Minimize re-hiring retired employees**
 - a. Contributes to higher salaries and increased pensions, benefits, etc
 - b. Compare with hiring younger, lower paid workers and negotiated terms (see accountability and contract negotiations)
3. **Accountability and Contract Negotiations**
 - a. **Renegotiate contracts so that any employee convicted of fraud or abuse of their position does not receive a pension, disability, retirement benefits, etc.**
 - i. e.g. Narcotics Detectives
 - b. Contracts with new employees:
 - i. '457' plan instead of pensions (study other cities and corporate strategies)
 - ii. co-pays for health insurance
4. **Centralize and Outsource PAYROLL for entire city to payroll service**
 - a. eliminates staff positions (employee salary) and related benefits including health care, life insurance, pension
 - b. eliminates duplication of hardware, software, sundries (office supplies, etc)
 - c. eliminates duplication of staffing
 - i. example: NHFD who uses a paper system
5. **Centralize PURCHASING, CONTROLS, MAINTENANCE of Equipment , EQUIPMENT RENTAL and negotiate best contract and competitive pricing**
 - a. office supplies
 - b. office equipment incl. copy machines, owned and leased
 - c. contracts: office equipment and other maintenance contracts
 - d. Integrate all purchasing with online ordering, etc

6. **Information Technology is GREEN:** Proper use of IT reduces costs, saves paper and printing chemicals (inks, toners, etc)
 - a. copying charges
 - b. eliminate paper reports when possible with PDF presentations
 - c. eliminate typewriters (use PDF forms), postage meters and other out-of-date equipment requiring replacement, repairs, etc.
7. **Books and publications: go electronic when possible**
 - a. online books instead of purchasing physical books (e.g., general counsel, and other depts.)
 - b. books become obsolete
 - c. physical books require storage
8. **Online postage vs. machines**
 - a. limit number of machines to limit maintenance and rental costs
 - b. incorporate new online technology available for individual letters, packages and bulk mailings
9. **Transmit documents electronically when possible to limit costs of other delivery services (FedEx, etc)**
10. **Centralize printing services**
 - a. eliminates need for duplicating expensive equipment (each department could have inexpensive copy machine if necessary)
11. **TELEPHONE CHARGES: TOO HIGH for all departments (LCI alone wants \$45,000 for Nextel)**
 - a. Switch to VOIP provider for land and internet
 - i. Reduce long distance to as low as 1/10 of a cent per minute
 - b. Negotiate better contracts for equipment AND phone service, including cell, messaging, etc
 - i. Revisit new products available on the market that might replace costly Nextel systems
 - ii. Put contracts out to bid
12. **BE GREEN: Upgrade VEHICLES to hybrids for employees, public works, police, traffic and parking, library, etc.**
 - a. Estimated longevity of vehicles increases from 200K to 400K miles
 - b. Estimated MPG increases to 55

13. Evaluate space planning in all office areas to eliminate rental of office space.

- a. How much space can be saved by consolidating various duties into central departments (e.g., counsels, etc).
- b. If net decrease in required space, depts. and agencies now paying rent (AND PROPERTY TAX) for office space may be able to move to City owned property.
- c. City pays property taxes on rented properties- seems redundant....

14. As facilities age, consider more efficient energy and design alternatives.

15. TRAINING: Any person trained at the expense of the city should have a contract to repay the city for their training if they do not subsequently work in or for the city for at least 5 years or for a period of time appropriate to recoup training costs in the case of professional development.

Comment: What kind of agreement do we have with other towns- we train their cops)

- a. Examples: \$115,000 to train new police officers who are under no contract to stay after training. These officers can seek higher paying forces, less troublesome towns.
- b. Evaluate costs of our agreements to train police, etc. for other towns to assure all costs are completely covered. (Regionalism)

16. City employees should be again required to live in the city.

- a. Allow certain defined exemptions.
- b. This will increase accountability, may lower waste. Every penny an employee requests in their budget ultimately comes out of their pocket)

17. Integrate all redundancies in various agencies.

- a. Risk management
- b. Legal counsel

18. City should only pay for mandatory memberships in professional organizations by various employees

- a. e.g., Is it necessary for city attorneys to belong to so many legal organizations? If not, they should pay for non-required memberships themselves.

19. Eliminate water coolers and other non-essentials.

- a. if city water is good enough to bring into our homes and schools, it is good enough for city employees who can always choose to bring bottled water.

SPECIFIC DEPARTMENTS

CSA

1. Requires bilingual employee.

- a. This single requirement is not reason enough to add a staff member. A bilingual employee is a necessity and should have been hired years ago. It was poor management not to do so.
- b. Solution: replace an existing employee with one who meets the current requirements of the department.

CITY PLAN

1. Requested increases for almost all spending *and*

2. Requested more staff to service walk-ins

- a. Solution: better use of IT solutions would provide more efficient access to information
 - i. Many people don't WANT to take the time to visit City Hall to solve their problems and would prefer web-based solutions to their questions/ problems
 - ii. The requested additional employee is EXACTLY what Elaine Kamarck addresses
- b. Better service walk-ins by providing computer on-site so people can request information

CORPORATE COUNSEL

1. **Centralize** all legal services into Corporate Counsel office and eliminate other departmental budgets for outside counsel effectively making Corporate Counsel accountable for all legal services provided to City.
 - a. Allows for increase in corporate counsel budget to hire outside counsel as needed.
2. **Evaluate specialties** of each lawyer in the City. Specialties should not be redundant, but in general all counsels should be well rounded.
3. **Re-evaluate outsourcing** and sub-contracting policies. Keep in-house with current staffing level when possible
 - a. Reconsider existing contractors and issue RFP's for competitive pricing.
4. **Avoid hiring attorneys and other departmental employees who have potential conflicts of interests** so as to limit outsourcing.
5. Use corporate counsel to **sue neighboring towns** for "institutional dumping" reported by CSA.
 - a. If we have evidence of such activities, we should pursue reimbursements through legal remedies.

ECONOMIC DEVELOPMENT, Market New Haven

1. Requesting \$50,000 for outside counsel – use corporate counsel as stated in **General Proposals**.

ELDERLY SERVICES

2. **Transportation:** Seek alternative sources of transportation, put contract out to bid to other agencies, increase use of volunteers. **\$36./ hr is TOO high.**

EMPLOYMENT

1. **Analyze the costs of hiring new lower wage employees vs. rehiring retirees with high salaries and associated costs.**
 - a. evaluate **long term** savings on
 1. pensions
 2. health care
 3. and other benefits.

FINANCE

1. **armored vehicle to transport money to Wacovia** (1 block away): \$45./ month, p. 74
 - a. alternative: use police- by the time the money is brought to the truck it is almost at the bank. Or change banks and bring to Bank of America next door.

FIRE

1. **Central Payroll to eliminate waste**
2. **Decrease overtime from \$3 million/ year**

HEALTH DEPT (\$\$\$*half-million dollar increase in budget!*)

1. **Can better use of IT help eliminate some staff?**

LCI/ Building Department

1. Re-evaluate, re-organize and streamline

- a. LCI department was created when there were numerous empty and abandoned properties in the city. They have completed their mission.
- b. When asked where we can reduce, many residents said "neighborhood specialists."
- c. Efficient and effective management should be able to eliminate many positions.
- d. Necessary positions of building inspectors, rental unit inspectors, etc. should be retained in the restructuring.

PARKS and REC

1. Evaluate overtime requirements of \$192,500.

2. Be green. Use smaller equipment for smaller parks and areas

- a. Trucks often tear up grass making maintenance costs even higher.
- b. Heavy equipment is expensive to maintain.
- c. Heavy equipment pollutes.

POLICE

1. Reevaluate organization to

- a. increase productivity
- b. decrease over-time (currently **one-quarter of a million dollars per year**)
- c. separate safety from police services (as does Yale)

PUBLIC WORKS

1. Bulk pick-up charges

- a. Charge something: \$25 or \$35 for pick up.
- b. Subsidize those who cannot afford it.
- c. This will encourage neighbors to pool their bulk trash and reduce total number of pick-ups required.

2. Recycle: make recycling into a successful source of energy & profit

- a. Increase recycling in the city and sell refuse
- b. Investigate new greener, cost effective resources
- c. Involve various environmental groups to locate recycling companies that will either be less expensive or will pay for debris removal.
- d. Require construction debris to be separately recycled and sold.

3. Fines for not shoveling sidewalks after 24 hrs of snowfall.

- a. *Enforcement without additional costs.* Parking and Traffic enforcers already on streets for snow removal.

4. Energy saving light bulbs in parks and on streets (11,000) - i.e., LED

- a. Studies prove the initial cost of bulbs are offset by energy savings.

5. Increase charges for non- New Haven use of East Rock communications tower

6. Refuse pick-up – Budgeted for \$1.8 million in salary (Budget p. 134), not including benefits.

- a. When all costs are factored in, can this be sub-contracted for less?

TRAFFIC and PARKING

1. **Sell unused city-owned parking lots for development turning them into tax-generating properties.**
 - a. *Example:* Chestnut Street near Wooster Square
 - b. *Rationale:* City does not maintain the lot because it considers the costs of general maintenance, security, plowing and lighting too expensive. The property should be sold so it can generate permanent property tax revenue.
 - c. *Prioritize:* First consideration should be to neighbors as opposed to developers, but regardless the properties should go up for bid.
2. **Examine other vacant lots and properties for similar purposes.**
3. **Enforce auto registration violations: residents' vehicles registered out-of-town or out-of-state**
 - d. *Enforcement without additional costs:* Employ existing "meter maids" and police who patrol neighborhoods and tag cars for parking and other violations. They can tag during street sweeping days and snow emergencies when police and tow trucks are already on the streets.
4. **Offer parking or other incentives for ride-share commuters.**
5. **\$70,000 for overtime on contracted services: look for competitive pricing**
6. **Increase enforcement of Zone parking and consequential penalties (tickets).**
 - a. This money can be applied to costs of projected new parking lots and for repaving the Coliseum site for parking.
7. *NOTE: perhaps an interesting approach to cutting this budget would be to examine all costs related to issuing, collecting and adjudicating parking tickets (and related complaints) and compare that to exact amount of money generated. Include all associated costs including the real estate the department occupies (downsizing may yield more space so some departments may not have to rent office space.)*