

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the 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. 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.



\$89,640,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2019
CONSISTING OF
\$60,700,000 GENERAL OBLIGATION BONDS, SERIES A
\$28,940,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES B

Dated: Date of Delivery

Due: as shown herein

The \$89,640,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2019 consisting of \$60,700,000 General Obligation Bonds, Series A (the "Series A Bonds") and \$28,940,000 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. 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 "Refunded Bonds"). The Series A Bonds will bear interest payable on August 1, 2020 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable. The Series B Bonds will bear interest payable on February 1, 2020 and semiannually thereafter on August 1 and February 1 in each year until maturity. (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 scheduled payment of principal of and interest on the Series A Bonds maturing August 1 of the years 2023 through 2033, inclusive, and 2039 (the "Insured Series A Bonds"), and the Series B Bonds maturing February 1 of the years 2023 through 2030, inclusive (the "Insured Series B Bonds" and, together with the Insured Series A Bonds, the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

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 Dentons US LLP, New York, New York, Disclosure Counsel. Certain legal matters with respect to the Bonds will be passed upon for the Underwriters by their counsel, Hardwick Law Firm, LLC, Hartford, Connecticut, Underwriters' Counsel. It is expected that delivery of the Bonds in book-entry form will be made to DTC on or about November 19, 2019.

General Obligation Bonds, Series A

Blaylock Van, LLC

Ramirez & Co., Inc.
Security Capital Brokerage

San Blas Securities
Siebert Williams Shank & Co., LLC

General Obligation Refunding Bonds, Series B

Stern Brothers & Co.

Oppenheimer & Co.

\$89,640,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2019
MATURITY SCHEDULE

\$60,700,000
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>
2020	\$2,800,000	5.000%	1.630%	645021AA4	2027*	\$2,500,000	5.000%	1.930%	645021AH9
2021	2,980,000	5.000	1.670	645021AB2	2028*	2,500,000	5.000	2.050	645021AJ5
2022	3,025,000	5.000	1.710	645021AC0	2029*	2,500,000	5.000	2.180	645021AK2
2023*	3,080,000	5.000	1.520	645021AD8	2030*	2,750,000	5.000	2.260 ^c	645021AL0
2024*	3,140,000	5.000	1.600	645021AE6	2031*	2,900,000	5.000	2.350 ^c	645021AM8
2025*	2,500,000	5.000	1.700	645021AF3	2032*	3,050,000	5.000	2.390 ^c	645021AN6
2026*	2,500,000	5.000	1.820	645021AG1	2033*	3,115,000	5.000	2.440 ^c	645021AP1

\$21,360,000 5.000% Term Bond Due August 1, 2039*, Yield 2.730%^c CUSIP** 645021AQ9

\$28,940,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES B

Dated: Date of Delivery

Due: February 1, as shown below

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2021	\$2,150,000	5.000%	1.670%	6450207U6
2022	2,445,000	5.000	1.710	6450207V4
2023*	2,565,000	5.000	1.520	6450207W2
2024*	2,685,000	5.000	1.590	6450207X0
2025*	2,815,000	5.000	1.680	6450207Y8
2026*	2,950,000	5.000	1.800	6450207Z5
2027*	3,100,000	5.000	1.900	6450208A9
2028*	3,250,000	5.000	2.020	6450208B7
2029*	3,405,000	5.000	2.150	6450208C5
2030*	3,575,000	5.000	2.230	6450208D3

* Insured by Assured Guaranty Municipal Corp.

^c Priced to first call date of August 1, 2029.

** 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*

Daryl H. Jones, *Controller*

Sean Matteson, *Chief Administrative Officer*

John Rose, Jr., *Corporation Counsel*

Michael Piscitelli, *Acting Economic Development Administrator*

BOND COUNSEL

Robinson & Cole LLP
Hartford, Connecticut

DISCLOSURE COUNSEL

Dentons US LLP
New York, New York

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

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.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “**BOND INSURANCE**” and **APPENDIX F – “AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY”**

Other than as to matters expressly set forth in **APPENDIX D - “FORM OF LEGAL OPINIONS 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 Continuing Disclosure Agreements with respect to the Bonds, substantially in the form attached as **APPENDIX E** to this Official Statement (the “Continuing Disclosure Agreements”), 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 Agreements.

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.

TABLE OF CONTENTS

PAGE		PAGE
BOND ISSUE SUMMARIES	i	QUALIFICATION FOR FINANCIAL
INTRODUCTION	1	INSTITUTIONS
General	1	TAX MATTERS
AUTHORIZATION AND PURPOSE	2	LITIGATION
Authorization	2	Innocence Project.....
Purpose	2	Smith v. City of New Haven
Description of the Bonds	2	TRANSCRIPT AND DOCUMENTS
Redemption Provisions.....	2	DELIVERED AT CLOSING
General Obligation Bonds - Debt Service		RATINGS
Requirements.....	4	LEGAL MATTERS
Security and Remedies	5	UNDERWRITING
Certain Considerations	5	MUNICIPAL ADVISORS
Book-Entry Only System.....	7	CONCLUDING STATEMENT
Sources and Uses of Bond Proceeds.....	9	
Plan of Refunding.....	9	
Verification of Mathematical Computations	10	
Future Financings	10	
BOND INSURANCE	10	APPENDIX A – FINANCIAL INFORMATION
Bond Insurance Policy.....	10	AND OPERATING DATA
Assured Guaranty Municipal Corp.	11	SCHEDULE 1 – CITY OF NEW HAVEN
THE CITY OF NEW HAVEN	13	AUDITED GENERAL PURPOSE FINANCIAL
General	13	STATEMENTS AS OF JUNE 30, 2018
Elected and Appointed Officials.....	13	APPENDIX B – SOCIOECONOMIC
Biographies of City Officials.....	15	INFORMATION
City Services.....	16	APPENDIX C – SUPPLEMENTAL
CITY FINANCIAL PROCEDURES	17	INFORMATION ON PENSION AND OTHER
Independent Audit	17	POST EMPLOYMENT BENEFITS
Basis of Accounting.....	17	APPENDIX D – FORM OF LEGAL OPINIONS
Budget Procedure	18	OF BOND COUNSEL
Financial Administration	18	APPENDIX E – FORM OF CONTINUING
Financial Projections	19	DISCLOSURE AGREEMENTS
Investment Practices.....	19	APPENDIX F – AGM SPECIMEN MUNICIPAL
Pension Systems	20	BOND INSURANCE POLICY
Other-Post-Employment Benefits.....	24	
COMMITMENT TO PROVIDE CONTINUING		
DISCLOSURE	25	

\$89,640,000
CITY OF NEW HAVEN, CONNECTICUT
General Obligation Bonds, Issue of 2019
consisting of
\$60,700,000 General Obligation Bonds, Series A
\$28,940,000 General Obligation Refunding Bonds, 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:** \$60,700,000 General Obligation Bonds, Series A (the “Series A Bonds”)
\$28,940,000 General Obligation Refunding Bonds, Series B (the “Series B Bonds”) and, together with the Series A Bonds, the “Bonds”)
- Dated Date:** Date of Delivery.
- Interest Date:** August 1, 2020, and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable, for the Series A Bonds and February 1, 2020, and semiannually thereafter on February 1 and August 1 in each year until maturity for the Series B Bonds.
- Principal Due:** See inside front cover.
- Purpose and Authority:** The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects. See “**AUTHORIZATION AND PURPOSE - Description of the Bonds**” 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 - Description of the Bonds**” and “**- Plan of Refunding**” herein.
- Redemption:** 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. See “**AUTHORIZATION AND PURPOSE - Redemption Provisions**” herein.
- Security:** The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See “**AUTHORIZATION AND PURPOSE - Security and Remedies**” herein.
- Credit Ratings:** See “**RATINGS**” herein.
- Insured Bonds:** The scheduled payment of principal of and interest on the Series A Bonds maturing August 1 of the years 2023 through 2033, inclusive, and 2039 (the “Insured Series A Bonds”), and the Series B Bonds maturing February 1 of the years 2023 through 2030, inclusive (the “Insured Series B Bonds” and, together with the Insured Series A Bonds, the “Insured Bonds”), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY MUNICIPAL CORP.** See “**BOND INSURANCE**” and **APPENDIX F – “AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY”** herein.
- Tax Matters:** See “**TAX MATTERS**” herein.
- 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 Bonds shall not be designated by the City as qualified tax-exempt obligations under provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
- 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 Bonds in book-entry only form will be made to The Depository Trust Company on or about November 19, 2019. Delivery of the 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.

\$89,640,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2019

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 \$89,640,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2019 consisting of \$60,700,000 General Obligation Bonds, Series A (the “Series A Bonds”) and \$28,940,000 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 authorizing and approving the Bonds was adopted with the Capital Budget for fiscal year 2020 by the Board of Alders on May 28, 2019. The Bonds were approved by the Bond Sale Committee on November 6, 2019 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.

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 "Refunded Bonds"). 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. The Series A Bonds will bear interest payable on August 1, 2020 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, as applicable. The Series B Bonds will bear interest payable on February 1, 2020 and semiannually thereafter on August 1 and February 1 in each year until maturity.

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 July and January 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, 2030 and thereafter are subject to redemption prior to maturity, at the option of the City, on and after August 1, 2029, 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 principal 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.

Mandatory Sinking Fund Redemption Series A Bonds

The Series A Bonds maturing on August 1, 2039 will be subject to mandatory sinking fund redemption prior to maturity in part and by lot, on August 1 in each of the years and in the respective principal amounts set forth in the following table, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date. Any optional redemption payments shall be applied against mandatory sinking fund redemption payments as determined by the City.

<u>Year</u>	<u>Principal Amount</u>
2034	\$3,335,000
2035	3,400,000
2036	3,555,000
2037	3,650,000
2038	3,700,000
2039*	3,720,000

*Final Maturity.

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⁾⁽³⁾	Series A Bonds		Series B Bonds		Less Refunded Bonds Debt Service ⁽³⁾	Aggregate Debt Service ⁽²⁾⁽³⁾
		Principal	Interest	Principal	Interest		
2020	\$ 28,038,063*				\$ 289,400	\$ 3,430,780	\$ 24,896,683
2021	54,498,820	\$ 2,800,000	\$ 3,572,000	\$ 2,150,000	1,447,000	4,435,900	60,031,920
2022	55,299,357	2,980,000	2,820,500	2,445,000	1,339,500	4,380,350	60,504,007
2023	55,501,908	3,025,000	2,670,375	2,565,000	1,217,250	4,322,975	60,656,558
2024	55,773,497	3,080,000	2,517,750	2,685,000	1,089,000	4,258,450	60,886,797
2025	56,163,118	3,140,000	2,362,250	2,815,000	954,750	4,196,775	61,238,343
2026	57,310,403	2,500,000	2,221,250	2,950,000	814,000	4,127,300	61,668,353
2027	57,259,914	2,500,000	2,096,250	3,100,000	666,500	4,061,990	61,560,674
2028	57,275,893	2,500,000	1,971,250	3,250,000	511,500	3,987,770	61,520,873
2029	57,263,354	2,500,000	1,846,250	3,405,000	349,000	3,909,640	61,453,964
2030	57,257,449	2,500,000	1,721,250	3,575,000	178,750	3,832,270	61,400,179
2031	57,308,779	2,750,000	1,590,000				61,648,779
2032	57,344,341	2,900,000	1,448,750				61,693,091
2033	57,340,947	3,050,000	1,300,000				61,690,947
2034	55,259,247	3,115,000	1,145,875				59,520,122
2035	18,131,713	3,335,000	984,625				22,451,338
2036	15,050,300	3,400,000	816,250				19,266,550
2037	11,183,250	3,555,000	642,375				15,380,625
2038	7,166,700	3,650,000	462,250				11,278,950
2039	3,606,525	3,700,000	278,500				7,585,025
2040		<u>3,720,000</u>	<u>93,000</u>				<u>3,813,000</u>
Total ⁽⁴⁾	<u>\$874,033,578</u>	<u>\$60,700,000</u>	<u>\$32,560,750</u>	<u>\$28,940,000</u>	<u>\$8,856,650</u>	<u>\$44,944,200</u>	<u>\$960,146,778</u>

(1) Includes debt service on the Refunded Bonds.

(2) Includes estimated 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 Series A-2 Bonds”) with a final maturity of February 1, 2030. This subsidy is subject to sequestration reductions of 5.90% for the federal fiscal year that began October 1, 2019. Upon the issuance of the Series B Bonds, the City will no longer claim subsidy payments on the 2010 Series A-2 Bonds.

(4) Totals may not add due to rounding.

* As of September 1, 2019.

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

Purchase of the Bonds involves a degree of risk. Potential investors should be thoroughly familiar with this entire Official Statement (including appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment, to identify risk factors and to make an informed investment decision. The discussion herein of considerations that could affect payments to be made by the City with respect to the Bonds is not intended to be comprehensive or definitive, but rather is to summarize certain matters which could affect the ability of the City to make such payments.

The City's fiscal year 2020 General Fund budget totals \$556,641,050 for both revenues and expenditures. Budgeted revenue sources in fiscal year 2020 consist \$278,560,094 for property taxes, \$146,276,545 in State aid for education, \$67,383,437 in other State aid and \$64,420,975 in City departmental fees, interest income and other revenue.

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 revenues 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."**

Unfunded Pension and OPEB Liabilities: The City Employees Retirement Fund and the Policemen and Firemen's Pension Fund have a combined unfunded liability of approximately \$770 million as of June 30, 2018 (the last valuation date). The City has an unfunded other post-employment benefits ("OPEB") liability of approximately \$616 million as of July 1, 2018 (the last valuation date), which is expected to increase. Unless the City is able to reduce these liabilities through annual amortization payments, earning returns above the rates currently estimated, by reducing benefits through agreements with its public employees or enacted legislation (upheld against challenges), the City will need to expand existing and/or find new sources of revenues or other funding mechanisms in order to meet these obligations. See "**Pension Systems**" and "**Other Post-Employment Benefits**" herein.

Designation as Tier III Municipality: Pursuant to Public Act 17-2, the State General Assembly amended Chapter 117, Municipal Deficit Financing (the "MARB Statute"). The MARB Statute was amended to strengthen the assistance that the State can provide to distressed municipalities and enhanced the State's control over such municipalities. Among other things, the MARB Statute created a Municipal Accountability Review Board, provided a new tiered system for distressed municipalities (Tier I through Tier IV) with specific criteria for each tier, and allows for different levels of assistance depending on the severity of the fiscal distress the municipality is experiencing, including providing credit support for the issuance of debt. Municipalities can request designation for a specific tier, or the Office of Policy and Management ("OPM") can designate a distressed municipality for a specific tier. Designated municipalities qualify for specific types of assistance and the State has certain levels of control over the municipality's finances based on their designation. The City has not requested designation for any tier under the MARB Statute.

Beginning July 1, 2018, the Secretary of OPM may designate a municipality as a "Tier III municipality" if: (1) the municipality has one bond rating from a bond rating agency that is below investment grade or (2) if the municipality's highest bond rating is "A", "Baa" or "BBB" and it has either (a) a negative fund balance percentage or (b) an equalized mill rate that is 30.00 or more and it receives 30% or more of its current or prior fiscal year general fund revenues from the State. The Secretary of OPM shall designate a municipality as Tier III based on reports and findings if the fiscal condition of the municipality warrants such designation. Currently, the City meets the criteria to be designated and to qualify as a "Tier III" municipality since it has an equalized mill rate in excess of 30.00 and it receives 30% or more of its current or prior fiscal year general fund revenues from the State.

Debt Service Restructuring: In August 2018, the City issued \$160,000,000 General Obligation Refunding Bonds, Series B (Federally Taxable), to generate debt service saving of approximately \$108 million over the fiscal years ending 2019-2025, including \$31 million of debt service savings in fiscal year 2019. The restructuring provided the City with relief from the loss of State aid revenue incurred over the past two fiscal years and allowed the City to restore its medical self-insurance fund and general fund. The restructuring will cost the City approximately \$89 million over its 16 year term.

Marketability. No assurance can be given that a secondary market for the Bonds will develop following the completion of the offering of the Bonds. Consequently, prospective purchasers should be prepared to hold their Bonds to maturity. No assurance can be given that the initial offering price for the Bonds will continue for any period of time following issuance of the Bonds. The Underwriters are not obligated to make a secondary market for the Bonds.

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 S&P Global Ratings 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

	<u>Series A Bonds</u>	<u>Series B Bonds</u>
Sources:		
Par Amount of Bonds	\$60,700,000.00	\$28,940,000.00
Net Original Issue Premium	<u>10,841,188.65</u>	<u>4,997,445.40</u>
Total Sources	<u>\$71,541,188.65</u>	<u>\$33,937,445.40</u>
Uses:		
Project Deposit	\$65,167,085.01	
Capitalized Interest	5,000,000.00	
Escrow Deposit		\$33,316,370.60
Costs of Issuance ⁽¹⁾	1,046,943.66	454,770.94
Underwriters' Discount	<u>327,159.98</u>	<u>166,303.86</u>
Total Uses	<u>\$71,541,188.65</u>	<u>\$33,937,445.40</u>

⁽¹⁾ Includes bond insurance, 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 City's outstanding General Obligation Bonds, Issue of 2010, Series A-2 (Federally Taxable Build America Bonds – Direct Payment) (the "2010 Series A-2 Refunded Bonds") in the following maturities and principal amounts as provided below. The City may amend the list of 2010 Series A-2 Refunded Bonds set forth below prior to the date of issuance of the Series B Bonds by removing certain maturities, changing the principal amount to be redeemed, or adding additional series or maturities, in its sole discretion based on a variety of factors. The refunding of the 2010 Series A-2 Refunded Bonds is contingent upon delivery of the Series B Bonds.

2010 Series A-2 Refunded Bonds*

<u>Bond Series/ Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date (if any)</u>	<u>Redemption Price</u>	<u>CUSIP</u>
Issue of 2010, Series A-2						
02/12/2010	02/01/2020	5.700%	\$ 2,380,000			645020ZY9
	02/01/2025	6.500	13,440,000	02/01/2020	100%	645020ZY7
	02/01/2030	6.600	<u>16,550,000</u>	02/01/2020	100	645020ZZ4
Total			<u>\$32,370,000</u>			

* As of the issue date of the Series B Bonds, the City will no longer claim credit payments from the Federal government for the 2010 Series A-2 Refunded Bonds.

Upon delivery of the Bonds, a portion of the proceeds of the Series B Bonds will be deposited in an irrevocable escrow fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), under an escrow agreement between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the United States of America, including State and Local Government Series (“SLGS”) securities or 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 the principal of, interest and redemption premium, if any, on the Refunded Bonds at maturity or earlier redemption. 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 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. Robert Thomas CPA, LLC will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

Future Financings

The City has authorized the issuance and delivery of \$35,000,000 General Obligation Tax Anticipation Notes, Series 2019 (the “Series 2019 TANs”). The Series 2019 TANs are being issued for cash flow purposes to allow the City to make its pension contributions early in the fiscal year. The Series 2019 TANs are expected to be issued November 21, 2019 and mature May 7, 2020.

The City and the Bond Sale Committee have also authorized the issuance of not-to-exceed \$20.75 million of General Obligation Refunding Bonds, Series C (Federally Taxable), to refund \$19,070,000 of the City’s General Obligation Bonds, Issue of 2011, Series B, in the event net present value debt service savings, after costs of issuance, exceeds 3%.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Series A Bonds maturing on August 1 of the years 2023 through 2033, inclusive, and 2039 (the “Insured Series A Bonds”) and the Series B Bonds maturing February 1 of the years 2023 through 2030, inclusive (the “Insured Series B Bonds” and, together with the Insured Series A Bonds, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as **EXHIBIT F** to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On November 7, 2019, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

On December 21, 2018, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At September 30, 2019:

- The policyholders’ surplus of AGM was approximately \$2,473 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately \$1,100 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,829 million. Such amount includes (i)

100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (filed by AGL with the SEC on August 8, 2019); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 (filed by AGL with the SEC on November 8, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

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

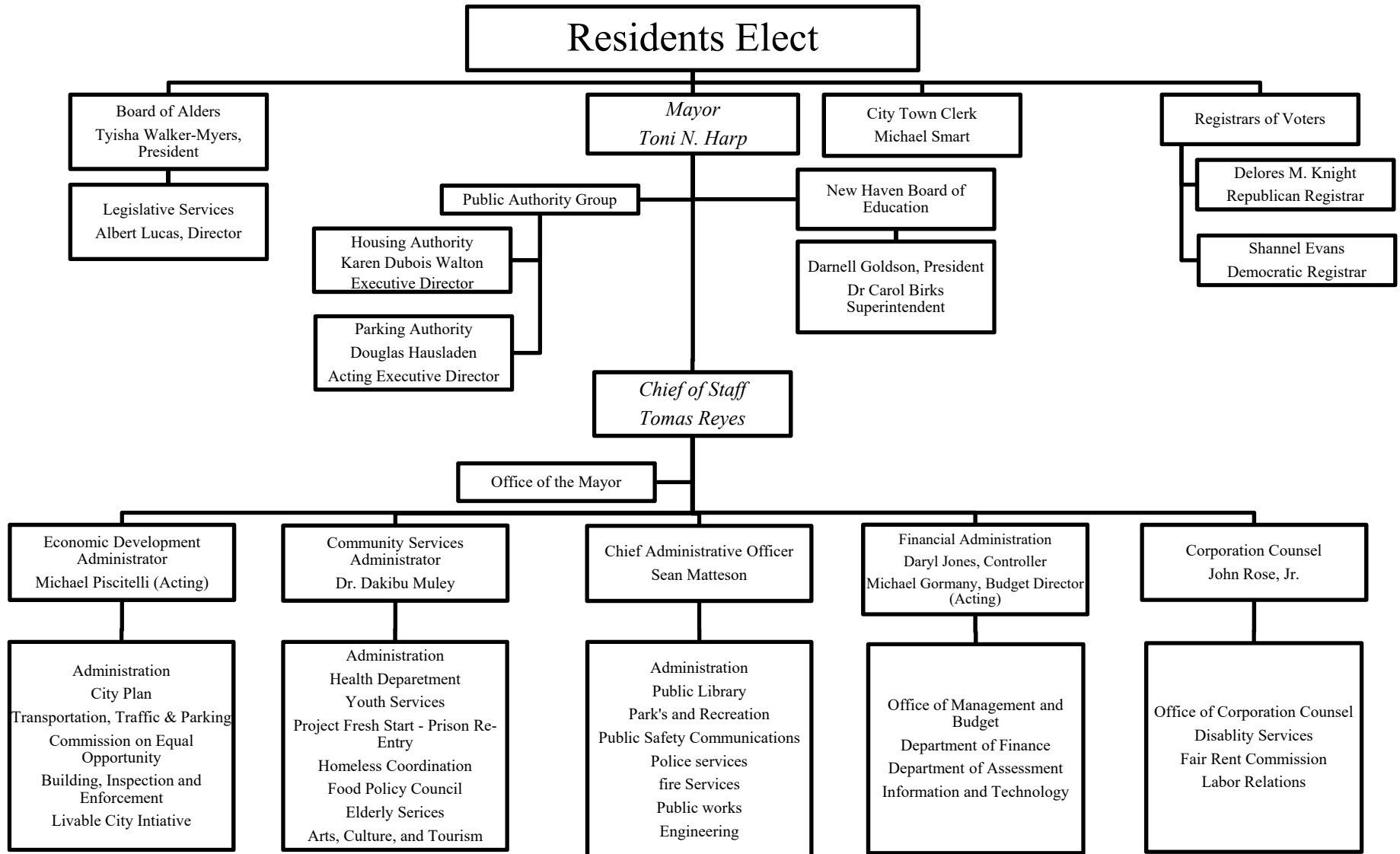
The Mayor, elected by general election for a two-year term and eligible to succeed such term of office without limitation, has the power to appoint City department heads and members of boards, commissions and agencies. All department heads shall be appointed by the Mayor for a term of four (4) years 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 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 first 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 in Environmental Design from Yale University in New Haven, Connecticut.

Michael Gormany, Acting Budget Director, 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 B.A. degree in Business and Leadership from Albertus Magnus College in New Haven, Connecticut 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.

Sean Matteson, Chief Administrative Officer, Mr. Matteson was appointed Chief Administrative Officer in May 2019 after serving as Acting Chief Administrative Officer since September 2018. Previously, Mr. Matteson served as Chief of Staff to Mayor John DeStefano, Jr. for seven years. Mr. Matteson has worked as a political and legislative consultant for over twenty years in private practice, within organized labor, and for the charter school movement. He graduated from Kent State University in Ohio.

Michael Piscitelli, Acting Economic Development Administrator, Michael Piscitelli, AICP, serves as the Deputy Economic Development Administrator for the City. The Economic Development Administration coordinates the work of six City departments. Mr. Piscitelli had prior department head responsibilities in the Transportation, Traffic and Parking Department as well as the City Plan Department. He also serves as the President of the Connecticut Chapter of the American Planning Association. Prior to joining the City team, Mr. Piscitelli served in planning capacities for the MTA/Metro-North Railroad and the City of Springfield, Massachusetts. Mr. Piscitelli earned his B.A. at St. Bonaventure University and M.R.P. in regional planning at the University of Massachusetts.

Dr. Dakibu Muléy, Community Services Administrator, was appointed Community Services Administrator in February 2018. In this capacity, he oversees all the human services functions provided by the City, as well as an array of relationships with not-for-profit providers, federal government agencies and the State of Connecticut. Dr. Muléy is a recognized social service and child welfare leader in the State of Connecticut. He comes to the role with 23 years of State experience, having worked for the Department of Children & Families and the Department of Social Services. Dr. Muléy served as the Director of Careline Operations for the Department of Children & Families with responsibility for receiving and evaluating reports of child abuse and neglect as the central intake for the State of Connecticut. He served previously as the Director of Integrated Services at the Department of Social Services, where he managed economic security, Medicaid, community services and child support enforcement. Dr. Muléy received his Bachelor's degree in Corporate Communications and his two master's degrees in Urban Studies & Social Work at Southern Connecticut State University. Dr. Muléy obtained his doctorate in Organizational Leadership from the University of Phoenix.

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 expires 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 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 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 2019 through 2022.

The audited general purpose financial statements of the City for the fiscal year ended June 30, 2018 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, the Medical Self-Insurance Reserve Fund and the Self-Insurance Fund) and Non-Expendable Trust Funds and Pension Trust Funds (Library Endowment Fund, City Employees' Retirement Fund, Policemen 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, 2018"** 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 Pension 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: establishing a tier system which reduces the rate of annual Cost of Living Adjustments ("COLAs") to 2% for CERF and includes 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 April 10, 2012) and fire (hires after August 28, 2013) 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, 2018, the funded ratio of CERF was 38.8% and the funded ratio of P&F was 41.4%. Since fiscal year 1995, the City has funded 100% of its actuarially determined employer contribution

("ADEC") as determined by the independent actuarial firm retained by the City. An important factor in determining the ADEC 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, fiscal year 2016, fiscal year 2017, fiscal year 2018 and fiscal year 2019 ADEC were funded fully. For fiscal year 2020, the City has budgeted to fully fund its ADEC by approximately \$60,850,559.

As of June 30, 2018, there were 1,102 retirees and beneficiaries receiving benefits from CERF with 940 active plan members and 66 members who had contingent eligibility for a deferred benefit or a return of their own contributions. As of June 30, 2018, there were 1,345 retirees and beneficiaries receiving benefits from P&F with 719 active plan members and 24 members who had contingent eligibility for 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.

Fiscal Year	Pension Contributions as a Percent of Total General Fund Expenditures		
	General Fund Contribution	Total Expenditures	%
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	505,948,292	9.01
2017	47,895,450	521,722,474	9.18
2018	56,270,774	532,258,256	10.57
2019 ⁽¹⁾	57,655,746	529,238,145	10.89
2020 ⁽²⁾	60,850,559	556,641,051	10.99

⁽¹⁾ Fiscal year ended 6-30-19 is unaudited.

⁽²⁾ Fiscal year ended 6-30-20 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
6/30/2010	\$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%
6/30/2018	281,407,588	38.8%

Policemen's and Firemen's Pension Fund

Valuation Date	Unfunded Actuarial Accrued Liability	Funded Ratio
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	435,398,143	43.8%
6/30/2018	477,955,909	41.4%

Source: Actuarial Valuation of Pension Funds.

Net pension liability: The components of the net pension liability of the P&F Fund at June 30, 2018 and June 30, 2017 were as follows:

Policemen and Firemen's Pension Fund	2018	2017
Total Pension Liability	\$ 809,733,137	\$ 793,266,199
Plan Fiduciary Net Position	318,891,692	327,394,234
Net Pension Liability	\$490,841,445	\$465,871,965
Plan Fiduciary Net Position as percentage of total pension liability	39.38%	41.27%

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 7.75% 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate, as of June 30, 2018:

Policemen and Firemen Pension Fund	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 499,067,196	\$ 490,841,445	\$ 482,982,700

Net pension liability: The components of the net pension liability of the City Employees' Retirement Fund at June 30, 2018 and June 30, 2017 were as follows:

City Employees' Retirement Fund	2018	2017
Total Pension Liability	\$483,102,677	\$473,157,311
Plan Fiduciary Net Position	169,713,789	161,904,465
Net Pension Liability	\$313,388,888	\$311,252,846
Plan Fiduciary Net Position as percentage of total pension liability	35.13%	34.22%

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 7.75% 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate, as of June 30, 2018.

City Employees' Retirement Fund	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 318,078,323	\$ 313,388,888	\$ 308,885,221

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 2017, \$27,820,000 (audited) was paid, for fiscal year 2018, \$27,861.823 (audited) was paid, for fiscal year 2019, \$27,061,823 (unaudited) was paid and for fiscal year 2020, \$28,500,000 is projected.

Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>ADEC</u>	<u>Contribution in relation to the ADEC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2017	\$50,008,000	\$27,819,668	\$22,188,332	\$242,050,000	11.49%
2018	50,744,000	27,431,281	23,312,719	222,642,000	12.32

Source: Actuarial Valuation of Pension Funds.

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 Hooker & Holcombe, an outside actuarial consulting firm, to prepare the valuation of its OPEB plan on a

biennial basis. Based on the most recent valuation as of June 30, 2018 (audited), the City's estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$616,661,212. The City established an OPEB trust in 2012 that, as of June 30, 2018, had a balance of approximately \$1,982,226. A contribution to the OPEB trust over pay-as-you-go expenses in the amount of \$270,181 was made in fiscal year 2016. A contribution of \$405,000 was made in fiscal year 2017 and \$405,000 was paid in fiscal year 2018. A contribution of \$405,000 was paid (unaudited) in fiscal year 2019 and \$405,000 is budgeted for fiscal year 2020.

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 and the Policemen and Firemen's Retirement Fund, each dated July 1, 2018, and the City's Other Post-Employment Benefits Disclosure Report dated as of June 30, 2018, 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 Agreements 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. In the previous five-year period, the City did not timely file certain of its financial information and, on several instances, failed to timely file certain event notices relating to rating changes of the City and certain bond insurers in compliance with its continuing disclosure agreements and the Rule.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Series A Bonds and Series B 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 Series A Bonds and Series B Bonds.

TAX MATTERS

Federal Income Taxes

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 for interest on the Bonds to be and remain

excluded from gross income for federal income tax purposes under Section 103 of the Code. Non-compliance 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, will contain representations, covenants and procedures relating to compliance with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City will also covenant and agree 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. 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.

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.

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 is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the inside cover page of the Official Statement are expected to be the initial public offering prices at which a substantial amount of each maturity 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 Series A 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.

State Taxes

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

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

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.

General

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. On the date of delivery of the Bonds, Bond Counsel will deliver their opinions in the form attached hereto as Appendix D.

The above discussion does not purport to deal with all aspects of federal, state and local taxation that may be relevant to a particular owner of a Series A Bond or a Series B Bond. 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, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Bonds.

LITIGATION

Innocence Project

The City and certain retired police officers are defendants in a number of lawsuits filed by formerly incarcerated persons released from prison after serving portions of their respective sentences. One case has been filed on behalf of Bobby Johnson, who, on the advice of counsel, pled guilty to murder and served nine years of a 38-year sentence before being released after a Connecticut trial court found in 2015 that his conviction “lacked credibility”. Johnson has alleged that a retired City police officer coerced witnesses and ignored other suspects. This case is in its early stages and the amount of potential damages is unknown at this time. The City is insured for this matter up to a limit of \$10,000,000, with a retention of \$1,000,000. Another case has been filed on behalf of Derrick Hamilton, who was convicted of murder in 1992 and was recently released after a federal judge determined that the conviction was unlawful and likely tainted by a combination of inadequate defense counsel and possible police coercion. This case is in its early stages and the amount of potential damages is unknown at this time. The City has no insurance coverage for this matter. A third matter involves two plaintiffs, Vernon Horn and Marquis Jackson. Horn and Jackson were convicted of felony murder and other related charges in 2000 and sentenced to 70 years and 45 years in prison, respectively. A witness later recanted his testimony and the New Haven State’s Attorney’s Office and Office of the Attorney General of Connecticut conducted a review of the evidence, which resulted in vacating the convictions and the release of both Horn and Jackson in 2018 after serving approximately 17 years in prison. Horn has filed suit and Jackson has filed a notice of intent to sue. These cases are in the early stages and the amount of potential damages is unknown at this time. The City has insurance coverage up to a limit of \$5,000,000 for these matters in the aggregate. There is no excess policy above the \$5,000,000 aggregate limit.

Smith v. City of New Haven

On May 16, 2019, an Application for Preliminary Injunction and Class Action Complaint were filed on behalf of the named plaintiffs, two children under the age of six years who have blood lead levels in excess of five micrograms per deciliter (5µg/dL) and similarly situated children living in the City. The complaint alleges that the City's Health Department failed provide complete epidemiological inspections of the children's' homes and sought immediate inspection of the homes for the existence of lead paint. The court granted injunctive relief and ordered the City to inspect the named plaintiffs' homes.

On the August 12, 2019, the court certified a class defined as "all children living in New Haven who are under the age of six and that have elevated blood lead levels ("EBLs") in excess of 5 micrograms per deciliter while under the age of six, where such child is under the age of six and resides in New Haven at the time the City of New Haven first becomes aware of such elevated EBL, provided that such children living in properties owned by the New Haven Housing Authority will not be members of the class." Cross challenges to the order granting certification have been filed seeking clarification. The Court has yet to determine the remedy for class members, therefore counsel cannot quantify the City's potential financial exposure from this litigation.

TRANSCRIPT AND DOCUMENTS DELIVERED AT CLOSING

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

1. Signature and No Litigation Certificates 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. Certificates 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. Receipts for the purchase price of the Bonds.
4. Approving Opinions of Robinson & Cole LLP, Bond Counsel in substantially the forms of **APPENDIX D** to this Official Statement.
5. Executed Continuing Disclosure Agreements in substantially the form of **APPENDIX E** to this Official Statement.

The City of New Haven has prepared this Official Statement for the Bonds which is dated November 7, 2019. 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

S&P Global Ratings (“S&P”) has assigned the Bonds an underlying rating of “BBB+” (negative outlook) and the Insured Bonds a rating of “AA” (stable outlook) based on the AGM Policy. Moody’s Investors Service (“Moody’s”) has assigned the Bonds an underlying rating of “Baa1” (stable outlook) and the Insured Bonds a rating of “A2” (stable outlook) based on the AGM Policy. Fitch Ratings (“Fitch”) has assigned the Bonds an underlying rating of “BBB” (stable outlook). The City furnished the rating agencies with certain information and materials, some of which may not have been included in this Official Statement.

The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by 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 opinions in substantially the forms included in this Official Statement as **APPENDIX D**. Certain legal matters will be passed upon for the City by Dentons US LLP, New York, New York, Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Hardwick Law Firm, LLC, Hartford, Connecticut.

UNDERWRITING

Blaylock Van, LLC, Samuel A. Ramirez & Co., Inc., Security Capital Brokerage, Inc., Siebert Williams Shank & Co., LLC. and San Blas Securities (the “Series A Underwriters”) have jointly and severally agreed, subject to certain conditions, to purchase from the City the Series A Bonds at an aggregate purchase price of \$71,214,028.67, reflecting original issue premium of \$10,841,188.65 and an underwriters’ discount of \$327,159.98 and to reoffer such Series A Bonds at the public offering prices or yields set forth on the inside cover page hereof. The City has agreed to indemnify the Series A Underwriters against certain liabilities, including certain liabilities arising under federal and state securities laws. The Series A Underwriters may offer and sell the Series A Bonds to certain dealers (including dealers depositing such Series A 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 Series A Underwriters. The Series A Underwriters obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Series A Bonds if any Series A Bonds are purchased. The Series A Underwriters have designated Blaylock Van, LLC, as representative of the Series A Underwriters.

Stern Brothers & Co. and Oppenheimer & Co., Inc. (the “Series B Underwriters”) have jointly and severally agreed, subject to certain conditions, to purchase from the City the Series B Bonds at an aggregate purchase price of \$33,771,141.54, reflecting original issue premium of \$4,997,445.40 and an underwriters’ discount of \$166,303.86 and to reoffer such Series B Bonds at the public offering prices or yields set forth on the inside cover page hereof. The City has agreed to indemnify the Series B Underwriters against certain liabilities, including certain liabilities arising under federal and state securities laws. The Series B

Underwriters may offer and sell the Series B Bonds to certain dealers (including dealers depositing such Series B 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 Series B Underwriters. The Series B Underwriters obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Series B Bonds if any Series B Bonds are purchased. The Series B Underwriters have designated Stern Brothers & Co., as representative of the Series B Underwriters.

Delivery of the Series A Bonds is not conditioned upon delivery of the Series B Bonds. Delivery of the Series B Bonds is not conditioned upon delivery of the Series A Bonds.

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 AGREEMENTS” have been prepared by or on behalf of the City. **APPENDIX D — “FORM OF LEGAL OPINIONS OF BOND COUNSEL”** has been provided by Bond Counsel. **APPENDIX F — “AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY” has been provided by AGM.** 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 November 7, 2019

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

**SCHEDULE 1 – CITY OF NEW HAVEN
AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF JUNE 30, 2018**

Table of Contents

CITY OF NEW HAVEN, CONNECTICUT A-1
DISCUSSION OF FINANCIAL OPERATIONS..... A-1
REVENUES OF THE CITY A-7
DEBT OF THE CITY A-19
CAPITAL IMPROVEMENT PROGRAM..... A-27
RELATED AUTHORITIES..... A-30

CITY OF NEW HAVEN, CONNECTICUT

The City of New Haven, Connecticut (the “City”) 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 21.1 square miles and serves a population of 130,418 (United States Census Bureau estimate as of July 1, 2018).

The City is empowered to levy a property tax on real property, personal property and motor vehicles located within its boundaries, subject to certain limitations provided by the General Statutes of Connecticut, Revision of 1958, as amended (the “Connecticut General Statutes”). The City is governed primarily under the 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 of New Haven prepares financial statements in accordance with Generally Accepted Accounting Principles (GAAP); this includes the design, implementation and maintenance of internal control(s) relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Under the direction of the City Controller, the Department of Finance is responsible for the stewardship of the City’s funds and accounts, oversees the borrowing for capital projects and the City’s financial planning. The Controller is appointed by the Mayor and serves a four-year term.

The Office of Management and Budget (OMB) functions as the budgetary authority for the Office of the Mayor and City Agencies. The Budget Director is a mayoral appointment responsible for aiding the Mayor in the carrying out of his/her duties as chief executive and administrative officer of the City of New Haven. Primarily, this includes helping to determine strategic financial goals for the City as manifested in the annual City budget and in other financial areas that the Mayor determines require executive leadership. The Office of Management and Budget (OMB) develops, prepares, executes, and evaluates the City’s operating (General Fund), capital, Special Fund (grants), and enterprise fund budgets, financial and administrative policy and financial/regulatory reporting.

DISCUSSION OF FINANCIAL OPERATIONS

Summary of Fiscal Year 2019-20 Budget

The FY 2019-20 Budget was approved by the Board of Alders on May 28, 2019.

The General Fund Budget for FY 2019-20 is \$556,641,051, up \$9,551,097 from FY 2018-19, a 1.75% increase.

Revenue Summary. The primary source of revenues in the City is property taxes (51%). The second largest source of revenue is Intergovernmental Revenue (39%), which includes State Property PILOT funding, College and Hospital PILOT funding, aid to public schools (Education Cost Sharing) and other miscellaneous State grants.

- There is no mill rate increase for FY 2019-20. The mill rate for Real Estate, Personal Property and Motor Vehicle will remain at 42.98 mills;
- 2018 Net Taxable Grand List decreased by 0.23% (\$15M value loss);
- State aid for Education Cost Sharing reduced per State budget;
- State aid for PILOT (College and Hospital and State Property), and other State grants remain level from FY 2018-19 for the next two fiscal years (FY 19-20 & FY 20-21);

- Revenue Initiative Budget reduced to \$4.8M. The City continues to look at alternative revenue sources and increased aid from City partners;
- Increased PILOT from New Haven Parking Authority for FY 2019-20;
- Revenue from towing fee added. Under Code of Ordinances section, 29, the towing fee is increased from seventy-seven dollars (\$77) to Eighty-Nine dollars (\$89). The Connecticut General Statute maximum is One Hundred and Five dollars (\$105) which is currently being charged in Hartford, Waterbury, Hamden, Bridgeport and West Haven. Towing must turn over twelve-dollars (\$12) per tow to the City of New Haven;
- Interest earned (Income) on City bank accounts increased to \$700K;
- Yale Fire Services recalculated, resulting in an increase in payment by \$500K;
- Sale of City assets added to FY 2019-20 budget for Economic Development; and
- Building permits revenue increased for project related to Yale New Haven Hospital Neurosciences Center.

Expenditure Summary. Department budgets primarily increased due to contractual obligations (salary increases), fixed costs, and other programmatic needs. The largest budgetary increases were seen in employee benefit/insurances (healthcare, pension) by \$6.6M, Contract Reserve (reserve for increases for bargaining unit contracts settled in FY 2020) by \$1.5M and Board of Education by \$1.0M. The overall General Fund position count decreased from 1,508 budgeted positions to 1,453, primarily due to a reduction in the number of sworn personnel in the Police Department.

- **Chief Administrator's Office (CAO)** – Funding for Deputy City Clerk position moved from City Clerk (mayoral transfer from FY 17-18) to CAO Budget. UNH Coop Internship program restored and funds added for a Police and Fire staffing level study.
- **Central Utilities** – For FY 2019-20, the City has consolidated utilities, gas, and oil into one central department for more accurate accounting.
- **Registrar of Voters** - Increased part-time elections stipend and increased budget to make recommended changes for election efficiencies.
- **Police** - Eliminated thirty-four full-time positions and added funding to overtime budget. Created one Public Information Officer Position and one Police Mechanic and Body Worn Camera Specialist. Increased overtime by \$1.3M and added additional equipment funding. Adjusted the attrition funding from \$2.1M to \$1.1M which increased the budget by \$1.0M.
- **Fire** – Eliminated nine fire positions. Adjusted the attrition funding from 3.9M to \$1.1M which increased the budget by \$2.8M.
- **Non-Sworn/New Position Vacancy Savings** - Assumed vacancy savings and non-personnel savings. Reduced savings assumptions from \$1.9M to \$1.0M.
- **Contract Reserve** – Salary reserve assumption included in the budget is estimated to be sufficient to cover bargaining unit raises, Executive Management increases and other personnel matters related to salaries. Outstanding City contracts include the Elm City Local (Police in arbitration) and Local 825 Fire Department.
- **Various Organizations** - New Haven Public Works moved from Dept. 701. Added Democracy Fund for Mayoral Election, Family Justice Center, and increased the Civilian Review Board's funding, and district community improvements. Amendment added the Commission on Affordable Housing to various organizations.

- **Debt Service** - Debt service reflects an appropriation of \$53.6M, less a contribution of bond premium of \$5M associated with the Issue of 2019 financing, resulting in a net debt service appropriation of \$48.6M.
- **Rainy Day Fund** – Added \$900K additional funding for Rainy Day Fund.
- **Pensions** - Pensions increased based on pension Actuarially Determined Employer Contribution (ADEC) recommendation.
- **Self-Insurance** - Added \$200K for Litigation Account and Insurance premiums.
- **Benefits** – Health insurance increased by \$2M. New employee health initiatives and new health plans are being developed for FY 2019-20, and Medicare Advantage is projected to bend the curve on health care cost savings to the self-insurance fund. Workers compensation projected savings due to revamping the workers compensation policies and procedures with City risk management vendor and Comp TPA provider.
- **Board of Education** – Increased by \$1M.

Fiscal Year 2018-19 Projected Results (Unaudited)

The City’s General Fund operating budget for FY 2018-19 was \$547,089,954, an increase of \$8,183,001 (1.52%) compared to FY 2017-18.

The pre-audit report is projecting to end FY 2018-19 with a fund balance of \$15.7M. The fund balance is comprised of four major funds:

- General Fund (Operating Account)
- Litigation Fund (Self Insurance)
- Medical Self Insurance Fund
- Workers Compensation

Each fund is reported separately in the City’s financial accounting system, and the net results are combined to make up the City’s fund balance.

<i>Major Fund</i>	<i>Previous Years Fund Balance</i>	<i>FY 2018-19 Pre-Audit Operating Results</i>	<i>FY 2018-19 Pre-Audit Ending Fund Balance</i>
<i>General Fund</i>	(\$6,289,611)	\$24,786,531	\$18,496,920
<i>Litigation Fund</i>	(\$32,989)	\$261,929	\$228,940
<i>Medical Self Insurance Fund</i>	(\$4,421,386)	\$1,330,452	(\$3,090,934)
<i>Workers Compensation Fund</i>	\$142,741	\$12,634	\$155,374
<i>Grand Total</i>	(\$10,601,245)	\$26,391,546	\$15,790,301

Projected Results

- Overall Revenue for the City:

Budget	\$547,089,954
<u>Actual</u>	<u>\$554,024,676</u>
	\$ 6,934,722 (Projected Surplus)

- Tax collections were strong for FY 2018-19. When comparing the budget to actual collections, the City collected \$4.8M in excess of budget. The overall tax collection rate for the Grand List 2017 is 98.59%
- The Livable City Initiative produced asset sales for 222 Lafayette Street (RMS) Parcels 10, 10A, 10B and 216 Congress Ave (RMS) Parcel 9, which resulted in the General Fund recognizing \$1.5M of unexpected revenue for FY 2018-19.
- The sale of Ninth Square resulted in the General Fund recognizing \$1.65M of unexpected revenue for FY 2018-19.
- Interest Income exceeded budget by \$2.6M over budget for FY 2018-19. This is the interest earned on money in the City's operating account(s).
- Majority of the Revenue Initiative budget was met by the following:
 - \$3.0M from the Yale New Haven Hospital Deal
 - \$2.5M Additional Voluntary payment
- Total Voluntary/Fire Services Payment for Yale University and Yale New Haven Hospital for FY 2018-19:
 - Yale University - \$8.6M (voluntary)
 - Yale University - \$2.7M (fire services)
 - Yale New Haven Hospital - \$2.8M (voluntary)
- Education Cost Sharing (ECS) revenue was short by \$717,147 based on budgeted amount. There was a shift between the Alliance funding and the ECS unrestricted entitlement.
- Non-Education State revenue came in as anticipated.
- The following major revenue categories did not meet budget for FY 2018-19 by the following amounts:
 - Parking tags (\$491,633)
 - Meter Receipts (\$1,211,437)
 - Building Inspections (\$1,027,628)

Expenditures

One of the primary sources of expenditure savings was the August 2018 refunding. The City refunded bonds to generate debt service savings of \$31.2M in FY 2018-19. As part of the refunding, the City recognized the savings would need to be used to: (1) provide for unanticipated shortfalls in intergovernmental revenue, medical costs or other costs that may cause budgetary pressure, and (2) restore a positive net fund balance of an estimated \$15,790,301 (unaudited) to the City.

Other highlights include:

- Contract reserve lapsed \$1.8M.
- Corporation Counsel was over budget due to additional cases for FY 2018-19.
- Police came in under budget by \$268K, primarily due to lapsed salary and non-personnel expenditures.
- Fire Services was \$548K over budget, inclusive of a budget transfer of \$1.1M approved by the Board of Alders during FY 2019-20.

- Health Department was under budget by \$300K, primarily due to vacancies during the fiscal year.
- Community Services had various salary vacancies, plus expenditure savings during the fiscal year.
- Public Works had various vacancies plus expenditure savings during the fiscal year which equated to an overall departmental savings of \$662K for FY 2018-19.
- The Finance Department has seen an increase in Utility Cost for FY 2018-19. Also, IT maintenance invoices came in higher than projected.
- The Education Department began FY 2018-19 with a projected \$20M gap between overall revenue and expenditures. With various staffing policies, expenditure cuts, and other deficit mitigation measures enacted during the fiscal year, the overall deficit ending FY 2018-19 was \$2.0M.

A. Results of Operations

Table 1
City of New Haven General Fund Summary of Operations*
 Fiscal Year 2016 - Fiscal Year 2020

	2016	2017	2018	2019	2020
	(Audited)	(Audited)	(Audited)**	(Unaudited)	(Budgeted)
REVENUES					
Property taxes	\$250,993,094	\$252,389,650	\$253,562,833	\$279,265,138	\$278,560,094
Federal and State governments	211,196,165	222,632,861	217,340,793	215,661,378	214,609,982
Licenses, permits and other charges	18,783,197	21,775,343	22,352,084	18,823,635	28,182,000
Local Payments in Lieu of Taxes (PILOT)	3,935,298	3,917,018	5,273,604	3,517,724	5,178,675
Fines, forfeitures and penalties	5,484,393	5,064,968	5,126,616	4,729,973	5,522,300
Other revenue	10,389,812	10,882,570	13,010,127	19,361,509	18,513,000
Other Taxes and Assessments:	5,470,831	4,708,216	5,858,458	5,116,560	5,375,000
Investment income	(6,891)	385,505	1,389,114	2,702,009	700,000
Total Revenues	\$506,245,899	\$521,756,130	\$523,913,628	\$554,024,676	\$556,641,051
EXPENDITURES					
General government	\$ 28,557,874	\$ 28,676,079	\$ 30,741,592	\$ 28,713,528	\$ 29,501,124
Development	7,114,299	9,373,020	10,132,895	9,482,965	8,527,385
Public safety	72,694,421	76,501,858	79,410,862	79,878,724	78,813,518
Public works/Engineering	16,778,514	15,082,283	15,193,747	14,931,670	15,635,026
Health and welfare	7,204,439	8,176,681	8,787,475	8,307,873	9,229,204
Education	180,207,166	184,849,956	193,404,100	189,451,176	188,218,697
Pension and insurance	137,010,540	141,125,816	165,395,048	165,341,840	164,625,537
Other expenditures	-	-	-	1,702,196	12,787,871
Capital outlays	-	-	-	-	-
Debt service	56,381,040	57,936,781	29,192,537	31,428,172	49,302,689
Total Expenditures	\$505,948,292	\$521,722,474	\$532,258,256	\$529,238,145	\$556,641,051
Excess (deficiency) of revenues over expenditures	\$ 297,607	\$ (5,417,965)	\$ (8,344,628)	\$ 24,786,531	-
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	-	-	5,449,375	-	-
Net other financing source (uses)	\$ -	\$ -	\$ 5,449,375	\$ -	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 297,607	\$ (5,417,965)	\$ (2,895,253)	\$ 24,786,531	-
FUND BALANCE (DEFICIT), beginning of year	\$ 1,726,001	\$ 2,023,607	\$ (3,394,358)	\$ (6,289,611)	\$ 18,496,920
RESIDUAL EQUITY					
TRANSFER IN	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, end of year	\$ 2,023,607	\$ (3,394,358)	\$ (6,289,611)	\$ 18,496,920	\$ 18,496,920

* Net fund balances in the Audit now include internal service funds eliminated in 2017 audit process.

**Other adjustments for FY 2018 are included to match general fund balances matches per the FY 2018 Audit.

Source: City of New Haven, Department of Finance

REVENUES OF THE CITY

In FY 2018, 58.52% of the City’s revenues came from local sources, while 41.48% came from other governmental units. For the period FY 2016 through FY 2020, General Fund revenues came from or are projected to come from the following sources:

Table 2
Revenues of the City⁽¹⁾

Fiscal Year 2016 - Fiscal Year 2020

	2016		2017		2018		2019		2020	
	(Audited)		(Audited)		(Audited)		(Unaudited)		(Budgeted)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Locally Generated Revenues	\$295,049,735	58.28	\$299,123,269	57.33	\$306,572,835	58.52	\$338,363,297	61.07	\$342,031,069	61.45
Other Governmental Revenues	<u>211,196,165</u>	41.72	<u>222,632,861</u>	42.67	<u>217,340,793</u>	41.48	<u>215,661,378</u>	38.93	<u>214,609,982</u>	38.55
Totals	<u>\$506,245,899</u>		<u>\$521,756,130</u>		<u>\$523,913,628</u>		<u>\$554,024,676</u>		<u>\$556,641,051</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 shall submit a budget including 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. State law limits the taxation of certain classifications of 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, which is 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 2019.

In addition, Connecticut General Statutes Section 4-66l, as amended (“Section 4-66l”), creates certain disincentives for 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 4-66l 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. The City did not exceed the expenditure cap.

Under Section 4-66l, 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.

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
6/30/2011	\$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	521,756,132	252,389,650	48.37
6/30/2018	523,913,628	253,562,832	48.40
6/30/2019 ⁽¹⁾	554,024,676	284,111,887	51.28
6/30/2020 ⁽²⁾	556,641,051	278,560,094	50.04

⁽¹⁾ Fiscal year ended 6-30-19 is unaudited.

⁽²⁾ Fiscal year ended 6-30-20 is projected.

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 under \$100 are billed when they are due on July 1.

A lien is placed on outstanding real estate tax accounts each year prior to June 30. The Office of the Tax Collector maintains rules and schedules to implement certain procedures regarding its “in house” collection efforts. After clearing its delinquent tax portfolio through the use of outside collection companies, the City has managed internally 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 personal property taxes through the use of marshals and the towing of vehicles. The City’s tax collection rate for FY 2018 audited is 98.75% which was a slight decrease from the prior year’s rate of 98.82%. 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 of the tax. In accordance with State law, the oldest outstanding tax is collected first.

**Table 4
Current and Back Tax Collections
As of June 30, 2019**

Grand List Year	Fiscal Year Ended	Tax Rate (in Mills)	Collections at End of Fiscal Year			Adjusted Tax Receivable 6/30/2019 ⁽³⁾	Collections through 6/30/2019 ⁽³⁾	%	Balance Uncollected as of 6/30/2019 ⁽³⁾
			Adjusted Tax Levy ⁽¹⁾	Original Collections ⁽²⁾	%				
10/1/2013	6/30/2015	41.55	249,550,583	247,382,319	99.13	248,269,249	248,042,515	99.91	226,734
10/1/2014	6/30/2016	41.55	251,404,363	247,240,939	98.34	249,768,112	249,496,590	99.89	271,522
10/1/2015	6/30/2017	41.55	251,492,664	246,609,814	98.06	250,480,638	249,110,771	99.45	1,369,867
10/1/2016	6/30/2018	38.68	252,804,249	247,772,319	98.01	250,471,409	248,639,787	99.27	1,831,622
10/1/2017	6/30/2019	42.98	283,233,280	278,245,382	98.24	283,233,280	278,245,382	98.24	4,987,898

⁽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, 2019 (Unaudited).

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 39.00 mills for the assessment year commencing October 1, 2016, and 45.00 mills for the assessment year commencing October 1, 2017, 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 rate for the current 2019 assessment year (the fiscal year ending June 30, 2020) is 42.98 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 2014 to FY 2020.

**Table 5
Analysis of Grand List**

	GL 2014 FY 2016	GL 2015 FY 2017	GL 2016 FY 2018	GL 2017 FY 2019	GL 2018 FY 2020
Real Estate	\$5,164,516,517	\$5,223,077,937	\$5,748,533,145	\$5,753,727,663	\$5,684,986,812
Motor Vehicle	390,045,199	380,841,488	410,168,319	414,539,336	422,346,345
Personal Property	711,254,231	727,505,775	757,100,350	1,033,827,953	1,093,283,530
Gross Grand List	6,265,815,947	6,331,425,200	\$6,915,801,814	7,202,094,952	7,200,616,687
Exemptions	(175,265,543)	(258,448,128)	(326,046,053)	(595,468,205)	(609,114,408)
Net Grand List	\$6,090,550,404	\$6,072,977,072	\$6,589,755,761	\$6,606,626,747	\$6,591,502,279

Source: Office of the Tax Assessor / FY 2019-2020 Budget.

The table below lists the ten largest taxpayers in the City. The total assessed value of the top ten taxpayers is 10.05% of the total October 1, 2018 Net Taxable Grand List.

**Table 6
Principal Taxpayers**

GL 2018 FY 2020		GL 2017 FY 2019	2015 Grand List 2017 Fiscal Year (Real Property & Personal Property)	2016 Grand List 2018 Fiscal Year (Real Property & Personal Property)	2017 Grand List 2019 Fiscal Year (Real Property & Personal Property)	2018 Grand List 2020 Fiscal Year (Real Property & Personal Property)
Rank	Corporation Name	Rank				
1	United Illuminating Co	1	\$274,985,330	\$287,376,014	\$297,787,840	\$308,940,290
2	Winn-Stanley	2	156,782,489	160,445,680	160,444,220	134,067,620
3	Yale University	4	131,832,821	122,613,210	121,041,330	130,633,581
4	Fusco	3	108,318,821	116,501,510	117,375,690	112,662,610
5	PSEG Power Connecticut LLC	5	96,333,263	74,521,401	83,002,959	76,582,336
6	MEPT Chapel Street LLC	6	57,499,660	66,382,020	54,281,631	54,347,611
7	Carbaetta	7	61,560,080	51,966,290	51,724,790	52,309,900
8	Howe St ⁽¹⁾	8	45,467,520	47,250,630	45,250,630	47,250,630
9	New Haven Towers	9	32,535,790	46,255,440	46,320,700	46,807,620
10	HTA-YLW New Haven LLC ⁽²⁾	10	19,679,170	41,142,990	41,518,070	41,142,990

⁽¹⁾ Formerly Intercontinental

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

Source: Office of the Tax Assessor

In FY 2017, the City collected \$252,389,650 in current and delinquent real and personal property taxes, including interest and penalties, and supplemental motor vehicle taxes, compared to \$253,562,833 from these sources in FY 2018; \$279,265,138 was budgeted for FY 2019 and \$278,560,094 is budgeted for FY 2020.

Other Taxes and Assessments

The City collects a Real Estate Conveyance Tax on real estate transactions at a rate of \$0.500 for each \$1,000 of the purchase price of property conveyed. In FY 2017, \$1,923,606 was collected; in FY 2018, \$2,998,398 was collected; \$1,800,000 was budgeted for FY 2019 and \$1,900,000 is budgeted for FY 2020.

Along with other sources, including additional payments associated with the Air Rights Parking Facility, the City collected \$2,784,610 in FY 2017 from "Other Taxes and Assessments" and \$2,705,000 in FY 2018. \$2,975,000 was budgeted for FY 2019 and \$3,475,000 is budgeted for FY 2020.

Locally Generated Non-Tax Municipal Revenues

The City generates local, non-tax revenue from licenses, permits and fees, fines, rents, PILOTs from other local sources, and miscellaneous sources. The table below provides an analysis of the amounts the City has collected or is budgeted to collect from FY 2016 to FY 2020.

	2016 (Audited)	2017 (Audited)	2018 (Audited)	2019 (Unaudited)	2020 (Budgeted)
REVENUES					
Licenses, permits and other charges	\$18,783,197	\$21,775,343	\$22,352,084	\$18,823,635	\$28,182,000
Local Payments in Lieu of Taxes (PILOT)	3,935,298	3,917,018	5,273,604	3,517,724	5,178,675
Fines, forfeitures and penalties	5,484,393	5,064,968	5,126,616	4,729,973	5,522,300
Other revenue	10,389,812	10,882,570	13,010,127	19,361,509	18,513,000
Other Taxes and Assessments	5,470,831	4,708,216	5,858,458	5,116,560	5,375,000
Total Revenues	\$44,063,531	\$46,348,113	\$51,620,890	\$51,549,401	\$62,770,975

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 has seen favorable returns and interest rates on investment income. Over the last three fiscal years, the City has seen a rise in the return and was able to increase the budget for FY 2020 from \$25,000 to \$700,000.

Fiscal Year	Interest Earned to General Fund (\$)
2016 (Audited)	(6,891)
2017 (Audited)	385,505
2018 (Audited)	1,389,114
2019 (Unaudited)	2,702,009
2020 (Budgeted)	700,000

State Assistance

The City receives grants from the State for education programs, PILOTs, 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.

Fiscal Year	ECS Amount Received (Non-Alliance Grant) (\$)
2016 (Audited)	142,681,585
2017 (Audited)	142,450,308
2018 (Audited)	142,194,717
2019 (Unaudited)	142,678,211
2020 (Budgeted)	142,509,525

Payments in Lieu of Taxes (“PILOTs”)

Through various Special Acts of the Connecticut General Assembly, the State provides Payments in Lieu of Taxes (PILOTs) to municipalities as partial reimbursement for the tax loss on property exempt from real estate taxes.

The table below provides an analysis of the City’s PILOTs from FY 2016 to FY 2020 (Budgeted).

PILOT	FY 2015-16 (Actual)	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Unaudited)	FY 2019-20 (Budgeted)
Colleges and Hospitals ⁽¹⁾	\$41,901,803	\$40,688,189	\$36,545,385	\$36,545,385	\$36,545,385
State Property	\$ 6,993,359	\$ 6,013,572	\$ 5,146,251	\$ 5,146,251	\$ 5,146,251
Municipal Revenue Sharing – Additional PILOT	-	\$14,584,940	\$14,584,940	\$15,246,372	\$15,246,372
Motor Vehicle Tax Reduction PILOT	-	\$2,118,290	\$ 1,142,454	-	-
Other PILOTs (Low Income Veterans, PILOT for Disabled,	\$ 73,492	\$ 63,889	\$ 55,833	\$ 48,541	\$ 60,000
Total PILOTs	\$48,968,654	\$63,468,880	\$57,474,863	\$56,986,547	\$56,998,008

⁽¹⁾ College and Hospital revenue is the actual amount received from the State. The net number differs in the audits due to a payment to a special service district.

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, Town Aid for Roads, Telecommunications reimbursement, Off Track Betting revenues and other miscellaneous State grants. Additionally, the City receives PILOT payments from the South Central Connecticut Regional Water Authority, the Greater New Haven Water Pollution Control Authority (GNHWPCA), and the New Haven Parking Authority (NHPA).

The table below provides an analysis of these and other State grants from FY 2016 to FY 2020 (Budgeted).

Other State Grants	FY 2015-16 (Actual)	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Unaudited)	FY 2019-20 (Budget)
State Property Tax Relief	-	\$1,369,123	-	\$1,369,123	-
Municipal Stabilization Grant	-	-	\$2,261,574	\$1,675,450	\$1,675,450
Shell Fish	\$32,502	\$54,047	\$32,261	\$32,284	-
Distressed Cities Exemption	\$394,837	\$331,010	-	\$26,191	-
Tax Relief Elderly/Circuit Bk	\$416,557	\$404,509	-	-	-
Telecommunications Prop Tax	\$605,491	\$644,864	\$497,957	\$469,990	\$625,000
Off Track Betting Spec Rev	\$688,344	\$557,167	\$484,365	\$502,747	\$450,000
Town Aid For Roads	\$1,248,795	\$1,245,504	\$1,247,601	\$1,248,741	\$1,245,504
Grants For Municipal Projects	\$1,369,123	-	\$1,369,123	-	\$1,336,123
Pequot Funds	\$6,224,317	\$5,794,422	\$5,753,352	\$5,503,352	\$5,503,352
Total Other State Grants	\$10,979,966	\$10,400,646	\$11,646,233	\$10,827,878	\$10,835,429

EXPENDITURES OF THE CITY

General Fund expenditures were distributed among the following categories:

**Table 7
General Fund Expenditures**

	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020	
	Audited	%	Audited	%	Audited	%	Unaudited	%	Budgeted	%
General Government	\$28,557,874	5.6	\$28,676,079	5.5	\$ 30,741,592	5.8	\$28,713,528	5.4	\$29,501,124	5.3
Development	7,114,299	1.4	9,373,020	1.8	10,132,895	1.9	9,482,965	1.8	8,527,385	1.5
Public Safety	72,694,421	14.4	76,501,858	14.7	79,410,862	14.9	79,878,724	15.1	78,813,518	14.2
Public Works	16,778,514	3.3	15,082,283	2.9	15,193,747	2.9	14,931,670	2.8	15,635,026	2.8
Health and Welfare	7,204,439	1.4	8,176,681	1.6	8,787,475	1.7	8,307,873	1.6	9,229,204	1.7
Board of Education	180,207,166	35.6	184,849,956	35.4	193,404,100	36.3	189,451,176	35.8	188,218,697	33.8
Pension and Insurance	137,010,540	27.1	141,125,816	27.0	165,395,048	31.1	165,341,840	31.2	164,625,537	29.6
Other Expenditures	-	-	-	-	-	-	1,702,196	0.0	12,787,871	2.3
Debt Service	56,381,040	11.1	57,936,781	11.1	29,192,537	5.5	31,428,172	5.9	49,302,689	8.9
	\$505,948,292	100.0	\$521,722,474	100.0	\$532,258,256	100.0	\$529,238,145	100.0	\$556,641,051	100.0

Presented on Budgetary Basis

Source: City of New Haven Department of Finance

Employee Relations

Authorized full time employees of the City totaled 1,508 in FY 2018. That number was budgeted to remain at 1,508 in FY 2019; 1,453 is budgeted in FY 2020. 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 five fiscal years and the current fiscal year.

**Table 8
Full-Time General Fund Authorized Positions⁽¹⁾⁽²⁾**

Service	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Government	135	135	137	137	137	138
Protection of Persons and Property	984	974	975	975	975	908
Health and Welfare	73	84	93	93	93	93
Culture and Recreation	93	97	101	101	101	107
Public Works & Engineering	122	122	122	121	121	122
Development	73	76	80	81	81	85
Total	1,480	1,488	1,508	1,508	1,508	1,453

(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	6/30/2020
(Blue Collar) Local 71, CILU	6/30/2020
(Public Works) Local 424 Unit 34, UPSEU	6/30/2021
(Police) Elm City Local, Connecticut Alliance of Police	6/30/2022
(Fire) Local 825, International Association of Firefighters, AFL-CIO	6/30/2024
(Nurses) Local 1303-467, AFSCME, AFL-CIO	6/30/2020
(City Attorneys) Local 1303-464, AFSCME-CIO	6/30/2020
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 ⁽¹⁾
(Cafeteria Workers) Local 217, AFL-CIO	6/30/2020
(Teachers) Local 933, AFT, AFL-CIO	6/30/2021
(School Administrators) Local 18	6/30/2017 ⁽¹⁾
Trade Unions (Local 24, 90 & 777 Council 11)	6/30/2021
(Custodians) Local 287, AFSCME, AFL-CIO	6/30/2023

⁽¹⁾ Currently in negotiation or arbitration.

Source: City of New Haven Labor Relations

Labor Relations

The City has successfully settled the following contracts: (Police) Elm City Local, Connecticut Alliance of Police and (Fire) Local 825, International Association of Firefighters, AFL-CIO.

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 fifteen bargaining units to develop an appropriate methodology and to balance the City's ability to provide benefits to its employees at a level commensurate with its ability to pay.

Key to the success in reducing benefit costs was introducing a three-tiered premium cost sharing program in its self-insured medical benefit program and then further negotiating reduced costs through less expensive medical benefits programs aimed at shifting from expensive indemnity plans to a managed care plan negotiated with a single preferred provider organization. In continuing its success with this strategy, most unions have worked with the City to further reduce the number of available medical plans. In addition, the City has successfully negotiated a three-tiered co-pay program in its pharmaceutical program. The City has been successful in recent negotiations in its pursuit of more cost-effective health and benefit packages with all its labor unions.

Risk and Benefits Management

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

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

Protective Self Insurance Programs

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

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 to create a safe work environment. A safer work environment will reduce job-related injuries and save the City on workers' compensation claims.

Motor Vehicle Policy and Training

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

Workers Compensation

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

Employee Benefits

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

Employee Retirement System

The City is the administrator of two single employer, contributory, defined benefit plans established by the City to provide pension benefits for its employees. These 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. 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). 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 created 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 (the “P&F Fund”). 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.

The CERF market value of plan assets has grown from \$84,075,100 (as of June 30, 1992) to \$169,713,789 (as of June 30, 2018) per actuarial valuation. The P&F market value of plan assets has grown from \$115,987,200 (as of June 30, 1992) to \$318,891,692 (as of June 30, 2018) per actuarial evaluation.

As of June 30, 2018, there were 1,102 retirees and beneficiaries receiving benefits from CERF with 940 active plan members and 64 members who had contingent eligibility for a deferred benefit or a return of their own contributions. As of June 30, 2018, there were 1,345 retirees and beneficiaries receiving benefits from P&F with 719 active plan members and 24 members who had contingent eligibility for a deferred benefit or a return of their own contributions. The ADEC (Actuarially Determined Employer Contribution) for CERF and P&F were as follows:

Fiscal Year	CERF	P&F
2017 (Actual)	\$20,359,292	\$27,536,158
2018 (Actual)	\$21,662,917	\$34,607,857
2019 (Unaudited)	\$22,096,174	\$35,559,572
2020 (Budget)	\$22,521,339	\$38,629,220

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 38.8% for CERF and 41.4% for P&F in FY 2018.

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 FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019 ADEC were funded fully. For FY 2020, the City has budgeted to fully fund its ADEC by approximately \$60,850,559.

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>
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	505,948,292	9.01
2017	47,895,450	521,722,474	9.18
2018	56,570,774	532,258,256	10.57
2019 ⁽¹⁾	57,655,746	529,238,145	10.89
2020 ⁽²⁾	61,150,559	556,641,051	10.99

⁽¹⁾ Fiscal year ended 6-30-19 is the actual, unaudited number.

⁽²⁾ Fiscal year ending 6-30-20 is budgeted.

Source: MUNIS Financial System

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>
6/30/2010	\$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%
6/30/2018	281,407,588	38.8%

Policemen's and Firemen's Pension Fund

<u>Valuation Date</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
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	435,398,143	43.8%
6/30/2018	477,955,909	41.4%

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 2017 \$27,820,000 was paid for OPEB costs, for FY 2018 \$27,861,823 was paid, \$27,061,823 (unaudited) was paid in FY 2019 and \$28,500,000 is projected for FY 2020.

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 Hooker & Holcombe, an outside actuarial consulting firm, to prepare the valuation of its OPEB plan on a biennial basis. Based on the most recent valuation as of June 30, 2018 (audited), the City’s estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$616,661,212. The City established an OPEB trust in 2012 that, as of June 30, 2018, had a balance of approximately \$1,982,226. A contribution to the OPEB trust over pay-as-you-go expenses in the amount of \$270,181 was made in FY 2016. A contribution of \$405,000 was made in FY 2017, in FY 2018 and in FY 2019 (unaudited). The City has budgeted a contribution of \$405,000 for FY 2020.

Board of Education

The New Haven Public School District is coterminous with City boundaries. The Department of Education is a department of the City (the “Department”) and is governed by a seven-member Board of Education. The Board consists of the Mayor, four members appointed by the mayor and two elected by the School District, which districts are established as set forth in Article II of the City Charter. 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. 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

	2016	2017	2018	2019	2020 ⁽³⁾
Enrollment	21,725	22,119	22,119	21,264	20,294
Schools	47	47	47	48	44
Teaching Positions ⁽¹⁾	1,505	1,505	1,505	1,975	1,840
Administrative Positions ⁽¹⁾	113	108	108	121	111
Non-Certified Positions ⁽¹⁾	692	480	480	913	1,079
Total Personnel	2,310	2,093	2,093	3,009	3,030
General Fund Expenditures	\$180,207,166	\$184,849,956	\$187,218,697	\$187,218,697	\$187,218,697
Special Fund Expenditures	144,682,604	138,471,317	120,728,352	122,113,627	73,219,619
BOE Capital Expenditures	97,685,179	49,825,405	17,521,725	29,397,275	38,376,721
Total Expenditures ⁽²⁾	<u>\$422,574,949</u>	<u>\$373,146,678</u>	<u>\$325,468,773</u>	<u>\$338,729,599</u>	<u>\$298,815,037</u>

⁽¹⁾ Does not include staff paid from sources other than the General Fund.

⁽²⁾ Expenditures per City Financial System on a Fiscal Year Basis.

⁽³⁾ 2019-2020 student enrollment per Board of Education.

Source: City of New Haven Board of Education and New Haven Department of Finance.

Based on audited figures for FY 2002 through 2018, 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 2019 and FY 2020.

DEBT OF THE CITY

Procedure for Debt Authorization

City bonds are customarily authorized concurrently 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 taxes and 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, such obligations having 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 underground conduits for cables, wires and pipes, for the construction and operation of a municipal community 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, 2019

Pro Forma

Total tax collections (including interest and lien fees) received for the year ended June 30, 2019 ⁽¹⁾	\$284,111,887
Reimbursement for revenue loss from: Tax Relief for the Elderly	
Base	\$284,111,887

	General	Schools	Sewers	Urban Renewal	Unfunded Pensions	Totals
Debt Limitation						
2-1/4 times base	\$ 639,251,746	\$ -	\$ -	\$ -	\$ -	\$ 639,251,746
4-1/2 times base	-	1,278,503,492	-	-	-	1,278,503,492
3-3/4 times base	-	-	1,065,419,576	-	-	1,065,419,576
3-1/4 times base	-	-	-	923,363,633	-	923,363,633
3 times base	-	-	-	-	852,335,661	852,335,661
Total Debt Limitation⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,988,783,209
Indebtedness⁽³⁾						
Bonds Payable	\$ 339,614,404	\$ 238,418,775	\$ -	\$ 41,775,428	\$ -	\$ 619,808,607
Grant Anticipation Note ⁽⁴⁾	-	69,429,577	-	-	-	69,429,577
Bond Anticipation Notes	-	-	-	-	-	-
School Grants Receivable	-	(45,000,000)	-	-	-	(45,000,000)
Bonds Authorized and Unissued ⁽⁵⁾	2,000,478	214,254,709	-	-	-	216,255,187
Total Indebtedness	\$ 341,614,882	\$ 477,103,061	\$ -	\$ 41,775,428	\$ -	\$ 860,493,371
Component Unit Indebtedness⁽⁶⁾						
New Haven Parking Authority	\$ 5,188,000	\$ -	\$ -	\$ -	\$ -	\$5,188,000
New Haven Solid Waste Authority	5,955,000	-	-	-	-	5,955,000
Total Indebtedness	\$ 352,757,882	\$ 477,103,061	\$ -	\$ 41,775,428	\$ -	\$ 871,636,371
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 286,493,864	\$ 801,400,431	\$ 1,065,419,576	\$ 881,588,205	\$ 852,335,661	\$ 1,117,146,838

- (1) Collections through June 30, 2019. Total tax collections (including interest and lien fees) will differ from Table 4. Amount includes delinquent collections from previous Grand List. Table 4 includes 2017 Grand List only.
- (2) Total indebtedness is limited to seven (7) times aggregate annual receipts of the City from taxation for the most recent fiscal year, which is \$1,988,783,209.
- (3) As of June 30, 2019.
- (4) The City issues grant and bond anticipation notes in the form of a revolving loan agreement pending the receipt of State grants and the issuance of bonds for school construction projects. The City estimates that it will issue approximately \$35 million of general obligation bonds for school construction projects in the future.
- (5) Includes approximately \$179 million which relates to school construction projects subject to school construction grants from the State of Connecticut, which have not been closed out. The City does not intend to issue bonds for the amount of the State grants to be received.
- (6) Indebtedness of the New Haven Parking Authority and the New Haven Solid Waste Authority consist of revenue bonds payable solely from revenues of these authorities. State law excludes these amounts from the calculation of the City's debt limitation.

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)

Year	General Fund Expenditures	Type	Amount	As a Percent of Total Expenditures
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	521,722,474	City	57,936,781	11.10%
2018	532,258,256	City	29,192,537	5.48%
2019 ⁽¹⁾	529,238,145	City	31,718,746	7.13%
2020 ⁽²⁾	556,641,051	City	53,674,689	9.64%

⁽¹⁾ Fiscal year ended 6-30-19 is unaudited.

⁽²⁾ Fiscal year ending 6-30-20 is budgeted. Amounts do not reflect the issuance of the Bonds.

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 \$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.

The \$68.7 million FY 2018 Capital Budget focused on education, economic development, engineering, libraries, public works, police and fire services, and parks. City bonding accounted for \$43.3 million, State funding provided \$20.6 million and Federal funding provided \$4.8 million.

The \$78.5 million FY 2019 Capital Budget focused on education, economic development, engineering, libraries, public works, police and fire services, and parks. The FY 2019 Capital Budget also had a one-time project for renovating the dilapidated Public Works facility and reimbursing projects for a payout of the Scott Lewis settlement in FY 2018. City bonding accounted for \$43.3 million, State funding provided \$20.6 million and Federal funding provided \$4.8 million.

As described under “**CAPITAL IMPROVEMENT PROGRAM,**” the FY 2020 Capital Budget and five-year plan focuses on economic development, engineering, libraries, education, rolling stock, and information technology.

FY 2020

	<u>Amount</u>
City Bonding	\$70,700,000
State Funding - Non School Construction	5,251,051
State Funding - New School Construction	-
Federal Funding	10,863,000
Enterprise Funding	-
Total Capital Budget	\$86,814,750

The table below reflects the City’s outstanding debt for FY ended June 30, 2019.

**Table 15
Outstanding Debt 2016-2019
for Fiscal Years Ended June 30**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>
General Obligation Bonds	\$522,993,825	\$522,453,130	\$500,155,093	\$619,808,607
Short Term Debt	68,825,028	56,587,951	57,633,476	69,429,577
Other Long Term Debt	9,464,112	9,600,551	11,185,949	9,464,112
Gross Direct Debt	601,282,965	588,641,632	568,974,518	698,702,296
Gross Overall Debt	601,282,965	588,641,632	568,974,518	698,702,296
Deductions				
GNHWPCA	-	-	-	
GNHWPCA Short Term Debt	-	-	-	
Grants Receivable	24,107,993	19,191,897	-	
Notes Receivable	68,825,028	56,587,951	57,633,476	45,000,000
Net Direct Debt	\$508,349,943	\$512,861,784	\$511,341,042	\$ 653,702,296

⁽¹⁾ Unaudited

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
General Obligation, Education and Sewers
as of September 1, 2019

Year	Principal	Interest ⁽¹⁾	Total
2020 ⁽²⁾	\$13,159,142.56	\$14,878,920.26	\$28,038,062.82
2021	26,065,114.17	28,433,705.88	54,498,820.05
2022	28,123,341.64	27,176,015.50	55,299,357.14
2023	29,708,542.98	25,793,365.36	55,501,908.34
2024	31,520,370.82	24,253,125.82	55,773,496.64
2025	33,503,596.81	22,659,521.34	56,163,118.15
2026	36,359,797.83	20,950,605.17	57,310,403.00
2027	38,108,339.10	19,151,574.67	57,259,913.77
2028	39,993,755.34	17,282,137.50	57,275,892.84
2029	41,914,280.91	15,349,073.46	57,263,354.37
2030	43,959,918.01	13,297,531.06	57,257,449.07
2031	46,296,727.15	11,012,052.12	57,308,779.27
2032	48,586,417.61	8,757,923.58	57,344,341.19
2033	50,979,372.95	6,361,573.97	57,340,946.92
2034	51,395,000.00	3,864,247.26	55,259,247.26
2035	15,940,000.00	2,191,712.52	18,131,712.52
2036	13,615,000.00	1,435,300.01	15,050,300.01
2037	10,365,000.00	818,250.00	11,183,250.00
2038	6,795,000.00	371,700.00	7,166,700.00
2039	3,510,000.00	96,525.00	3,606,525.00
Total	\$609,898,717.88	\$264,134,860.48	\$874,033,578.36

⁽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 (the “2010 Bonds”) with a final maturity of February 1, 2030. This subsidy is subject to sequestration reductions of 6.2% for the federal fiscal year beginning October 1, 2018 and 5.9% for the federal fiscal year beginning October 1, 2019. Upon the issuance of the Series B Bonds, the City will no longer claim subsidy payments on the 2010 Bonds.

⁽²⁾ Does not include debt service payments made between June 30, 2019 and September 1, 2019.

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 and the issuance of City general obligation bonds 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, with a variable interest rate, and expires on May 26, 2020. As of June 30, 2019, the City has \$69,429,577 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. Except as described under "**Debt Statement**" herein, 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, 2018 the City had \$216,255,187 of authorized but unissued debt for projects in the FY 2019 capital budget and amounts remaining from previous capital budgets. This amount has been authorized primarily for school construction projects subject to school construction grants from the State of Connecticut which have not been closed out. The City estimates it will issue approximately \$35 million of general obligation bonds for school construction projects in the future.

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. The City's general obligation debt is indebtedness to which the City has pledged its full faith and credit for the repayment of principal and interest.

Other debt of the City consist of New Haven Parking Authority revenue bonds and the Shubert Performing Arts Center management lease agreement, neither of which constitutes 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. Neither the full faith and

credit nor the taxing authority of the State of Connecticut, the City or any of the other 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. 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
Net Direct Debt
as of June 30, 2019

GENERAL OBLIGATION DEBT		
General Purpose	\$339,614,404	
Schools	238,418,775	
Sewer	-	
Urban Renewal	41,775,428	
Subtotal General Obligation Debt	<u>\$619,808,607</u>	
Total General Obligation Debt		\$619,808,607
SHORT-TERM DEBT		
Bond Anticipation Notes	-	
Short Term Notes	-	
Grant Anticipation Notes ⁽¹⁾	69,429,577	
Total Short-Term Debt		<u>\$69,429,577</u>
OTHER LONG-TERM DEBT		
Contractual Agreement Sewer (GNHWPCA) ⁽²⁾	6,085,112	
Operating Lease Obligations ⁽³⁾⁽⁴⁾	3,179,000	
Shubert Theater (CAPA)	200,000	
Total Other Long-Term Debt		<u>\$ 9,464,112</u>
GROSS DIRECT DEBT		<u><u>\$698,702,296</u></u>
GROSS OVERALL DEBT		\$698,702,296
DEDUCTIONS		
EDUCATION		
Grants Receivable ⁽¹⁾	45,000,000	
Notes Receivable ⁽¹⁾	-	
Total Deductions		<u>\$ 45,000,000</u>
NET DIRECT DEBT		<u><u>\$653,702,296</u></u>

(1) School Construction Grants receivable of approximately \$45,000,000 are expected to be reimbursed by the State of Connecticut, including approximately 50% of the Grant Anticipation Notes outstanding.

(2) This represents 40% of the Clean Water Fund debt previously issued 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 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. Audited figures as of June 30, 2018 for total minimum rental payments under these leases.

(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, 2019.

Table 18
Debt Ratios
Pro Forma as of June 30, 2019

	<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	\$698,702,296	\$5,357	10.60%	7.42%
Gross Overall Debt	\$698,702,296	\$5,357	10.60%	7.42%
Net Direct Debt	\$653,702,296	\$5,012	9.92%	6.94%

(1) The population of the City is from the 2018 Census estimate: 130,418.

(2) The Net Taxable Grand List of the City dated October 1, 2018 is \$6,591,502,279.

(3) The full value of the property of the City at October 1, 2016 is \$9,416,431,827.

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 term.

**Table 19
The Five Year Capital Plan**

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
City Bonding						
CAO/OMB Budget						
Rolling Stock	\$ 6,400,000	-	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,400,000
Finance & Information Technology	4,900,000	-	2,450,000	2,500,000	2,500,000	12,350,000
Library	1,200,000	-	600,000	600,000	600,000	3,000,000
Parks	5,650,000	-	3,200,000	2,300,000	1,800,000	12,950,000
Public Safety Communications	-	-	-	-	-	-
Police	2,750,000	-	1,500,000	1,550,000	1,850,000	7,650,000
Fire	1,125,000	-	450,000	400,000	400,000	2,375,000
Health & Welfare	-	-	-	-	-	-
Public Works	6,500,000	-	2,450,000	2,450,000	2,450,000	13,850,000
Engineering	13,775,000	-	6,050,000	6,050,000	6,150,000	32,025,000
Economic Development	14,800,000	-	10,275,000	10,600,000	10,825,000	46,500,000
Education	13,600,000	-	6,775,000	6,775,000	6,775,000	33,925,000
Total Budget	\$70,700,000	-	\$36,750,000	\$36,225,000	\$36,350,000	\$ 180,025,000
State Bonding						
Public Works	\$ 3,183,902	-	\$ 1,852,508	\$ 1,852,508	\$ 1,852,508	\$ 8,741,426
Engineering	487,149	-	-	-	-	487,149
Economic Development	1,580,000	-	40,000	40,000	40,000	200,000
Total Budget	\$ 5,251,051	-	\$ 1,892,508	\$ 1,892,508	\$ 1,892,508	\$10,928,575
Federal Bonding						
Engineering	\$ 300,000	-	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
Economic Development	10,563,699	-	10,035,000	5,350,483	7,796,501	33,745,683
Total Budget	\$10,863,699	-	\$10,185,000	\$ 5,500,483	\$ 7,946,501	\$ 34,495,683
Total of All Bonding Sources						
City Funding	\$70,700,000	-	\$36,750,000	\$36,225,000	\$36,350,000	\$ 180,025,000
State Funding	\$ 5,251,051	-	\$ 1,892,508	\$ 1,892,508	\$ 1,892,508	\$ 10,928,575
Federal Funding	\$10,863,699	-	\$10,185,000	\$ 5,500,483	\$ 7,946,501	\$ 34,495,683
Enterprise Funding	-	-	-	-	-	-
Total City Budget	\$ 86,814,750	-	\$48,827,508	\$43,617,991	\$46,189,009	\$225,449,258

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.

Capital Budget

The City has undertaken various initiatives in cost saving measures. These initiatives have been developed to begin the process of streamlining services and reducing costs for taxpayers. The City’s capital planning process now employs a two-year capital borrowing program.

Two-Year Capital Borrowing

The City for the first time submitted a Two-Year capital borrowing plan for FY 19-20 and FY 20-21. The overall amount would be \$70,700,000. The department request for the two-years, when broken out, equate to less borrowing (11.0%) from the FY 2018-19 budget cycle. See below:

	FY 2018-19	FY 2019-20	FY 2020-21	Combined (FY 19-20; FY20-21)
Dept. Req	\$38.9M*	\$36.1M	\$34.6M	\$70.7M

*FY 2018-19 is \$58M less \$10M Public Works Facility and \$8.4M Lewis Settlement.

The advantages for the City to in a 2-Year Capital Program are the following:

- Savings from \$500,000 to \$700,000 in borrowing cost on the off-year.
- Interest savings on the borrowing (\$100,000) cost on the General Fund in the off-year.
- No premium borrowing (up to \$6 million) during the off-year.
- Soft Cost Savings (estimated at 280 people-hours to develop Capital Budget by City Staff) and increase productivity of City staff.
- Achieve a State of Good Repair in critical areas of the City (example Board of Education IT) impacting operational costs and increasing service to residents.

Off-Year = Year City does not borrow money.

Project Management

As part of the 2-Year Capital Program, the City will institute a project management approach which will include the following.

- Capital Monitoring Committee (CMC) (Controller, CAO, Coordinator, M & B, Engineer).
- CMC will meet quarterly with departments to review Capital Program Dashboard, timelines, spending analysis, and risk management.
- Institute value-added construction practices.
- Produce Capital Dashboard that can be reviewed by both the legislative body and residents (on City Website).

Rolling Stock Committee

- The City will be establishing a vehicle purchasing committee to evaluate the purchase of rolling stock (vehicles, equipment and capital repairs). The purpose of the committee is to maximize utilization of the current City fleet and employ data driven analysis to determine replacement

schedules. Decisions are made based on conditions of the vehicles at time of purchase and may change based on equipment failures or another vehicle damage.

- The City will also establish a car pool to maximum the use of the city fleet reducing the need to purchase additional vehicles (excluding public safety vehicles) and improve access for City employees utilizing an electronic valet to manage the car pool.

30% Reduction of the 5-Year Bond

- The City borrows each fiscal year an average \$10 million (5-year bond) for equipment purchases such as rolling stock, computers, communications equipment, and radios. The City's goal is to reduce the amount of the 5-Year bond by \$3 million (30%) over the next 4 years creating savings in the General Fund. In order to achieve the reduction in capital borrowing the City will phase in leasing equipment such as rolling stock, computers and other equipment. The City will utilize a similar approach to the successful Master Lease program established by the City 3 years ago.
- Budget Breakdown
 - City Share \$70.7M
 - Federal Share \$10.8M
 - State Share \$5.2M
- \$6.0M of City bonding will be used for the Public Works Department for pavement management, facility maintenance, small bridge projects, and general City improvement of roads and sidewalks
- \$13.7M of City bonding will be used for the Engineering Department to perform street and sidewalk reconstruction, facility rehabilitation, streetlights, and various bridge projects
- \$2.7M of City bonding will be used to support Economic Development Administration for various development projects in the City
- \$13.6M of City bonding will be used to assist New Haven Public schools with safety, technology, and upkeep
- \$6.4M for City Information and Technology to maintain and improve the City technology infrastructure (networking, software, equipment).
- \$5.6M of City bonding for Parks and Recreation for various parks improvement
- \$2.7M of City bonding for Police equipment and facility improvements
- \$1.1M of City bonding for Fire personal protective and other equipment
- \$6.4M for rolling stock management

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. 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 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 had \$6,180,000 aggregate principal amount outstanding of Parking System Revenue Bonds, Series 2014, as of June 30, 2018 and \$5,188,000 outstanding as of June 30, 2019.

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.

The NHSWRA is also authorized, subject to the 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 a combination thereof. The NHSWRA had \$6,535,000 aggregate principal amount outstanding of NHSWRA Revenue Refunding Bonds, Series 2016, as of June 30, 2018 and \$5,995,000 outstanding as of June 30, 2019.

[THIS PAGE INTENTIONALLY LEFT BLANK]

City of **New Haven** Connecticut

Fiscal Year 2018
July 1, 2017 to June 30, 2018

CANAL DOCK BOATHOUSE

Comprehensive Annual Financial Report

[THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF NEW HAVEN, CONNECTICUT

Comprehensive Annual Financial Report



Fiscal Year 2018

July 1, 2017 – June 30, 2018

[THIS PAGE INTENTIONALLY LEFT BLANK]

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF NEW HAVEN, CONNECTICUT

FOR THE FISCAL YEAR ENDED

June 30, 2018



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

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

Contents

I. Introductory Section - <i>unaudited</i>	
Letter of Transmittal	i-vi
Principal City Officials	vii
Organization Chart	viii
GFOA Certificate	ix

II. Financial Section	
Independent Auditor's Report	1-3
Management's Discussion and Analysis - <i>unaudited</i>	5-15

Basic Financial Statements

Exhibit

Government-Wide Financial Statements:

A.	Statement of net position	17
B.	Statement of activities	18-19

Exhibit

Fund Financial Statements:

C.	Balance sheet – governmental funds	20
D.	Statement of revenues, expenditures and changes in fund balances (deficits) – governmental funds	21
E.	Reconciliation of the statement of revenues, expenditures and changes in fund balances (deficits) of governmental funds to the statement of activities	22
F.	Statement of net position (deficit) – proprietary funds	23
G.	Statement of activities – proprietary funds	24
H.	Statement of cash flows – proprietary funds	25
I.	Statement of fiduciary net position – fiduciary funds	26
J.	Statement of changes in fiduciary net position – fiduciary funds	27
	Notes to financial statements	28-89

Contents

Required Supplementary Information - *unaudited*

Schedule

RSI-1.	Schedule of revenues and other financing sources – budget and actual (non-GAAP budgetary basis) – general fund - <i>unaudited</i>	91-93
RSI-2.	Schedule of expenditures and other financing uses – budget and actual (non-GAAP budgetary basis) – general fund - <i>unaudited</i>	94-95
RSI-3.	Schedule of contributions - pensions	96
RSI-4.	Schedule of changes in the police and fire net pension liability and related ratios	
	Schedule of investment returns	97
RSI-5.	Schedule of changes in the city's CERF net pension liability and related ratios	
	Schedule of investment returns	98
RSI-6.	Schedule of contributions – OPEB plan	99
RSI-7.	Schedule of changes in the city's net OPEB liability and related ratios	
	Schedule of investment returns	100
RSI-8.	Schedule of city's proportionate share of net pension liability – teachers' retirement health system	101
RSI-9.	Schedule of city's proportionate share of net OPEB liability – teachers' retirement health system	102
RSI-10.	Note to required supplementary information - <i>unaudited</i>	103-104

Combining and Individual Fund Financial Statements and Other Schedules

Nonmajor Governmental Funds

1.	Combining balance sheet – nonmajor governmental funds	106-107
2.	Combining statement of revenues, expenditures, and changes in fund balance – nonmajor governmental funds	108-109

Nonmajor Enterprise Funds

3.	Combining statement of net position (deficit) – nonmajor enterprise funds	111
4.	Combining statement of revenues, expenses and changes in fund net position (deficit) – nonmajor enterprise funds	112
5.	Combining statement of cash flows – nonmajor enterprise funds	113

Fiduciary Funds

6.	Combining statement of trust fund net position – fiduciary funds	115
7.	Combining statement of changes in trust fund net position – fiduciary funds	116
8.	Statement of changes in assets and liabilities – agency funds	117

Contents

Combining and Individual Fund Financial Statements and Other Schedules (Continued)

Other Schedules

9.	Balance sheet – by account – general fund	120-121
10.	Schedule of revenues, expenditures and changes in fund balance – by account – general fund	122-123
11.	Schedule of property taxes levied, collected and outstanding	124-125

III. Statistical Section - *unaudited*

Financial Trends

Net position by component - governmental activities	128-129
Statement of activities	130-133
Fund balances, governmental funds	134-135
Changes in fund balance, governmental funds	136-137

Revenue Capacity

Assessed and estimated actual value of taxable property	138-139
Principal taxpayers	140
Property tax levies and collections	141

Debt Capacity

Ratio of net general bonded debt to assessed value and net general bonded debt per capita	142
Ratio of total direct debt	143
Schedule of debt limitation	144
Legal debt margin information	146-147

Demographic and economic statistics	148
Principal employers	149

Operating Information

Full-time equivalent government employees by function/program	150
Operating indicators by function/program	151-164

[THIS PAGE INTENTIONALLY LEFT BLANK]



Introductory Section

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

March 18, 2019

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, 2018.

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

RSM US, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of New Haven's financial statements for the year ended June 30, 2018. 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 129,934 (Est. 2016). 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 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.

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 Alders is required to adopt a budget for the fiscal year on or before the first Monday in June 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 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 shall be implemented unless it shall be 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 Aldermen. Budgetary revenues and expenditures are monitored by the Office of Management and Budget.

Local Economy

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 in Connecticut. 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 is the cultural 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 0.86% in 2016, and there are now 82,121 in the City of New Haven.

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 131,014 (2017 est. - <https://www.census.gov/quickfacts/newhavencityconnecticut>). New Haven is the economic center of

a broader MSA region of 869,888 people (<https://connecticut.hometownlocator.com/cities/msa/>), 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, bioscience, 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 \$39,191 (<https://www.census.gov/quickfacts/fact/table/newhavencityconnecticut/PST045217>) as compared to \$61,640 (https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmk#) 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 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, as of November 2016, educational services employ 31,000 people. Furthermore, with over 37,000 students, colleges in the New Haven area have created \$1.5 billion in local economic impact. More importantly, however, these schools are expanding. This year Yale unveiled two new residential colleges, which cost \$600 million to construct and will add 800 additional students when at capacity. New Haven’s universities provide a platform from which the City can compete in the global arena. For example, as of 2017, Yale has \$480.2 million in federal research and development obligations, which ranks 20th nationwide, and its Cooperative Research Technology Transfer program has been instrumental in attracting new biotechnology companies to the region. Additionally, Yale has produced some 50 new start-up companies in Greater New Haven. These companies have attracted over \$700 million in venture capital.

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 Forbes’s list of 100 most innovative companies multiple times, most recently in 2016. Other examples of New Haven’s 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.

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. As of 2010, 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. Naval Reserve Center and United States Coast Guard also have stand-alone regional centers in the City.

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. In addition, 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 famous park-friendly cities such as San Francisco. In addition, New Haven contains 40 miles of bike lane, 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.

Quick Facts:

- Since 2012, the City has had housing starts for 125 single-family homes and 58 multi-family buildings with 897 total units.
- New Haven has a strong collection of museums, art galleries and theaters that attract approximately 800,000 visitors to the city each year.
- Since January 2013, unemployment has dropped from 12.4% to 5.4%. (Connecticut Department of Labor January 2019 <https://www1.ctdol.state.ct.us/lmi/laus/laustown.asp>)
- 300 new business accounts were opened in the past year (Feb 2016 to Feb 2017)
- New Haven's grand list grew by 0.26% for FY 2018-19 budget.
- Due to high demand, citywide commercial vacancy sits at 14%.
- 17% of New Haven is dedicated to parks and open space, a ratio on par with famously park-friendly cities such as San Francisco.
- New Haven contains 40 miles of bike lane, forming the most extensive network in Southern New England.
- According to City Lab, New Haven businesses attracted over \$200 million in venture capital funding in 2016.
- As of 2013, the biomedical sector accounts for approximately 12,000 jobs in the New Haven region
- New Haven placed #13 in the FierceBiotech Top 15 cities for biotech venture funding in 2014.
- Between 2006 and 2016, 233 medical school faculty members were awarded patents—many of which have been licensed to businesses. During the past 15 years, Yale's Office of Cooperative Research (OCR) has helped launch an average of four to five local, venture-backed startups per year. To date, more than 50 startups based on Yale intellectual property have raised more than \$700 million in venture capital.
- From 2002 to 2011, New Haven's urban core experienced an 11 percent increase in jobs (a gain of 9,000 jobs), even as the number of jobs in the surrounding ring and state declined. In Greater New Haven in 2002, 26 percent of all higher-paying jobs throughout the region were located within the three-mile urban core. But that figure increased to 30 percent in 2007, and to 34 percent in 2011, indicating that New Haven's suburban areas are increasingly dependent on the urban core for jobs and wages.
- Private-Sector Development: In Calendar Year 2017, Business Development worked with several privately-funded project developers to facilitate their planned investment in major residential or mixed-use projects in the City, by guiding them through land-use regulatory processes and community outreach:

- **Private-Sector Development:** In Calendar Year 2017, Business Development worked with several privately-funded project developers to facilitate their planned investment in major residential or mixed-use projects in the City, by guiding them through land-use regulatory processes and community outreach

Project	Units	Developer	Stage	Status
Metro 301	78	Metro Star Properties	Nearing completion	Completion in early 2018
Audubon Square	550	Spinnaker Real Estate	Planning complete	Breaking ground in early 2018
Lofts at Wooster Square	220	Spinnaker Real Estate	Planning complete	Breaking ground in 2018
Torrington Supply Site	325	Epimoni Corporation	In planning	Breaking ground in 2018
Coliseum Site	466	LiveWorkLearnPlay	In planning	Breaking ground in 2018

- **Residential Loan Programs: FY 17-18_Total Expended All Programs - \$ 1,011,010.00**
 - Total Units Assisted all Programs – 97
 - Intake – 78
 - Closed –64
 - Withdrawn – 14
 - In Process – 25
- **Residential Resource Development: Total Grants Awarded \$8.4 M**
 - Neighborhood Renewal Program Phase 1: Award \$1.5 M December 2014; to facilitate and promote neighborhood recovery and stabilization;
 - Neighborhood Renewal Program Phase 2: Award \$2.4 M July 2015; to facilitate and promote neighborhood recovery and stabilization through Development;
 - CDBG-DR: \$500,000 Planning Grant; Union Avenue; and
 - CDBG-DR: \$4 million Implementation Grant, Union Avenue.
- **Resource Development: Total Grants Awarded \$8.4 M**
 - Neighborhood Renewal Program Phase 1: Award \$1.5 M December 2014; to facilitate and promote neighborhood recovery and stabilization;
 - Neighborhood Renewal Program Phase 2: Award \$2.4 M July 2015; to facilitate and promote neighborhood recovery and stabilization through Development;
 - CDBG-DR: \$500,000 Planning Grant; Union Avenue; and
 - CDBG-DR: \$4 million Implementation Grant, Union Avenue.

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 2021-2022. 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 \$437,852,656. Financing, net of state and federal project grants, for these projects would require debt proceeds of approximately \$290 million. The financial impact of these initiatives is reviewed and approved by the Capital Projects Committee and then by the Board of Alders.

Relevant Financial Policies

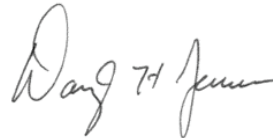
The City and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and to ensure budgetary control and compliance with approved budgets. All annual budgets are recommended by the Mayor to the Board of Alders, which approves the final budget. 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 an assignment 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 five fiscal years (fiscal year 2013, 2014, 2015, 2016 and 2017).

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**

Mayor

Toni N. Harp

Mayors Cabinet

Tomas Reyes, Chief of Staff
John Rose, Jr., Corporation Counsel
Dr. Carol D. Birks, Superintendent of Schools
Michael Gormany, Acting Budget Director
Daryl H. Jones, Controller
Sean Matteson, Chief Administrative Officer
Mike Piscitelli, Acting Economic Development Administrator
Dr. Dakibu Muley, Community Services Administrator

Board of Alders

Tyisha Walker, President
Jeanette L. Morrison, President Pro Tempore
Richard Furlow, Majority Leader
David Reyes Jr., Deputy Majority Leader
Aaron Greenberg, 3rd Officer
Dolores Colon, Chair, Black and Hispanic Caucus
Delphine Clyburn, Vice-Chair, Black and Hispanic Caucus

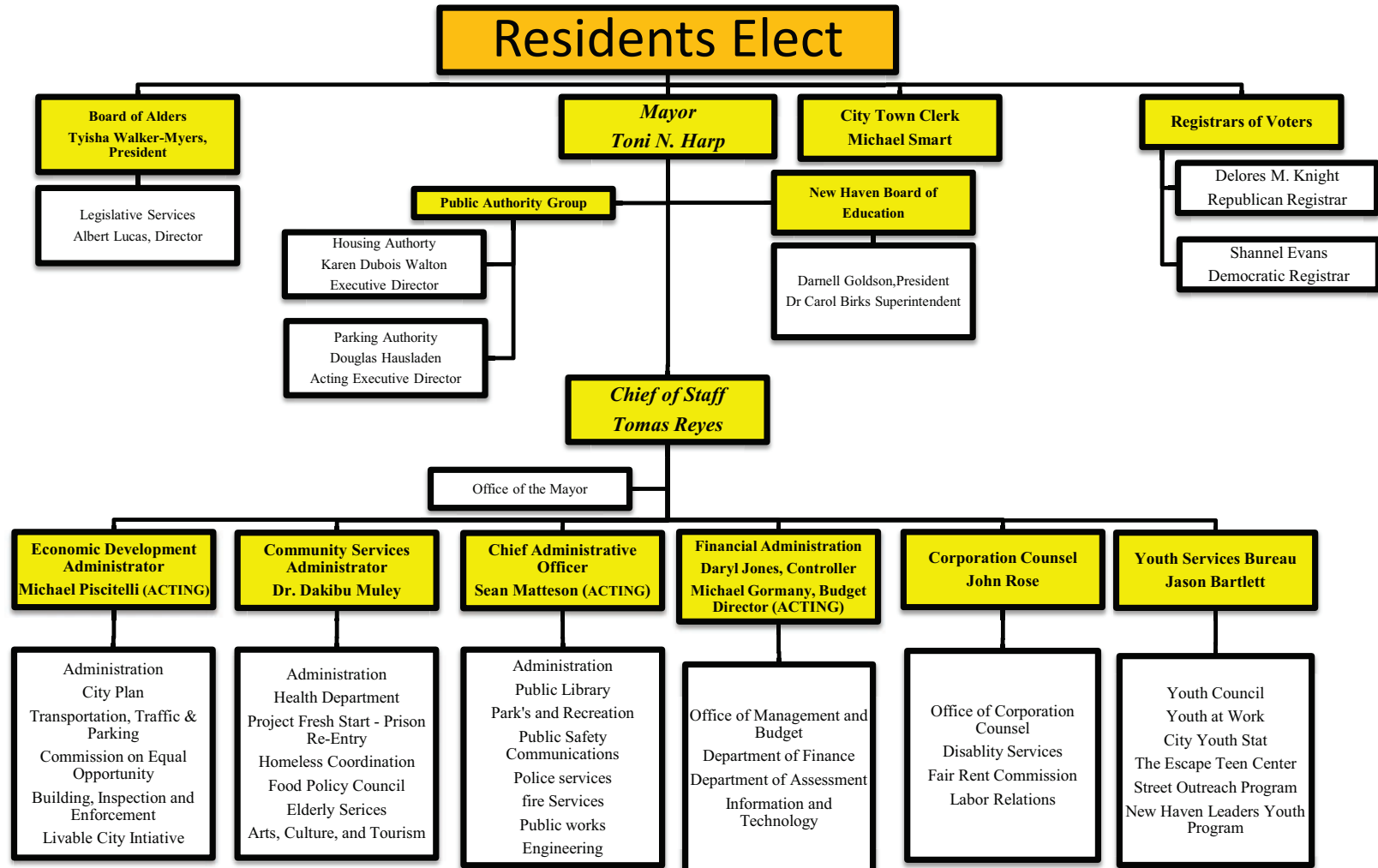
Ward

Ward

Ward

- | | | |
|--------------------------|--------------------------|--------------------------------|
| 1. Hacibey Catabasoglu | 11. Renee Hayward | 21. Steven Winter |
| 2. Frank E. Douglas, Jr. | 12. Gerald M. Antunes | 22. Jeanette L. Morrison |
| 3. Ron C. Hurt | 13. Rosa Ferraro Santana | 23. Tyisha Walker-Myers |
| 4. Evelyn Rodriguez | 14. Kenneth Reveiz | 24. Evette Hamilton |
| 5. Dave Reyes Jr. | 15. Ernie G. Santiago | 25. Adam J. Marchand |
| 6. Dolores Colón | 16. Jose Crespo | 26. Darryl Brackeen, Jr |
| 7. Abigail Roth | 17. Jody Ortiz | 27. Richard Furlow |
| 8. Aaron Greenberg | 18. Salvatore E. DeCola | 28. Jill L. Marks |
| 9. Charles Decker | 19. Kimberly R. Edwards | 29. Brian Wingate |
| 10. Anna M. Festa | 20. Delphine Clyburn | 30. Michelle Edmonds-Sepulveda |

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, 2017

Christopher P. Morill

Executive Director/CEO

This page intentionally left blank.



Financial Section

[THIS PAGE INTENTIONALLY LEFT BLANK]



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, 2018, 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 83%, 92% and 76%, 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 from 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.

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which resulted in the City restating net position for recognition of the City's OPEB-related activity incurred prior to July 1, 2017. Our opinion is not modified with respect to this matter.

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, 2018, 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 MattersRequired 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 as listed in the table of contents, 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, 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 March 18, 2019, 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 solely 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 the effectiveness of the City's 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
March 18, 2019

This page intentionally left blank.

**City of New Haven, Connecticut
Management's Discussion and Analysis, Unaudited
June 30, 2018**

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, 2018. 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-v of this report, as well as the City's basic financial statements that follow this section.

Financial Highlights

- The City finished FY 18 with a General Fund (primary operating fund) budgetary operating deficit of (\$8,344,628). (See RSI 1 and RSI 2).
- As of the year-end, the City had a General Fund - fund deficit of (\$10,603,115);

<i>Major Fund</i>	<i>Fund Balance/(Deficit)</i>
<i>General Fund</i>	(\$6,287,374)
<i>Litigation Fund</i>	(\$37,094)
<i>Medical Self Insurance Fund</i>	(\$4,421,386)
<i>Workers Compensation Fund</i>	\$142,739
<i>Grand Total</i>	(\$10,603,115)

This was a decrease from the prior year fund balance of (\$3,394,360) at the close of FY 18. The primary reason for a decrease in fund balance was a loss of state aid, not meeting building permit revenue, revenue initiative, increase in education expenditures, employee benefits, and vacancy savings.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$68,783,245, an increase of \$10,380,984 in comparison with the prior year (see Exhibit D).
- On a government-wide basis, the City's total net position was (\$347,513,543) (see Table 1).
- The City's mill rate for Real Estate and Personal Property in FY 18 was 38.68 (per thousand) whereas the mill rate for motor vehicles was capped per the State of Connecticut at 37.00 (per thousand) mills. In FY17 Real Estate, Personal Property and Motor Vehicle mill rate was 41.55; Motor Vehicle mill rate was 37.00.
- The City's FY18, total net taxable grand list increased to \$6,589,755,761 as compared to FY17 total net taxable grand list of \$6,072,977,072.
- As of the year-end, the Education Grant Fund reported a fund balance of \$4,719,875. This is an increase of \$2,464,695 from the fund balance of \$2,255,180 at the close of FY 17 (see Exhibit D).
- As of the year-end, the Other Special Revenue Fund reported a fund deficit of (\$252,543). This is a decrease of \$326,987 from the fund deficit of (\$579,530) at the close of FY 17 (see Exhibit D).
- As of the year-end, the Capital Projects Fund reported a fund balance of \$54,476,521 which is a decrease of \$2,196,404 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, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position (deficit). 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 City's net position, the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources, is 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 one 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.

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 (deficit) decreased from a year ago by \$107,205,779. The analysis below focuses on the net position (Table 1) and changes in net position (deficit) (Table 2) of the City's governmental and business-type activities. Approximately \$20,148,539 of the government-wide net position are restricted for education, public service, general government and a permanent fund.

Net position (deficit) may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows fell short of liabilities and deferred inflows by \$343,218,419 at the close of the fiscal year ended June 30, 2018. The decrease was due to a decrease in intergovernmental revenues in addition to 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 (Deficit)
June 30, 2018 and 2017

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 220,986,377	\$ 219,335,228	\$ 955,482	\$ 916,917	\$ 221,941,859	\$ 220,252,145
Capital assets	1,593,616,598	1,587,403,008	-	-	1,593,616,598	1,587,403,008
Total assets	1,814,602,975	1,806,738,236	955,482	916,917	1,815,558,457	1,807,655,153
Deferred amounts	119,143,438	141,671,910	-	-	119,143,438	141,671,910
Total deferred outflows of resources	119,143,438	141,671,910	-	-	119,143,438	141,671,910
Other liabilities	158,917,093	213,985,999	250,606	94,329	159,167,699	214,080,328
Long-term liabilities outstanding	2,097,217,423	1,953,715,974	-	-	2,097,217,423	1,953,715,974
Total liabilities	2,256,134,516	2,167,701,973	250,606	94,329	2,256,385,122	2,167,796,302
Deferred pension items	13,862,944	15,383,248	-	-	13,862,944	15,383,248
Advanced tax collections	11,967,372	6,455,277	-	-	11,967,372	6,455,277
Total deferred inflows of resources	25,830,316	21,838,525	-	-	25,830,316	21,838,525
Net position (deficit):						
Net investment in capital assets	1,001,195,147	1,024,694,383	-	-	1,001,195,147	1,024,694,383
Restricted	20,148,539	12,791,744	-	-	20,148,539	12,791,744
Unrestricted	(1,369,562,105)	(1,278,616,479)	704,876	822,588	(1,368,857,229)	(1,277,793,891)
Total net position (deficit)	\$ (348,218,419)	\$ (241,130,352)	\$ 704,876	\$ 822,588	\$ (347,513,543)	\$ (240,307,764)

The change in governmental net position (deficit) is illustrated below:

City of New Haven, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2018 and 2017

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 34,859,383	\$ 34,325,195	\$ 898,637	\$ 890,819	\$ 35,758,020	\$ 35,216,014
Operating grants and contributions	359,569,290	382,520,519	-	-	359,569,290	382,520,519
Capital grants and contributions	38,437,427	84,762,285	-	-	38,437,427	84,762,285
General Revenues:						
Property taxes	254,463,152	252,274,961	-	-	254,463,152	252,274,961
Grants and contributions not restricted to specific programs	75,606,647	73,551,080	-	-	75,606,647	73,551,080
Investment earnings	1,769,957	411,451	864	596	1,770,821	412,047
Total revenues	764,705,856	827,845,491	899,501	891,415	765,605,357	828,736,906
Expenses:						
Program Expenses:						
General government	44,732,017	51,190,242	-	-	44,732,017	51,190,242
Education	551,501,263	539,165,020	-	-	551,501,263	539,165,020
Public Safety	168,088,802	156,935,928	-	-	168,088,802	156,935,928
Public Works	32,688,007	34,813,406	-	-	32,688,007	34,813,406
Public Services	36,205,051	41,830,406	-	-	36,205,051	41,830,406
Economic Development	15,814,990	14,790,863	-	-	15,814,990	14,790,863
Interest on long-term debt	22,763,793	21,732,765	-	-	22,763,793	21,732,765
Business type	-	-	1,017,213	668,672	1,017,213	668,672
Total expenses	871,793,923	860,458,630	1,017,213	668,672	872,811,136	861,127,302
Excess(deficiency) before transfers	(107,088,067)	(32,613,139)	(117,712)	222,743	(107,205,779)	(32,390,396)
Change in net position (deficit)	(107,088,067)	(32,613,139)	(117,712)	222,743	(107,205,779)	(32,390,396)
Net Position (Deficit), beginning	(241,130,352)	215,482,617	822,588	599,845	(240,307,764)	216,082,462
Restatement - GASB no.75	-	(423,999,830)	-	-	-	(423,999,830)
Net Position (Deficit), ending	\$ (348,218,419)	\$ (241,130,352)	\$ 704,876	\$ 822,588	\$ (347,513,543)	\$ (240,307,764)

Expenses and Program Revenues – Governmental Activities

Governmental activities' revenues totaled approximately \$765 million for fiscal year 2018. Operating grants and contributions are the largest revenue source for the City and represent 47% of the governmental revenues. Property taxes are the City's second largest revenue and represent 33% of the governmental revenues. Grants and contributions not restricted to specific programs represent 10%.

On an overall basis revenue decreased by \$63 million over FY 17. Property taxes increased by \$2.2 million, operating grants and contributions decreased by \$22 million while capital grants and contributions decreased by \$46 million.

Expenses

Governmental expenses totaled \$872 million for the fiscal year. Of the expenditures, 64% is related to education; 19% is related to public safety; 5% to general government; and 4% to public services.

General Fund: Fund Balance (Deficit), Ratings and City Debt

The year ending audited General Fund-Fund balance (deficit) is (\$10,603,115). The FY 17 fund balance (deficit) was (\$3,394,360).

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 financing the City's capital projects. During calendar year 2018, Standard & Poor's lowered its rating to BBB+. The outlook on all ratings is negative. Fitch lowered its rating to BBB, with a negative outlook as well. The City did not use Moody's services during the 2018 Calendar year. Moody's essentially published an opinion article, which maintained the City's credit rating of Baa1 (negative).

Moody's Investment Services	BAA1 Negative Did not officially use calendar YR 2018 but issued opinion
Standard and Poor's	BBB+ negative
Fitch Investors Service	BBB negative

The three major rating agencies, namely, Standard & Poor's, Moody's and Fitch annually review the City's credit worthiness and issue a bond rating along with a summary of the rationale.

The rating agencies recognize the City of New Haven has a strong economy, with access to a broad and diverse metropolitan statistical area (MSA) and a local stabilizing institutional influence. A strong institutional framework score, Both Standard and Poor's and Fitch Investment Services identified as strengths the City's economic base anchored by the higher education presence of Yale University and other education institutions, the strong presence of medical, healthcare, pharmaceuticals and biotechnology. Sizeable ongoing economic developments that should continue to bolster the property tax base and strong property tax collections were also cited as favorable factors.

The recent state fiscal challenges have contributed to a less predictable state aid environment for Connecticut municipalities. The City of New Haven in FY 2018 lost approximately five million dollars in state and education general fund aid. This has led to an unpredictable state revenue source in regards to Education Cost Sharing (ECS) grant, PILOT for Colleges and Hospitals, and PILOT for State Property.

With the drop-in state aid, the rating agencies recognize the City has a high percentage of exempt properties within its tax base, making it difficult for management to raise local-source revenues. The City has approximately fifty percent of its property exempt which is primarily comprised of Yale University and Yale New Haven Hospital.

Noted on the operational side, The City has also seen weak budgetary performance, with operating deficits in the general fund such as the education department, public safety and employee benefits. Particular downgrades reflect the City's closing of fiscal 2017 with a deficit and an expected increase to the fiscal 2018 operations. Challenges the City will face include the education department's budget, unsettled public safety employee contracts, increase in employee benefits, debt service and other fixed cost for the City rising.

The City's bonds outstanding, as of June 30, 2018 totaled \$552,150,607 compared to June 30, 2017 total of \$522,453,130.

Bonds Outstanding at Year-End

June 30, 2018	\$ 552,150,607
June 30, 2017	\$ 522,453,130
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

The City's current debt service requirements attribute 41% of its costs to the City's Board of Education (includes both school construction and non-school construction capital costs) and 59% of its cost to other City capital expenses.

Additional information on the City's long-term debt can be found in Note 9.

Capital Assets

At June 30, 2018, the City had \$1.594 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

	2018	2017
Land	\$ 44,140,306	\$ 44,140,306
Construction in process	49,214,066	33,341,648
Land improvements	11,020,951	11,209,780
Building and improvements	1,330,169,729	1,345,954,241
Machinery and equipment	32,629,566	31,273,537
Vehicles	12,696,525	11,604,786
Infrastructure	113,745,455	109,878,710
Total	\$ 1,593,616,598	\$ 1,587,403,008

Major projects during FY18 included commitments for Economic Development, Engineering, Parks, Technology and Education.

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

FY18 General Fund Budget

The following table summarizes the General Fund operating results for FY18:

Budget	\$538,906,953			
Actual revenue =	\$523,913,631	–negative variance		
(\$14,993,322)				
Actual expenditures =	\$532,258,256	–positive variance	\$6,648,697	
Deficit =	\$(8,344,625)			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Revenues	\$ 538,906,953	\$ 538,906,953	\$ 523,913,631	\$ (14,993,322)
Expenditures	538,909,953	538,906,953	532,258,256	6,648,697
Surplus/(Deficit)	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ (8,344,625)</u>	<u>\$ (8,344,625)</u>

The City budget for fiscal year 2017-18 increased by \$15.5M over FY 16-17. The mill rate decreased from 41.55 mills to 38.68 mills due to the 2016 grand list revaluation. While the FY 2017-18 budget was being prepared, the State of Connecticut had not produced it Bi-annum budget for municipal aid. In the final budget approved by the Board of Alders for FY 2017-18, State Aid for PILOT and ECS were budgeted flat over FY 2016-17. When the budget was approved in October 2017 by the state legislature, The City actually seen a decrease in funding for various PILOT funding while the grand list exemptions continue to grow. Also, ECS saw a small decrease due to the state cutting funding in the renters rebate program.

- o State revenue adjusted based on Adopted State Budget in October 2017
 - State owned Property (\$1,026,020)
 - Colleges and Hospitals (\$3,917,604)
 - Distressed Cities (\$365,000)

- Elderly Tax Relief (\$425,000)
- MY Tax PILOT (\$2,251,326)
- Added Municipal Stabilization grant of \$2,261,574
- Education Cost Sharing reduced (\$250,000) to accommodate the Renters Rebate Program
 - Renters' Rebate Program. In its recent amendments to the budget, the General Assembly returned administration of this program from towns to OPM, but required municipalities to pay for fifty percent (50%) of the cost of the claims in their towns, up to a cap of \$250,000 per town. Although the General Assembly wanted the state and localities to split the cost of the claims under this program, the legislature also wanted claimants to receive only one check. As a result, the General Assembly directed OPM to administer the checks, and then recover the local share by reducing or withholding payments to towns from another municipal grant program. OPM has determined that the source of the local share of the Renters' Rebate program will be the Education Cost Sharing (ECS) program. The total available funding for the Renters' program for fiscal year 2018 is \$24.4 million, which reflects a 2.5% holdback equaling \$625,506. Each individual payment will also be pro-rated to keep within the available appropriation of \$24.4 million. At this time, OPM staff are working with the Office of the State Comptroller to develop a schedule to process individual checks for the 48,500 eligible recipients. Grant payments should be mailed by the middle of December to eligible renters. The average individual grant payment is expected to be around \$490, which is similar to last year's payment

Expenditures Increases/(decreases) over FY 16-17 Budget include

- Refunding savings (4,220,909)
- Debt service (3,455,919)
- Vacancy savings reduction (1,685,420)
- All others 20,635
- Information technology maintenance contracts 800,000
- Fire 917,136
- Contract reserve negotiations 943,944
- Medical self-insurance fund balance replenishment 1,000,000
- Police 3,571,966 20
- Medical benefits 4,000,000
- Education 5,000,000
- Pension increases 8,675,324
- Medical benefits 4,000,000

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 \$6,648,697 under budget.

At the end of fiscal year 2017-18, Many General Fund Departments remained within budget. The most notable exceptions being Youth Services, Transportation, Traffic, and Parking, Pensions, Employee Benefits and Board of Education. All other departments or functions performed significantly under budget for fiscal year 2017-18.

Revenues

The revenue budget was short of budget by (\$14,993,322) due primarily to building permits not achieving budget, parking receipts not achieving budget, and revenue initiative not recognized. Categories which helped offset these shortfalls were property taxes which exceeded budget overall by \$3M, increase in New Haven Parking Authority PILOT payment, Real Estate Conveyance Tax which exceeded budget, and increase in the Yale University voluntary payment.

Taxes

Property Taxes exceeded budget as the overall collection rate slightly increased but remained at a very strong 98.43%. Real Estate property taxes, the largest tax roll, achieved a collection rate of 98.75% which was a slight decrease over 98.82% in FY 2017. While there was a slight decrease versus the previous year in collection rate percentage, Real Estate collections exceeded the budget in the amount of \$2,267,622. Also, there were excess collections in Supplemental MV taxes thus coming up \$395,247 versus budget.

Tax collections as an overall percentage of the Grand List 2016 were as follow:

Category	FY 17-18 Grand List 16	FY 16-17 Grand List 15	+/- FY 18 VS FY 17
Real Estate	98.75%	98.82%	-0.07%
Personal Property	99.49%	99.24%	0.25%
Motor Vehicle	93.17%	92.86%	0.31%
Supplemental MV	88.75%	89.20%	-0.45%
Overall Collection	98.43%	98.42%	0.01%

Tax collections as overall collections versus budget were as follow:

Category	FY 17-18 Budget	FY 16-17 Collections	+/- FY 18 VS FY 17
Real Estate	\$ 204,331,154	\$ 204,063,532	\$ 2,267,622
Personal Property	24,603,330	26,088,948	(1,485,618)
Motor Vehicle	12,732,184	12,732,249	(65)
Supplemental MV	1,930,027	1,534,780	395,247
Current Interest	1,000,000	1,000,000	-
Tax Initiative	1,177,612	2,354,798	(1,177,186)
Delinquent RE/PP	1,550,000	1,550,000	-
Delinquent Interest and Penalties	600,000	600,000	-

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 Office of Management and Budget and 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 2018, Capital Project Funds collectively had a fund balance of \$54,476,521, which was a decrease from the prior year fund balance of \$56,672,925.

Education Grants:

The City's Education Grant Funds reported revenues of \$121.5 million and expenses totaling \$119.1 million for a net operating result of \$2,464,695 and an ending fund balance of \$4,719,875.

Other Special Revenue Fund:

The City's Other Special Revenue Fund reported revenues of \$16.2 million and expenses and other financing sources totaling \$15.9 million for a net operating result of \$326,987 and an ending fund balance (deficit) of \$252,543.

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 Alders 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.

This page intentionally left blank.



**Basic Financial
Statements**

[THIS PAGE INTENTIONALLY LEFT BLANK]

Statement of Net Position (Deficit)
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total *	Parking Authority	Solid Waste Authority
Assets					
Cash and cash equivalents	\$ 85,748,758	\$ 958,621	\$ 86,707,379	\$ 5,617,336	\$ 4,277,975
Investments	9,662,670	-	9,662,670	-	-
Receivables (net of allowance for uncollectible)	54,716,410	12,170	54,728,580	1,393,828	946,755
Inventories	171,314	-	171,314	-	-
Prepaid expenses and other assets	-	-	-	96,990	-
Due from component units	2,704,164	-	2,704,164	-	-
Internal balances	15,309	(15,309)	-	-	-
Restricted cash and cash equivalents	42,208,489	-	42,208,489	19,543,107	-
Long-term intergovernmental receivables	25,759,263	-	25,759,263	-	-
Capital assets not being depreciated	93,354,372	-	93,354,372	4,325,677	-
Capital assets being depreciated, net	1,500,262,226	-	1,500,262,226	28,709,563	6,629,498
Total assets	1,814,602,975	955,482	1,815,558,457	59,686,501	11,854,228
Deferred outflows of resources:					
Deferred pension/OPEB items	108,379,102	-	108,379,102	-	-
Deferred charges on refunding	10,764,336	-	10,764,336	-	588,664
	119,143,438	-	119,143,438	-	588,664
Liabilities					
Accounts payable and accrued liabilities	74,480,921	250,606	74,731,527	1,766,502	1,759,690
Accrued interest payable	11,545,639	-	11,545,639	23,366	-
Due to fiduciary funds	405,010	-	405,010	-	-
Due to primary government	-	-	-	2,614,164	90,000
Unearned revenue	2,094,083	-	2,094,083	-	-
Long-term liabilities:					
Due within one year	70,391,440	-	70,391,440	992,000	580,000
Due in more than one year	2,097,217,423	-	2,097,217,423	5,188,000	5,955,000
Total liabilities	2,256,134,516	250,606	2,256,385,122	10,584,032	8,384,690
Deferred inflows of resources:					
Deferred pension/OPEB items	13,862,944	-	13,862,944	-	-
Advance tax collections	11,967,372	-	11,967,372	-	-
Total deferred inflows of resources	25,830,316	-	25,830,316	-	-
Net position (deficit):					
Net investment in capital assets	1,001,195,147	-	1,001,195,147	26,885,240	1,663,412
Restricted for:					
Expendable:					
Education	5,790,615	-	5,790,615	-	-
Public service	8,214,101	-	8,214,101	16,458,166	-
General government	3,762,503	-	3,762,503	-	-
Nonexpendable:					
Permanent funds	2,381,320	-	2,381,320	-	-
Unrestricted (deficit)	(1,369,562,105)	704,876	(1,368,857,229)	5,759,063	2,394,790
Total net position (deficit)	\$ (348,218,419)	\$ 704,876	\$ (347,513,543)	\$ 49,102,469	\$ 4,058,202

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, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ (44,732,017)	\$ 15,347,227	\$ 4,370,793	\$ 1,167,855
Education	(551,501,263)	554,004	323,635,930	31,170,009
Public safety	(168,088,802)	3,055,483	-	-
Public works	(32,688,007)	14,682,388	35,078	3,639,108
Public services	(36,205,051)	1,220,281	31,527,489	2,460,455
Economic development	(15,814,990)	-	-	-
Interest on long-term debt	(22,763,793)	-	-	-
Total governmental activities	(871,793,923)	34,859,383	359,569,290	38,437,427
Business-type activities:				
Golf course	(958,642)	874,864	-	-
East Rock communications tower	(58,571)	23,773	-	-
Total business-type activities	(1,017,213)	898,637	-	-
Total primary government	(872,811,136)	35,758,020	359,569,290	38,437,427
Component units:				
Parking Authority	(24,943,216)	24,543,841	-	-
Solid Waste Authority	(7,163,984)	7,659,123	-	-
Total component units	(32,107,200)	32,202,964	-	-

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

Change in net position (deficit)

Net position (deficit), beginning, as restated (Note 1)
 Net position (deficit) – ending

See notes to financial statements.

Exhibit B

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Parking Authority	Solid Waste Authority
\$ (23,846,142)	\$ -	\$ (23,846,142)	\$ -	\$ -
(196,141,320)	-	(196,141,320)	-	-
(165,033,319)	-	(165,033,319)	-	-
(14,331,433)	-	(14,331,433)	-	-
(996,826)	-	(996,826)	-	-
(15,814,990)	-	(15,814,990)	-	-
(22,763,793)	-	(22,763,793)	-	-
(438,927,823)	-	(438,927,823)	-	-
-	(83,778)	(83,778)	-	-
-	(34,798)	(34,798)	-	-
-	(118,576)	(118,576)	-	-
(438,927,823)	(118,576)	(439,046,399)	-	-
-	-	-	(399,375)	-
-	-	-	-	495,139
-	-	-	(399,375)	495,139
254,463,152	-	254,463,152	-	-
75,606,647	-	75,606,647	-	-
1,769,957	864	1,770,821	223,359	52,323
331,839,756	864	331,840,620	223,359	52,323
(107,088,067)	(117,712)	(107,205,779)	(176,016)	547,462
(241,130,352)	822,588	(240,307,764)	49,278,485	3,510,740
\$ (348,218,419)	\$ 704,876	\$ (347,513,543)	\$ 49,102,469	\$ 4,058,202

**Balance Sheet – Governmental Funds
June 30, 2018**

	General Fund	Education Grant Funds	Capital Project Funds	Other Special Revenue Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 30,842,983	\$ 10,642,042	\$ 11,535,293	\$ 5,080,234	\$ 27,648,206	\$ 85,748,758
Investments	3,029,660	-	-	-	6,633,010	9,662,670
Restricted cash	-	-	42,208,489	-	-	42,208,489
Receivables from other governments	163,037	11,202,545	42,468,675	1,293,242	1,650,550	56,778,049
Receivables, net	25,759,263	311,851	4,500	37,399	288,775	26,401,788
Due from other funds	10,634,935	-	7,161,322	-	1,657,001	19,453,258
Inventories	-	171,314	-	-	-	171,314
Total assets	\$ 70,429,878	\$ 22,327,752	\$ 103,378,279	\$ 6,410,875	\$ 37,877,542	\$ 240,424,326
Liabilities						
Accounts payable	\$ 35,373,566	\$ 5,076,424	\$ 6,423,505	\$ 1,392,859	\$ 4,664,158	\$ 52,930,512
Accrued liabilities	16,387,234	4,872,021	43,356	29,373	93,827	21,425,811
Due to other funds	5,136,108	7,659,432	-	5,059,008	1,988,411	19,842,959
Due to other governments	104,473	-	-	-	20,125	124,598
Unearned revenue	1,913,316	-	-	-	180,767	2,094,083
Total liabilities	58,914,697	17,607,877	6,466,861	6,481,240	6,947,288	96,417,963
Deferred inflows of resources:						
Advance tax collections	11,967,372	-	-	-	-	11,967,372
Unavailable revenues	10,150,924	-	42,434,897	182,178	106,763	52,874,762
Total deferred inflows of resources	22,118,296	-	42,434,897	182,178	106,763	64,842,134
Fund balances (deficits):						
Nonspendable	-	171,314	-	-	2,381,320	2,552,634
Restricted	-	4,548,561	54,476,521	-	13,218,658	72,243,740
Assigned - Debt service	-	-	-	-	15,223,513	15,223,513
Unassigned	(10,603,115)	-	-	(252,543)	-	(10,855,658)
Total fund balances (deficits)	(10,603,115)	4,719,875	54,476,521	(252,543)	30,823,491	79,164,229
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 70,429,878	\$ 22,327,752	\$ 103,378,279	\$ 6,410,875	\$ 37,877,542	

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.	1,593,616,598
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(11,545,639)
Some expenses including deferred outflows/inflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds	
Deferred outflows of resources – refunding charges	10,764,336
Deferred inflows of resources – revenues	52,874,762
Deferred outflows of resources – pension/OPEB items	108,379,102
Deferred inflows of resources – pension/OPEB items	(13,862,944)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,167,608,863)
Net position (deficit) of governmental activities	\$ (348,218,419)

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) –
Governmental Funds
For the Year Ended June 30, 2018**

	General Fund	Education Grant Funds	Capital Project Funds	Other Special Revenue Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 253,562,833	\$ -	\$ -	\$ -	\$ -	\$ 253,562,833
Licenses and permits	22,328,301	-	-	-	-	22,328,301
Intergovernmental	299,089,386	120,641,096	9,369,869	14,569,312	18,179,670	461,849,333
Charges for services	5,703,398	8,850	-	501,155	711,582	6,924,985
Fines	5,249,736	-	-	-	-	5,249,736
Investment earnings	1,389,114	87	-	7,303	373,453	1,769,957
Payment in lieu of taxes	1,303,720	-	-	-	-	1,303,720
Contributions and other	19,160,866	882,540	1,880,055	1,167,855	3,060,704	26,152,020
Total revenues	607,787,354	121,532,573	11,249,924	16,245,625	22,325,409	779,140,885
Expenditures:						
Current:						
General government	29,599,662	-	238,766	4,536,606	11,479	34,386,513
Public safety	79,360,860	-	-	-	-	79,360,860
Public works	17,345,495	-	598,370	-	773,076	18,716,941
Public services	8,475,681	-	-	-	20,093,958	28,569,639
Other departments	1,206,219	-	-	-	-	1,206,219
Employee benefits and insurance	166,023,048	-	-	-	-	166,023,048
Economic development	7,978,871	-	2,978,428	-	-	10,957,299
Education	260,920,722	119,067,878	-	-	-	379,988,600
Debt service:						
Principal	10,467,592	-	7,000,000	-	-	17,467,592
Interest	24,113,674	-	-	-	-	24,113,674
Debt issuance costs	273,192	-	-	-	-	273,192
Capital outlay	-	-	53,765,903	11,565,865	-	65,331,768
Total expenditures	605,765,016	119,067,878	64,581,467	16,102,471	20,878,513	826,395,345
Revenues over (under) expenditures	2,022,338	2,464,695	(53,331,543)	143,154	1,446,896	(47,254,460)
Other financing sources (uses):						
Issuance of bonds	-	-	43,300,000	-	-	43,300,000
Premium on bond issuances	11,282,904	-	-	-	-	11,282,904
Issuance of grant anticipation notes	-	-	8,045,524	-	-	8,045,524
Transfers in	-	-	-	183,833	15,552,827	15,736,660
Transfers out	(15,521,013)	-	(210,385)	-	(5,262)	(15,736,660)
Payment to escrow agent	(38,407,984)	-	-	-	-	(38,407,984)
Issuance of refunding bonds	33,415,000	-	-	-	-	33,415,000
Total other financing sources (uses)	(9,231,093)	-	51,135,139	183,833	15,547,565	57,635,444
Net change in fund balances (deficits)	(7,208,755)	2,464,695	(2,196,404)	326,987	16,994,461	10,380,984
Fund balances (deficits), beginning	(3,394,360)	2,255,180	56,672,925	(579,530)	13,829,030	68,783,245
Fund balances (deficits), ending	\$ (10,603,115)	\$ 4,719,875	\$ 54,476,521	\$ (252,543)	\$ 30,823,491	\$ 79,164,229

See notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2018

Reconciliation of the balance sheet – governmental funds to the statement of net position (deficit):

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

Net change in fund balances (deficits)-total governmental funds (Exhibit D)	\$ 10,380,984
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.	6,213,590
Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(14,435,029)
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.	(35,310,077)
Some expenses including deferred outflow/inflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The change in these expenses are as follows:	
Change in deferred outflows - pension / OPEB items	(22,130,323)
Change in deferred inflows - pension / OPEB items	1,520,304
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.	<u>(53,327,516)</u>
Change in net position (deficit) of governmental activities (Exhibit B)	<u><u>\$ (107,088,067)</u></u>

See notes to financial statements.

**Statement of Net Position – Proprietary Funds
June 30, 2018**

	Business-Type Activities – Enterprise Funds <hr/> Other Enterprise Funds
Assets	
Current assets:	
Cash and cash equivalents	\$ 958,621
Accounts receivable (net allowance for uncollectible)	12,170
Due from other funds	9,373
Total assets	<hr/> 980,164 <hr/>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	250,606
Due to other funds	24,682
Total current liabilities	<hr/> 275,288 <hr/>
Total liabilities	<hr/> 275,288 <hr/>
Net position:	
Unrestricted	704,876
Total net position	<hr/> \$ 704,876 <hr/>

See notes to financial statements.

**Statement of Activities – Proprietary Funds
For the Year Ended June 30, 2018**

	Business-Type Activities – Enterprise Funds <u>Other Enterprise Funds</u>
<hr/>	
Operating revenues:	
Charges for sales and services:	
User fees	\$ 898,637
Total operating revenues	<u>898,637</u>
Operating expenses:	
Costs of sales and services	1,017,213
Total operating expenses	<u>1,017,213</u>
Operating loss	<u>(118,576)</u>
Nonoperating revenues:	
Interest income	864
Total non-operating revenues	<u>864</u>
Net loss	(117,712)
Fund net position , beginning	<u>822,588</u>
Fund net position , ending	<u><u>\$ 704,876</u></u>

See notes to financial statements.

**Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2018**

	Business-Type Activities – Enterprise Fund
	Other Enterprise Funds
<hr/>	
Cash flows from operating activities:	
Charges for services from users	\$ 894,207
Payments to suppliers	(860,152)
Net cash provided by operating activities	<u>34,055</u>
Cash Flows From Investing Activities	
Interest and dividends	<u>864</u>
Increase in cash and cash equivalents	34,919
Cash and cash equivalents:	
Beginning	<u>923,702</u>
Ending	<u><u>\$ 958,621</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (118,576)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable, net	291
Increase in accounts payable	155,379
Decrease in due to other funds	<u>(3,039)</u>
Net cash provided by operating activities	<u><u>\$ 34,055</u></u>

See notes to financial statements.

Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2018

	Trust Funds	Agency Funds
Assets		
Cash and short-term investments	\$ 30,009,627	\$ 1,170,977
Interest and dividends receivable	789,362	-
Accounts receivable – investment sales	569,630	-
Accounts receivable – other	168,240	-
Due from other funds	405,010	-
	<u>31,941,869</u>	<u>1,170,977</u>
Investments:		
Government agencies	17,212,638	-
Real estate funds	2,137,877	-
Common stock	219,894,546	-
Preferred stock	25,943,300	-
Corporate bonds	31,396,438	-
Equity mutual funds	9,062,396	-
Hedge funds	49,951,386	-
Asset-backed securities	19,571,997	-
Venture capital partnerships	52,986,508	-
Private equity – real estate funds	32,635,054	-
Total investments	<u>460,792,140</u>	<u>-</u>
Total assets	<u>492,734,009</u>	<u>1,170,977</u>
Liabilities		
Accounts payable – vendors	-	506,000
Accounts payable – investment purchases	514,175	-
Amounts held for others	-	664,977
Total liabilities	<u>514,175</u>	<u>1,170,977</u>
Net position – restricted for pension and OPEB benefits	<u>\$ 492,219,834</u>	<u>\$ -</u>

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Year Ended June 30, 2018**

	Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer contributions	\$ 84,175,845
Plan members	13,740,913
Total contributions	<u>97,916,758</u>
Investment income:	
Net appreciation in fair value of investments	15,347,741
Interest and dividends	6,168,961
Miscellaneous income	170,491
Total investment income	<u>21,687,193</u>
Less investment expenses	<u>3,593,346</u>
Net investment income	<u>18,093,847</u>
Total additions	<u>116,010,605</u>
Deductions:	
Benefits	<u>116,488,398</u>
Total deductions	<u>116,488,398</u>
Changes in net position	(477,793)
Net position – restricted for Pension and OPEB benefits:	
Beginning of year	<u>492,697,627</u>
End of year	<u><u>\$ 492,219,834</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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Accounting standards adopted in the current year:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability on the face of the financial statements for the OPEB that they provide: 1) 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. 2) 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. 3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$423,459,830, a net OPEB liability of \$590,064,830 was added and a net OPEB obligation of \$166,605,000 was removed.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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. 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 **Other Special Revenue Fund** is used to account for and report the expenditures of various State and Federal grants, as well as contributions, received for a variety of general 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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

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.

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.

The effect of interfund activity has been eliminated from the government-wide financial statements.

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 are charges to customers for services. Operating expenses for enterprise funds include the cost of operations and maintenance, 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 in active markets. 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 measures and disclosures.

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 that 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, 2018, the City had approximately \$42,000,000 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, 2018, the Parking Authority had approximately \$19,500,000 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.

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. Donated capital assets are recorded at acquisition value at the date of donation.

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.

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 financing 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)

Net OPEB liability: The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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 OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows related to pension/OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension/OPEB 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.

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 pension/OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner. 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. Also, for governmental funds the City reports 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 net of unspent bond proceeds 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

City of New Haven, Connecticut

Notes to Financial Statements

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, "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	\$ 552,150,607
Premium on bond issuance	54,009,698
GANs	57,633,475
Capital leases payable	3,178,702
Contractual obligation	6,974,784
Compensated absences	21,479,526
Accrued workers compensation	30,001,162
Retainage payable	2,078,364
Net pension liability	804,230,333
Net OPEB liability	616,661,212
Landfill post-closure costs	300,000
Accrued claims and other	11,911,000
Other claims	<u>7,000,000</u>
 Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	 <u>\$ 2,167,608,863</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	\$ 59,051,783
Depreciation expense	<u>(52,838,193)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	 <u>\$ 6,213,590</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	\$ (43,300,000)
Issuance of general obligation refunding bonds	(33,415,000)
Deferred loss on refunding	1,082,984
Issuance of grant anticipation notes	(8,045,524)
Premium on bond issuance	(11,282,904)
Principal repayments:	
Bond principal payment	8,609,539
Payment to escrow	38,407,984
Amortization of bond premium	5,269,729
Payment on GANS	7,000,000
Capital lease payments	1,095,718
GNHWPCA clean water fund notes	748,530
Amortization of deferred items	<u>(1,481,133)</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>\$ (35,310,077)</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	\$ 2,022,634
Other claims	2,500,000
Accrued claims and other	933,950
Accrued workers' compensation	(5,924,028)
Retainage	2,638,004
Net pension liability	(27,105,522)
Net OPEB liability	(26,056,382)
Landfill closure and post-closure	150,000
Accrued interest	<u>(2,486,172)</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>\$ (53,327,516)</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 (excluding the retirement and other post-employment benefit plans) 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, 2018 were approximately \$175,055,000. The amount of the bank balances covered under federal depository insurance was \$3,478,000. The remaining \$154,420,000 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, 2018, approximately \$17,158,000 of uninsured deposits was collateralized under the provision.

The New Haven Parking Authority's bank balance totaled approximately \$24,256,000, of which approximately \$570,000 was covered by FDIC protection and the remaining \$23,686,000 is uninsured.

The New Haven Solid Waste Authority's bank balance totaled approximately \$787,000, of which approximately \$250,000 was insured and collateralized and \$537,000 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, 2018:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 157,816,339
State of Connecticut Short-Term Investment fund	2,280,133
Total cash and cash equivalents	<u>160,096,472</u>
Investments:	
General Fund:	
Corporate bonds	1,212,471
Municipal bonds	224,222
Other bond fund	88,488
Common stock	1,504,479
Total General Fund	<u>3,029,660</u>
Other nonmajor funds:	
Fixed income funds	35,817
Corporate bonds	1,890,804
Municipal bonds	270,540
Real estate investments	70,949
Certificates of deposit	125,000
Common stock	4,239,900
Total other nonmajor funds	<u>6,633,010</u>
Pension trust funds:	
Government securities	17,212,638
Real estate funds	2,137,877
Common stock	219,894,546
Preferred stock	25,943,300
Corporate bonds	31,396,438
Mutual funds	9,062,396
Hedge funds	49,951,386
Hedge funds equity	19,571,997
Venture capital partnerships	52,986,508
Exchange traded funds	32,635,054
Total pension trust funds	<u>460,792,140</u>
Total investments	<u>470,454,810</u>
Total cash, cash equivalents and investments	<u>\$ 630,551,282</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	\$ 86,707,379
Investments	9,662,670
Restricted cash	42,208,489
	<u>138,578,538</u>
Fiduciary funds:	
Cash and cash equivalents	31,180,604
Investments	460,792,140
	<u>491,972,744</u>
Total cash, cash equivalents and investments	<u>\$ 630,551,282</u>

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

Cash and cash equivalents:	
New Haven Parking Authority	\$ 25,160,443
New Haven Solid Waste Authority	4,277,975
Total deposits	<u>\$ 29,438,418</u>

At June 30, 2018, the New Haven Parking Authority cash and cash equivalents included \$19,543,000 of restricted cash and 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
Corporate bonds	\$ 34,499,713	\$ 1,587,214	\$ 15,399,120	\$ 16,415,320	\$ 1,098,059
Fixed income funds	35,817	35,817	-	-	-
Government agencies	17,212,638	219,347	2,119,035	4,004,119	10,870,137
Municipal bonds	494,762	259,857	135,823	99,082	-
Other bond funds	88,488	88,488	-	-	-
Total	<u>\$ 52,331,418</u>	<u>\$ 2,190,723</u>	<u>\$ 17,653,978</u>	<u>\$ 20,518,521</u>	<u>\$ 11,968,196</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	Fixed Income	Municipal Bonds
AAA	\$ -	\$ 13,846,635	\$ -	\$ -
AA	1,890,851	580,890	35,817	135,823
A	8,280,466	-	-	259,346
BBB	14,558,209	-	-	-
BB	5,967,271	-	-	-
B	2,502,115	-	-	-
Unrated	1,300,801	2,785,113	-	99,593
	<u>\$ 34,499,713</u>	<u>\$ 17,212,638</u>	<u>\$ 35,817</u>	<u>\$ 494,762</u>

City of New Haven, Connecticut

Notes to Financial Statements

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

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, 2018:

	June 30, 2018	Fair Value Measurements Using		
		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:				
Common Stock	\$ 225,638,925	\$ 225,638,925	\$ -	\$ -
Preferred stock	25,943,300	25,943,300	-	-
Mutual funds	9,062,396	9,062,396	-	-
Fixed income funds	35,817	35,817	-	-
Debt securities:				
Government bonds	34,499,712	427,878	34,071,834	-
Corporate bonds	10,927,574	580,890	10,346,684	-
U.S. Treasury	6,285,064	-	6,285,064	-
Municipal bonds	494,763	-	494,763	-
Total debt securities	52,207,113	1,008,768	51,198,345	-
Exchange traded funds	32,700,554	32,700,554	-	-
Real estate funds	2,267,631	-	-	2,267,631
Total investments by fair value level	321,912,436	268,410,643	51,198,345	2,267,631
Investments measured using net asset level (NAV):				
*Private equity funds	18,456,061			
*Hedge Funds	30,867,802			
*Venture capital investments	40,766,844			
*Partnerships	19,083,582			
*Equity hedge funds	13,335,601			
Total investments measured using NAV	122,509,890			
Total investments measured at fair value	\$ 444,422,326			

* 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 using NAV:				
*Private equity funds	\$ 18,456,061	\$ 6,736,665	none	none
*Partnerships	19,083,582	8,378,387	none	none
*Hedge Funds	30,867,802	8,603,889	Quarterly	various
*Venture capital investments	40,766,844	-	none	none
*Equity hedge funds	13,335,601	-	none	none
Total Investments Measured at the NAV	<u>\$ 122,509,890</u>			

Hedge Funds: These investments consist of limited partnerships. Hedged equity funds are designed to benefit from the stock market with considerably less risk. They 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 investments can never be redeemed by the funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital. As of June 30, 2018, it is probable that all of the investments in these types will be sold as an amount different from NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Therefore, the fair values of the investments in these types have been determined using recent observation transaction information for similar investment and nonbinding bids received from potential buys of the investments.

Note 4. Receivables

Receivables at June 30, 2018 were as follows:

	General	Education Grants	Capital Projects	Other Special Revenue	Other Nonmajor Funds	Total Governmental Funds
Property taxes and interest	\$ 25,915,651	\$ -	\$ -	\$ -	\$ -	\$ 25,915,651
Amount due from component unit, Yale University and other receivables	17,761,845	311,851	4,500	37,399	288,775	18,404,370
Intergovernmental	163,037	11,202,545	42,468,675	1,293,242	1,650,550	56,778,049
Gross receivables	43,840,533	11,514,396	42,473,175	1,330,641	1,939,325	101,098,070
Allowance for doubtful accounts	(17,918,233)	-	-	-	-	(17,918,233)
Total receivables, net	<u>\$ 25,922,300</u>	<u>\$ 11,514,396</u>	<u>\$ 42,473,175</u>	<u>\$ 1,330,641</u>	<u>\$ 1,939,325</u>	<u>\$ 83,179,837</u>

The New Haven Parking Authority, a component unit, has accounts receivable of \$1,393,828 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 \$239,870. 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 \$946,755 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 \$46,500. 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	\$ 8,500,374	\$ -
Intergovernmental grants receivable	1,650,550	-
Miscellaneous receivable	-	1,913,316
Advance tax collection	11,967,372	-
Capital Projects Fund:		
Intergovernmental grants receivable	42,434,897	-
Other Special Revenue Fund:		
Intergovernmental grants receivable	182,178	-
Nonmajor Governmental Funds:		
Miscellaneous receivable	106,763	-
Intergovernmental grants receivable	-	180,767
Total	<u>\$ 64,842,134</u>	<u>\$ 2,094,083</u>

Note 6. Loans Receivable

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

City of New Haven, Connecticut

Notes to Financial Statements

Note 7. Interfund Balances and Interfund Transfers

Interfund balances: As of June 30, 2018, interfund balances were as follows:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
General Fund	\$ 10,634,935	\$ 5,136,108
Major Funds:		
Education grants	-	7,659,432
Other Special Revenue	-	5,059,008
Capital Projects Funds	7,161,322	-
	<u>7,161,322</u>	<u>12,718,440</u>
Other Nonmajor Funds:		
Community Development	1,145,493	771,685
Improvement	-	465,832
Human Resources	511,508	750,894
	<u>1,657,001</u>	<u>1,988,411</u>
Pension Trust Funds	<u>405,010</u>	-
Enterprise Funds	9,373	24,682
Total primary government	<u>\$ 19,867,641</u>	<u>\$ 19,867,641</u>

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

Interfund transfers: For the year ended June 30, 2018, amounts transferred between funds were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 15,521,013
Capital Projects Funds	-	210,385
Other Special Revenue	183,833	-
Other nonmajor governmental funds	15,552,827	5,262
	<u>\$ 15,736,660</u>	<u>\$ 15,736,660</u>

All transfers result from budgetary appropriations.

Transfers from General Fund to the Debt Service Fund were for future debt service payments. 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, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 44,140,306	\$ -	\$ -	\$ 44,140,306
Construction in progress	33,341,648	15,872,418	-	49,214,066
Total capital assets, not being depreciated	77,481,954	15,872,418	-	93,354,372
Capital assets, being depreciated:				
Buildings and improvements	1,801,418,427	22,803,068	-	1,824,221,495
Land improvements	26,712,367	630,198	-	27,342,565
Vehicles	39,508,690	3,526,515	(257,452)	42,777,753
Machinery, equipment, furniture, fixtures and other related assets	57,801,170	6,558,123	-	64,359,293
Infrastructure	265,525,358	9,661,461	-	275,186,819
Total capital assets being depreciated	2,190,966,012	43,179,365	(257,452)	2,233,887,925
Less accumulated depreciation for:				
Buildings and improvements	455,464,186	38,587,580	-	494,051,766
Land improvements	15,502,587	819,027	-	16,321,614
Vehicles	27,903,904	2,434,776	(257,452)	30,081,228
Machinery, equipment, furniture, fixtures and other related assets	26,527,633	5,202,094	-	31,729,727
Infrastructure	155,646,648	5,794,716	-	161,441,364
Total accumulated depreciation	681,044,958	52,838,193	(257,452)	733,625,699
Total capital assets, being depreciated, net	1,509,921,054	(9,658,828)	-	1,500,262,226
Governmental activities capital assets, net	\$ 1,587,403,008	\$ 6,213,590	\$ -	\$ 1,593,616,598

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

Governmental activities:	
Education	\$ 36,896,265
General government	6,594,017
Public safety	2,362,890
Public works	5,901,359
Culture and recreation	1,083,662
Total depreciation expense – governmental activities	<u>\$ 52,838,193</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	3,727,613	3,568,758	(3,076,692)	-	4,219,679
Total capital assets, not being depreciated	6,288,613	3,568,758	(3,076,692)	-	6,780,679
Capital assets, being depreciated:					
Buildings and improvements	109,873,280	3,040,786	-	-	112,914,066
Equipment and motor vehicles	9,049,036	180,099	(23,998)	-	9,205,137
Total capital assets being depreciated	118,922,316	3,220,885	(23,998)	-	122,119,203
Less accumulated depreciation for:					
Buildings and improvements	77,631,641	4,080,279	-	-	81,711,920
Equipment and motor vehicles	6,242,738	1,291,883	(11,397)	-	7,523,224
Total accumulated depreciation	83,874,379	5,372,162	(11,397)	-	89,235,144
Total capital assets, being depreciated, net	35,047,937	(2,151,277)	(12,601)	-	32,884,059
Capital assets, net	\$ 41,336,550	\$ 1,417,481	\$ (3,089,293)	\$ -	\$ 39,664,738

Construction commitments: The City has the following major active construction projects as of June 30, 2018, 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, 2018	Expected Date of Completion
Strong Elementary School K-4	\$ 45,000,000	\$ 3,163,186	\$ 41,836,814	8/1/2020
	<u>\$ 45,000,000</u>	<u>\$ 3,163,186</u>	<u>\$ 41,836,814</u>	

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, 2018 is as follows:

	Balance* July 1, 2017	Issued/ Additions	Reductions	Balance June 30, 2018	Due Within One Year
Government activities:					
Long-term debt:					
General obligation bonds payable	\$ 522,453,130	\$ 76,715,000	\$ 47,017,523	\$ 552,150,607	\$ 38,462,000
Premiums/discounts on bonding, net	47,996,523	11,282,904	5,269,729	54,009,698	-
GANs	56,587,951	8,045,524	7,000,000	57,633,475	-
Capital leases	4,274,420	-	1,095,718	3,178,702	1,128,502
Other long-term liabilities:					
Clean water fund notes-GNHWPCA	7,723,314	-	748,530	6,974,784	761,305
Compensated absences	23,502,160	21,527,000	23,549,634	21,479,526	12,811,269
Accrued workers' compensation	24,077,134	15,237,776	9,313,748	30,001,162	5,000,000
Accrued claims and other	12,844,950	132,919,609	133,853,559	11,911,000	9,000,000
Claims, Other	9,500,000	7,000,000	9,500,000	7,000,000	1,000,000
Retainage	4,716,368	246,483	2,884,487	2,078,364	2,078,364
Net pension liability	777,124,811	27,105,522	-	804,230,333	-
Net OPEB liability*	590,604,830	26,056,382	-	616,661,212	-
Landfill closure and post-closure	450,000	-	150,000	300,000	150,000
Total long-term liabilities	<u>\$ 2,081,855,591</u>	<u>\$ 326,136,200</u>	<u>\$ 240,382,928</u>	<u>\$ 2,167,608,863</u>	<u>\$ 70,391,440</u>
Component unit activities:					
Long-term debt:					
Revenue bonds	\$ 14,277,000	\$ -	\$ 1,562,000	\$ 12,715,000	\$ 1,572,000
Total component unit	<u>\$ 14,277,000</u>	<u>\$ -</u>	<u>\$ 1,562,000</u>	<u>\$ 12,715,000</u>	<u>\$ 1,572,000</u>

* Amounts restated due to implementation of GASB Statement No. 75.

The net liabilities related to pension and OPEB are liquidated by the General Fund.

2017 general obligation refunding bond in-substance defeasance: On August 1, 2017 the City issued \$33,415,000 of general obligation refunding bonds with interest rates of 4% 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 \$38,407,984 was placed in an irrevocable trust under an Escrow Agreement dated August 2017 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 loss (difference between the present values of the debt service payments on the old and new debt) of (\$174,443) and a cash deficit of (\$9,241,441) between the old debt payments and the new debt payments. The balance of the defeased bonds was approximately \$37.3 million at June 30, 2018. 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)

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, 2018, the amount of defeased debt outstanding, but removed from the City’s government-wide financial statements, is approximately \$203,365,000.

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 \$76,715,000 were issued, \$43,300,000 of which is for various public improvements, and school and urban renewal projects and \$33,415,000 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 2037	2.00-5.7%	\$ 297,948,484
School Bonds:		
Maturity Dates Ranging From August 2017 to August 2037	.34-5.7%	225,423,310
Urban Renewal Bonds:		
Maturity Dates Ranging From August 2017 to August 2037	2.00-5.7%	28,778,813
		<u>552,150,607</u>
Less current portion		38,462,000
Long-term portion		<u><u>\$ 513,688,607</u></u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 9. Long-Term Liabilities (Continued)

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

	Principal	Interest
Year ending June 30:		
2019	\$ 38,462,000	\$ 27,648,716
2020	44,930,841	23,871,598
2021	46,077,766	21,774,394
2022	44,815,000	19,587,072
2023	43,560,000	17,466,406
2024 through 2028	195,625,000	57,266,401
2029 through 2033	94,975,000	22,126,091
2034 through 2038	43,705,000	4,477,375
	\$ 552,150,607	\$ 194,218,053

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.

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, 2018 was approximately \$15 million. The City expects to use these funds to offset principal and interest payments over the next several years.

Bonds authorized/unissued: At June 30, 2018, the City had \$216,255,187 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2018.

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, 2018, there was one series of limited obligation industrial bonds outstanding, with an aggregate principal amount of approximately \$3,375,000.

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 2.00 % 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 2.03%, which expires on May 26, 2020. The amount outstanding under this agreement at June 30, 2018 is \$57,633,475.

Tax anticipation notes: Tax anticipation notes activity was as follows:

Beginning balance, July 1, 2017	\$ -
Issuances	25,000,000
Retired/Matured	(25,000,000)
Ending balance, June 30, 2018	<u>\$ -</u>

On July 27, 2017, the City issued \$25,000,000 of tax anticipation notes with an interest rate of 2.50%, which was due and paid in full on May 15, 2018.

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:		
2019	\$ 992,000	\$ 124,872
2020	992,000	103,544
2021	992,000	82,216
2022	992,000	60,888
2023	992,000	39,560
2024 through 2026	1,220,000	19,458
	<u>\$ 6,180,000</u>	<u>\$ 430,538</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 9. Long-Term Liabilities (Continued)

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 \$6,535,000 of outstanding revenue bond debt at June 30, 2018, with an interest rate of 2.524 percent.

	Principal	Interest
Year ending June 30:		
2019	\$ 580,000	\$ 164,943
2020	600,000	150,304
2021	615,000	135,160
2022	630,000	119,638
2023	640,000	103,736
2024 through 2028	3,470,000	267,167
	<u>\$ 6,535,000</u>	<u>\$ 940,948</u>

Capital leases: The City has entered into two lease agreements for the financing of energy conservation equipment. In 2015, the City entered into a lease agreement for master vehicle lease equipment. In 2017, the City entered into a second 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 \$2,784,417 net of accumulated depreciation of approximately \$4,477,925 at year-end.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2018 were as follows:

	General Government
Year ending June 30:	
2019	\$ 1,221,575
2020	1,073,008
2021	573,008
2022	498,840
Total minimum lease payments	<u>3,366,431</u>
Less: Amount representing interest	187,729
Present value of minimum lease payment	<u>\$ 3,178,702</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 10. Fund Deficits

The following funds had fund deficits as of June 30, 2018:

	<u>Fund Deficits</u>
General Fund	\$ 10,603,115
Special Revenue Funds:	
Other	252,543
Enterprise:	
Skating rink	5,546

The General Fund deficit will be eliminated with future revenues. The Skating Rink deficit will be eliminated with increased user fees. The deficit in the Special Revenue fund will be eliminated with transfers.

Note 11. Employee Retirement Plans

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

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

The individual plan net position is as follows:

Statement of Net Position June 30, 2018					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Assets					
Cash and short-term investments	\$ 12,019,290	\$ 14,890,274	\$ 1,117,587	\$ 1,982,476	\$ 30,009,627
Interest and dividends receivable	319,330	469,987	45	-	789,362
Accounts receivable-investment sales	143,940	425,690	-	-	569,630
Accounts receivable-other	34,435	133,678	127	-	168,240
Due from other funds	-	-	-	405,010	405,010
Investments	157,578,694	303,104,339	109,107	-	460,792,140
Total assets	<u>170,095,689</u>	<u>319,023,968</u>	<u>1,226,866</u>	<u>2,387,486</u>	<u>492,734,009</u>
Liabilities					
Accounts payable-investment purchases	381,900	132,275	-	-	514,175
Total liabilities	<u>381,900</u>	<u>132,275</u>	<u>-</u>	<u>-</u>	<u>514,175</u>
Net position:					
Restricted for pension and OPEB benefits	<u>\$ 169,713,789</u>	<u>\$ 318,891,693</u>	<u>\$ 1,226,866</u>	<u>\$ 2,387,486</u>	<u>\$ 492,219,834</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Individual changes in plan net position was as follows:

Statement of Changes in Net Position – Trust Funds Year Ended June 30, 2018					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Additions:					
Contributions:					
Employer contributions	\$ 21,706,165	\$ 34,607,857	\$ -	\$ 27,861,823	\$ 84,175,845
Plan members	4,981,570	7,557,388	-	1,201,955	13,740,913
Total contributions	<u>26,687,735</u>	<u>42,165,245</u>	<u>-</u>	<u>29,063,778</u>	<u>97,916,758</u>
Investment earnings:					
Net increase in fair value of investments	10,910,545	4,438,474	(1,278)	-	15,347,741
Interest and dividends	2,230,490	3,959,111	(25,309)	4,669	6,168,961
Miscellaneous Income	1,115	169,376	-	-	170,491
Total investment income	<u>13,142,150</u>	<u>8,566,961</u>	<u>(26,587)</u>	<u>4,669</u>	<u>21,687,193</u>
Less investment expenses:	<u>956,420</u>	<u>1,818,313</u>	<u>-</u>	<u>818,613</u>	<u>3,593,346</u>
Net investment earnings	<u>12,185,730</u>	<u>6,748,648</u>	<u>(26,587)</u>	<u>(813,944)</u>	<u>18,093,847</u>
Total additions	<u>38,873,465</u>	<u>48,913,893</u>	<u>(26,587)</u>	<u>28,249,834</u>	<u>116,010,605</u>
Deductions:					
Benefits	31,210,140	57,416,435	-	27,861,823	116,488,398
Total deductions	<u>31,210,140</u>	<u>57,416,435</u>	<u>-</u>	<u>27,861,823</u>	<u>116,488,398</u>
Net increase (decrease)	7,663,325	(8,502,542)	(26,587)	388,011	(477,793)
Net position, beginning of year	162,050,464	327,394,235	1,253,453	1,999,475	492,697,627
Net position, end of year	<u>\$ 169,713,789</u>	<u>\$ 318,891,693</u>	<u>\$ 1,226,866</u>	<u>\$ 2,387,486</u>	<u>\$ 492,219,834</u>

City Employees' Retirement Fund:

Plan membership: Membership in the plan consisted of the following at July 1, 2016, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries receiving benefits	1,103
Inactive plan members entitled to but not yet receiving benefits	85
Active plan members	943
Total	<u><u>2,131</u></u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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.

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 (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, 2018.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Net pension liability: The components of the net pension liability of the City at June 30, 2018 were as follows:

	City Employees' Retirement Fund	2018
Total pension liability		\$483,102,677
Plan fiduciary net position		169,713,789
Net pension liability		<u>\$313,388,888</u>
Plan fiduciary net position as a percentage of total pension liability		35.13%

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.91 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, 2016, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2018:

	Description of Actuarial Methods
Actuarial method used:	Entry age normal cost
Remaining amortization period:	28 year closed period
Investment rate of return:	7.75%, including inflation of 2.75%
Asset valuation method:	Fair Value
Mortality basis:	
Current	RP-2014 adjusted to 2006 total Dataset mortality table projected valuation date with Scale MP -2016, set forward one year
Mortality improvement:	Projected to date of decrement using Scale MP -2016.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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 above table = 2.75%

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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, 2018 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
U.S. Large Cap	24.00%	4.65%	1.12%
U.S. Mid / Small Cap	8.00%	5.50%	0.44%
Developed International Equities	21.00%	5.50%	1.16%
Emerging Market Equity	6.00%	6.50%	0.39%
International Corporate Fixed	5.00%	2.25%	0.11%
International Government Fixed	5.00%	1.65%	0.08%
High Yield Bonds	2.00%	3.25%	0.07%
International Bonds	1.00%	2.00%	0.02%
Emerging Market Debt	0.00%	3.75%	0.00%
Money Market/ Short-Term Bonds	5.00%	0.00%	0.00%
Real Estate Core	4.00%	5.00%	0.20%
Commodities	0.00%	5.25%	0.00%
Alternatives	19.00%	5.00%	0.95%
	<u>100.00%</u>		<u>4.54%</u>
Long-Term Inflation Expectation			<u>2.75%</u>
Long-Term Expected Nominal Return			<u>7.29%</u>

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2018 was 7.75 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 7.75 percent interest rate assumption was used to discount plan liabilities.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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 City Employees' Retirement Plan, calculated using the discount rate of 7.75 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

City Employees' Retirement Fund	1% Decrease Rate 6.75%	Current Discount Rate 7.75%	1% Increase Rate 8.75%
Net Pension Liability	\$ 318,078,323	\$ 313,388,888	\$ 308,885,221

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 6/30/17	\$ 473,157,311	\$ 161,904,465	\$ 311,252,846
Changes for the year:			
Service cost	5,964,644	-	5,964,644
Interest	35,190,874	-	35,190,874
Change of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions – employer	-	21,706,165	(21,706,165)
Contributions – members	-	4,981,567	(4,981,567)
Net investment income	-	12,582,247	(12,582,247)
Benefit payments, including refunds of employee contributions	(31,210,152)	(31,210,152)	-
Administrative expense	-	(251,637)	251,637
Other	-	1,134	(1,134)
Net changes	9,945,366	7,809,324	2,136,042
Balances at 6/30/18	\$ 483,102,677	\$ 169,713,789	\$ 313,388,888

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2018, the City recognized pension expense of \$33,057,218. As of June 30, 2018, 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	\$ 120,949	\$ (9,685,749)
Changes of assumptions	12,225,305	-
Net difference between projected and actual earnings on pension plan investments	9,113,768	-
Total	<u>\$ 21,460,022</u>	<u>\$ (9,685,749)</u>

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

	City Employees' Pension Plan
Year ending June 30:	
2019	\$ 8,310,177
2020	3,779,994
2021	(304,129)
2022	(11,769)
2023	-
Thereafter	-

Policemen and Firemen Retirement Fund:

Plan membership: Membership in the plan consisted of the following at July 1, 2016, the date of the last actuarial valuation:

Inactive plan members or beneficiaries receiving benefits	1,103
Inactive plan members entitled to but not yet receiving benefits	85
Active plan members	943
Total	<u>2,131</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 (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.

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 (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 (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 Board of Alders 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 typical 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 (Continued)

Net pension liability: The components of the net pension liability of the City at June 30, 2018 were as follows:

Policemen and Firemen Retirement Fund	2018
Total pension liability	\$809,733,137
Plan fiduciary net position	318,891,692
Net pension liability	<u>\$490,841,445</u>
Plan fiduciary net position as a percentage of total pension liability	39.38%

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 2.21 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, 2016, using the following actuarial assumptions that were projected forward to the measurement date of June 30, 2018:

Description of Actuarial Methods

Actuarial method used:	Entry age normal cost																		
Remaining amortization period:	28 year closed period																		
Asset valuation method:	Phase-in of investment gains and losses, 20% per year for 5 years																		
Investment rate of return:	7.75%, including inflation of 2.75%																		
Mortality basis:	RP-2014 adjusted to 2006 Blue Collar mortality table																		
Mortality improvement:	Projected to valuation date with Scale MP -2016.																		
Salary scale:																			
Current basis:	The following adjusted table:																		
	<table border="1"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">Rate*</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">11.50%</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">10.50%</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">8.00%</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">3.90%</td> </tr> <tr> <td style="text-align: center;">40</td> <td style="text-align: center;">3.50%</td> </tr> <tr> <td style="text-align: center;">45</td> <td style="text-align: center;">3.45%</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">3.20%</td> </tr> <tr> <td style="text-align: center;">55 and above</td> <td style="text-align: center;">3.00%</td> </tr> </tbody> </table>	Age	Rate*	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%
Age	Rate*																		
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 above table = 2.75%

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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 28 years from July 1, 2016, as a level percentage of pay.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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, 2018 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
U.S. Large Cap	24.00%	4.65%	1.12%
U.S. Mid / Small Cap	8.00%	5.50%	0.44%
Developed International Equities	21.00%	5.50%	1.16%
Emerging Market Equity	6.00%	6.50%	0.39%
International Corporate Fixed	5.00%	2.25%	0.11%
International Government Fixed	5.00%	1.65%	0.08%
High Yield Bonds	2.00%	3.25%	0.07%
International Bonds	1.00%	2.00%	0.02%
Emerging Market Debt	0.00%	3.75%	0.00%
Money Market/ Short-Term Bonds	5.00%	0.00%	0.00%
Real Estate Core	4.00%	5.00%	0.20%
Commodities	0.00%	5.25%	0.00%
Alternatives	19.00%	5.00%	0.95%
	<u>100.00%</u>		<u>4.54%</u>
Long-Term Inflation Expectation			<u>2.75%</u>
Long-Term Expected Nominal Return			<u>7.29%</u>

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2018 was 7.75 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 7.75 percent interest rate assumption was used to discount plan liabilities.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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 7.75 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

Policemen and Firemen Retirement Fund	1% Decrease Rate 6.75%	Current Discount Rate 7.75%	1% Increase Rate 8.75%
Net Pension Liability	\$ 499,067,196	\$ 490,841,445	\$ 482,982,700

Changes in the Net Pension Liability

	Police and Firemen Retirement Fund		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/17	\$ 793,266,199	\$ 327,394,234	\$ 465,871,965
Changes for the year:			
Service cost	13,539,320	-	13,539,320
Interest	60,344,054	-	60,344,054
Change of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions – employer	-	34,607,857	(34,607,857)
Contributions – members	-	7,557,388	(7,557,388)
Net investment income	-	6,831,749	(6,831,749)
Benefit payments, including refunds of employee contributions	(57,416,436)	(57,416,436)	-
Administrative expense	-	(252,477)	252,477
Other	-	169,377	(169,377)
Net changes	16,466,938	(8,502,542)	24,969,480
Balances at 6/30/18	<u>\$ 809,733,137</u>	<u>\$ 318,891,692</u>	<u>\$ 490,841,445</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2018, the City recognized pension expense of \$81,572,091. As of June 30, 2018, 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	\$ 16,231,147	\$ -
Changes of assumptions	31,897,294	-
Net difference between projected and actual earnings on pension plan investments	24,182,898	-
Total	<u>\$ 72,311,339</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 ending June 30:	
2019	\$ 39,153,535
2020	26,657,624
2021	2,908,543
2022	3,591,637
2023	-
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 (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).

Employers are not required to make contributions to the Plan.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Actuarial assumptions: The total pension liability as of June 30, 2017 is based on the June 30, 2016 actuarial valuation that was rolled forward to June 30, 2017 (measurement date). The total pension liability was determined using the following key actuarial assumptions:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after the service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core Fixed Income	7.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bond	5.0%	3.7%
Inflation Linked Bond Fund	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100.00%</u>	

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 8.00 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.

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 \$502,931,664 and 100 percent of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability, and therefore, deferred outflows and deferred inflows related to the Plan are not presented since they only impact the State of Connecticut.

June 30, 2016 is the actuarial valuation date upon which the total pension liability is based was rolled forward to June 30, 2017 which the measurement date. For the 2016 valuation, rates of withdrawal, disability, retirement, mortality 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, 2015.

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, 2018, the City recognized \$58,175,502 as the amount expended by the State on behalf of the City to meet the State's funding requirements in the Statement of Activities.

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: As the City's proportionate share of the net pension liability is \$0 and, therefore, the change in the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other information: Additional information is included in the required supplementary section of the financial statements.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement 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 \$113,731 for the year ended June 30, 2018.

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, 2018 amounted to \$609,136.

Aggregate Pension Summary

Plan	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City Employees' Retirement	\$ 313,388,888	\$ 21,460,022	\$ 9,685,749	\$ 33,057,218
Police and Firemen Retirement	490,841,445	72,311,339	-	81,572,091
Total	\$ 804,230,333	\$ 93,771,361	\$ 9,685,749	\$ 114,629,309

Note 12. Other Post-Employment Benefit Plans

Other Post-Employment Benefit Plans (OPEB):

Membership in the Plan consisted of the following at the date of the latest actuarial valuation, July 1, 2017:

	<u>Total</u>
Inactive plan members receiving benefits	2,746
Inactive plan members not yet receiving benefits	-
Active plan members	<u>3,442</u>
Total	<u>6,188</u>

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

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, 2017 upon which the annual required contribution for the fiscal year ended June 30, 2019 was determined based on a 4.00% discount rate.

City Employees' Other Post-Employment Benefit Plan:

Eligibility: Executive Management, Local 3144; classified employees, Local 884, Locals 424 and 71; trade employees; and cafeteria workers; custodians, Local 1303-467, Local 1303-464, 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 or 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. 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 424 who are covered through the date the retiree would turn age 65.

Contributions: The cost of medical coverage for eligible retirees and their spouses is as follows:

Executive Management, Local 3144: There is no retiree contribution for those who retired prior to July 1, 2001. Retirees on or after July 1, 2001 pay the same cost as an active participant at the time of retirement.

Local 884, 68: There is no retiree contribution for those who retired prior to July 1, 1998. Retirees on or after July 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 July 1, 1998. Retirees on or after July 1, 1998 pay.

Trade: There is no retiree contribution for those who retired prior to July 1, 2004. Retirees on or after July 1, 2004 pay a portion of the cost for medical coverage.

Cafeteria Workers, Local 217: There is no retiree contribution.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Policemen and Firemen Other Post-Employment Benefit Plan:

Eligibility: Policemen hired on or before December 18, 2012 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. Police hired after December 18, 2012 are eligible after 25 years of service and eligible for full pension or disabled from active service are eligible for single coverage only at retirement. Spouse coverage is not available.

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: Active members (regardless of hire date) must contribute 1.25% of their base pay. Police who completed eight (8) or more years of service as of July 1, 2011 contribute the same percentage required of active employees at the time of retirement. This amount shall never exceed \$525 per month. Police who completed fewer than eight (8) years of service as of July 1, 2011 contribute the same percentage required of active employees and may purchase coverage for their spouse by paying 50% of cost for such coverage. Police hired after December 18, 2012 contribute the same percentage required of active employees (coverage is for retiree only). Firefighters hired prior to August 28, 2013 who retire on or after April 23, 2014 shall make a fixed monetary contribution at the following rates:

HDHP with HSA: \$75 per month for individual; \$180 for family (as of 1/1/2016)

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.

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.

Investments:

Investment policy: The OPEB plan has no investments; all amounts in the fund are cash or cash equivalents.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>OPEB Plan</u>
Rate of return	0.28%

Net OPEB liability: The components of the net OPEB liability at June 30, 2018 were as follows:

Net OPEB Liability as of June 30, 2018	
Total OPEB liability	\$ 619,048,698
Plan fiduciary net position	2,387,486
Net OPEB liability	<u>\$ 616,661,212</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.39%

Valuation date: The July 1, 2017 actuarial valuation was used to calculate the July 1, 2017 total OPEB liability. The July 1, 2017 total OPEB liability was increased by service cost and interest and decreased by benefit payments to estimate the total OPEB liability as of June 30, 2018. The total OPEB liability as of June 30, 2018 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Actuarial assumptions:

Valuation date:	7/1/2017
Actuarial cost method:	Entry Age Normal
Investment rate return:	4.00%, net of investment related expense
Inflation:	2.50%
Mortality:	City and BOE non-certified - The RP2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP – 2016. Set forward one year.
	Police and Fire - The RP2014 adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP – 2018.
	BOE-certified - The RP2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP – 2018.

Healthcare cost trends: 7.50% for 2017, decreasing 0.5% per year, to an rate of 4.50% for 2023 and later.

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was based on the expected long-term rate of return on the City's General Fund assets.

Discount rate: The discount rate used to measure the total OPEB liability was 4.0%, as fiduciary net position is not projected to have sufficient fiduciary net position to cover future benefit payments and administrative expenses, the selection of the discount rate is based on the expected long-term rate of return on the City's General Fund assets.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.50% decreasing to 3.50%) or 1 percentage point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates.

Net OPEB Liability	Healthcare Cost Trend Rates		
	1.0% Decrease (6.50% decreasing to 3.50%)	(7.50% decreasing to 4.50%)	1.0% Increase (8.50% increasing to 5.50%)
Net OPEB liability as of June 30, 2018	\$ 543,868,273	\$ 616,661,212	\$ 704,286,443

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability, calculated using the discount rate of 3.87% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

OPEB Plan – General City	Current Discount Rate		
	1% Decrease 2.87%	3.87%	1% Increase 4.87%
OPEB Plan	\$ 687,665,505	\$ 616,661,212	\$ 555,871,352

For the year ended June 30, 2018, the City recognized OPEB expense of \$43,057,117. As of June 30, 2018, the City's reported deferred outflows of resources related to OPEB in the statement of net position from the following sources:

OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,177,195)
Changes of assumptions	14,547,987	-
Net difference between projected and actual earnings on OPEB plan investments	59,754	-
Total	\$ 14,607,741	\$ (4,177,195)

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

Year ending June 30:	OPEB Plan
2019	\$ 1,496,480
2020	1,496,480
2021	1,496,480
2022	1,496,482
2023	1,481,542
Thereafter	2,963,082

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Connecticut State Teachers' Retirement System- Retiree Health Insurance Plan

Plan description: Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit provisions: There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

Survivor health care coverage: Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB - Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Credited service: One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement, if the Member pays one-half the cost.

Normal retirement: 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.

Early retirement: 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Termination of employment: 10 or more years of Credited Service.

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183t, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2018, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	129,448,918
	<u>\$ 129,448,918</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. The June 30, 2016 actuarial valuation was projected forward to the measurement date of June 30, 2017. At June 30, 2018, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the City recognized OPEB expense and revenue of \$5,997,317 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will Be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.02%).

Discount rate: The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be deplete in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the net OPEB liability to changes in the health care cost trend rate and the discount rate: The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

City of New Haven, Connecticut

Notes to Financial Statements

Note 12. Other Post-Employment Benefit Plans (Continued)

Other information: Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented, as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

Note 13. 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 \$7,000,000 for such claims, which is recorded in the government-wide financial statements. 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 three years. As of June 30, 2018, total future minimum rental payments under these leases are as follows:

Year ending June 30:	
2019	\$ 486,355
2020	486,355
2021	169,170
	<u>\$ 1,141,880</u>

Rent expense related to these agreements amounted to approximately \$2,078,000 for the year ended June 30, 2018.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 13. Commitments and Contingencies (Continued)

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, 2017 and 2018. 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, 2018 is \$37,500. The following is a schedule, as of June 30, 2018, of estimated future minimum rental payments, which are required of the Authority as lessee under this agreement:

Year ending June 30:	
2019	\$ 469,104
2020	469,104
	<u>\$ 938,208</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 \$883,000 for the year ended June 30, 2018.

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.

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, 2018 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 14. 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 \$300,000, 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, 2018. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

City of New Haven, Connecticut

Notes to Financial Statements

Note 15. 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. The liability is reported in the government-wide statements. 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, 2018. The liability for workers' compensation, heart and hypertension not expected to be paid with current available resources is reported in the government-wide statements in the amount of \$25,001,162 with a discount rate of 4 percent. Employee health claims not expected to be paid with current available resources is reported in the government-wide statements in the amount of approximately 8,465,450.

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 three years are as follows:

Fiscal Year Ended	Self-Insurance Reserve			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2018	\$ 14,354,500	\$ 4,753,906	\$ 12,108,406	\$ 7,000,000
2017	3,823,000	13,889,245	3,357,745	14,354,500

Fiscal Year Ended	Medical Self-Insurance			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2018	\$ 7,990,450	\$ 121,911,952	\$ 120,516,402	\$ 9,386,000
2017	6,295,650	116,513,265	114,818,465	7,990,450

Fiscal Year Ended	Workers' Compensation and Heart & Hypertension			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2018	\$ 24,077,134	\$ 15,237,776	\$ 9,313,748	\$ 30,001,162
2017	27,393,372	4,826,407	8,142,645	24,077,134

City of New Haven, Connecticut

Notes to Financial Statements

Note 16. 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.

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

	<u>2018</u>
Accounts payable and accrued expenses to the City from the Authority	<u>\$ 22,887</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>2018</u>
Under Air Rights	\$ 31,260
Residential lots	6,048
Sherman Tyler	101,952
Lots N & O	90,000
State Street surface lots	32,616
State and Trumbull	16,200
Orchard and Sherman	99,360
	<u>\$ 377,436</u>

During 2018, the City received a voluntary financial assistance payment of \$2,000,000 from the Parking Authority.

Solid Waste Authority: The City also conducts activity with the New Haven Solid Waste and Recycling Authority (the Solid Waste Authority). The Authority entered into an Asset Purchase Agreement with the City of New Haven in June 2008. Under the agreement, the City sold its Transfer Station assets and assigned all of its Transfer Station system responsibilities and liabilities to the Authority. Two officers of the Solid Waste Authority are also employees of the City. These individuals function as activity monitors for the City and provide input from the City on various matters. All members of the Solid Waste Authority's Board are appointed by the Mayor of the City of New Haven.

Related party activity of the Authority at June 30, 2018 is as follows:

Operating revenue received by Authority from the City for services	<u>\$ 2,769,987</u>
---	---------------------

City of New Haven, Connecticut

Notes to Financial Statements

Note 17. Subsequent Events

The City issued \$20,000,000 in general obligation tax anticipation notes on October 16, 2018. The notes bear interest of 2.50% and mature on May 15, 2018.

The City issued \$218,030,000 general obligation bonds on August 9, 2018 at interest rates ranging from 4.334% to 5.500%. \$58,030,000 were general obligation bonds and \$160,000,000 were general obligation refunding bonds. The general obligation bonds are payable through 2039 in annual installments ranging from \$2,400,000 to \$4,265,000. The refunding bonds are considered defeased and will be paid from an escrow account through 2034.

Note 18. Fund Balances (Deficits)

Below is a table of fund balance (deficits) categories and classifications at June 30, 2018 for the City's governmental funds:

	General Fund	Education Grants	Capital Project Funds	Other Special Revenue	Nonmajor Governmental Funds	Total
Fund balances (deficits):						
Non-spendable:						
Inventory and prepaids	\$ -	\$ 171,314	\$ -	\$ -	\$ -	\$ 171,314
Permanent funds	-	-	-	-	2,381,320	2,381,320
	-	171,314	-	-	2,381,320	2,552,634
Restricted:						
General government-parks	-	-	-	-	3,762,503	3,762,503
Education	-	4,548,561	-	-	1,242,054	5,790,615
Public works	-	-	54,476,521	-	-	54,476,521
Public services-other	-	-	-	-	1,513,586	1,513,586
Public services-human resources	-	-	-	-	5,002,094	5,002,094
Public services-community	-	-	-	-	1,698,421	1,698,421
	-	4,548,561	54,476,521	-	13,218,658	72,243,740
Assigned:						
Debt service	-	-	-	-	15,223,513	15,223,513
Unassigned (Deficit)	(10,603,115)	-	-	(252,543)	-	(10,855,658)
Total fund balances (deficits)	\$ (10,603,115)	\$ 4,719,875	\$ 54,476,521	\$ (252,543)	\$ 30,823,491	\$ 79,164,229

There were no significant encumbrances at June 30, 2018.

City of New Haven, Connecticut

Notes to Financial Statements

Note 19. Tax Abatements

The City adopted GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017. The disclosure is presented below:

The City seeks to encourage the fullest use of real property located in the City. To encourage the rehabilitation of existing residential and commercial building stock and to encourage the construction of new structures the City of New Haven has established two assessment deferral programs which defer a portion of the property taxes on improvements for property owners engaging in the rehabilitation or construction of certain eligible properties.

The City Wide Assessment Deferral Program - When a property is rehabilitated or improved by new construction, the assessed value may increase because of the investments made in the property. In some cases this may deter investment. In order to encourage the fullest development of property and to encourage investment in New Haven's existing commercial and residential building stock, the City Wide Assessment Deferral Program freezes the property tax assessments on certain eligible properties at pre-construction or pre-rehabilitation values and then phases in the taxes assessed on the improvements over a period of five years

The Enterprise Zone Assessment Deferral Program - When a property is rehabilitated or improved by new construction, the assessed value may increase because of the investments made in the property. In some cases, this may deter investment. In order to encourage the fullest development of property and to encourage investment in New Haven's existing commercial and residential building stock in the City's designated "Enterprise Zone", the Enterprise Zone Assessment Deferral Program freezes the property tax assessments on certain eligible properties at pre-construction or pre-rehabilitation values and then phases in the taxes assessed on the improvements over a period of seven years.

The total amount of tax abatements under the two programs was approximately \$10,992,000.

Note 20. 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, though the amount has not yet been determined:

- **GASB Statement No. 83**, *Certain Asset Retirement Obligations*, is effective for reporting periods beginning after June 15, 2018. The 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 the statement. The City is aware of this statement and will assess its impact to ensure timely implementation.

City of New Haven, Connecticut

Notes to Financial Statements

Note 20. Governmental Accounting Standards Board (GASB) Statements (Continued)

- **GASB Statement No. 84, *Fiduciary Activities***, is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City is aware of this statement and will assess its impact to ensure timely implementation.
- **GASB Statement No. 87, *Leases***, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.
- **GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements***, defines debt purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash, or other assets in lieu of cash, to settle a fixed amount established at the date of obligation. The statement requires additional information related to debt to be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and specified terms in debt agreements related to significant events of default and the resulting financial consequences. The statement also requires disclosure be provided for direct borrowings and direct placements of debt separate from other forms of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.
- **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.
- **GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61***. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

This page intentionally left blank.



**Required Supplementary
Information (unaudited)**

[THIS PAGE INTENTIONALLY LEFT BLANK]

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, 2018
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Current City taxes:				
Real estate	\$ 206,331,154	\$ 206,331,154	\$ 208,288,537	\$ 1,957,383
Personal property	24,603,330	24,603,330	25,474,486	871,156
Motor vehicle	12,732,184	12,732,184	11,997,024	(735,160)
Supplemental	1,930,027	1,930,027	2,497,514	567,487
Current interest	1,000,000	1,000,000	975,495	(24,505)
Total current City taxes	246,596,695	246,596,695	249,233,056	2,636,361
Tax collection initiatives:				
Real and personal property initiatives	1,177,612	1,177,612	-	(1,177,612)
Delinquent City taxes:				
Real and personal property	1,550,000	1,550,000	3,205,126	1,655,126
Interest and penalties	600,000	600,000	1,124,651	524,651
Total delinquent City taxes	2,150,000	2,150,000	4,329,777	2,179,777
Education grants:				
Education cost sharing	142,509,525	142,509,525	142,194,717	(314,808)
School construction reimbursement	5,694,087	5,694,087	5,694,087	-
Health services non-public schools	35,000	35,000	35,555	555
Total education grants	148,238,612	148,238,612	147,924,359	(314,253)
Other government grants:				
Distressed cities exemption	385,000	385,000	-	(385,000)
Homeowners tax relief – elderly circuit breaker	425,000	425,000	-	(425,000)
Low income tax abatement program	85,000	85,000	-	(85,000)
Pequot funds	5,753,352	5,753,352	5,753,352	-
Municipal revenue sharing	14,584,940	14,584,940	14,584,940	-
Grants for Municipal Projects	6,172,271	6,172,271	5,146,251	(1,026,020)
PILOT – colleges and hospitals	40,463,189	40,463,189	36,335,840	(4,127,349)
Grant for municipal projects	-	-	1,369,123	1,369,123
PILOT – low income	62,000	62,000	47,803	(14,197)
PILOT – disabled	10,000	10,000	8,030	(1,970)
PILOT – Motor Vehicle	3,393,780	3,393,780	1,142,454	(2,251,326)
Municipal Stabilization Grant	-	-	2,261,574	2,261,574
Shell Fish	-	-	32,261	32,261
Telecommunications property tax	625,000	625,000	497,957	(127,043)
Town aid roads	1,248,795	1,248,795	1,247,601	(1,194)
Total other government grants	73,208,327	73,208,327	68,427,186	(4,781,141)
Total state aid	221,446,939	221,446,939	216,351,545	(5,095,394)

(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, 2018
(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	\$ 4,469	\$ (31)
Building Inspection Permits/Fees	15,950,000	15,950,000	14,156,797	(1,793,203)
Building Inspection Permits/License Ctr	65,000	65,000	76,272	11,272
Engineers – cost recovery	7,500	7,500	-	(7,500)
Fire service	80,000	80,000	84,115	4,115
Fire insurance recoveries	250,000	250,000	99,335	(150,665)
Health services	347,000	347,000	350,315	3,315
High school athletics	35,000	35,000	43,999	8,999
Map/Bid documents	2,000	2,000	2,569	569
Office of technology	2,000	2,000	750	(1,250)
Parks – Lighthouse carousel	2,000	2,000	1,127	(873)
Parks – Lighthouse admissions & concessions	75,000	75,000	65,470	(9,530)
Parks – other fees	60,000	60,000	91,037	31,037
Police service	125,000	125,000	86,292	(38,708)
Public works – evictions	3,000	3,000	3,575	575
Public works – public space, licenses & permits	153,098	153,098	149,665	(3,433)
Registrar of vital statistics	675,000	675,000	604,131	(70,869)
Residential parking permits	-	-	26	26
City Clerk	350,000	350,000	352,542	2,542
Traffic & parking meter receipts	6,800,000	6,800,000	6,109,040	(690,960)
Bulk trash permits	20,000	20,000	9,505	(10,495)
Other agencies	35,000	35,000	37,270	2,270
Total licenses, permits and other fees	25,041,098	25,041,098	22,328,301	(2,712,797)
Investment income:				
Interest income	25,000	25,000	1,389,114	1,364,114
Received from fines:				
Coliseum lots	240,000	240,000	300,000	60,000
Miscellaneous community development rent	15,000	15,000	15,060	60
LCI Fines and Ticket Collections	50,000	50,000	123,120	
Parking space rental	3,000	3,000	2,585	(415)
Parking tags	4,500,000	4,500,000	4,604,385	104,385
Parks employees rents	5,000	5,000	6,300	1,300
Fines false alarm ordinance	100,000	100,000	149,066	49,066
Public works – public space violations	8,000	8,000	3,700	(4,300)
Superior Court	50,000	50,000	45,520	(4,480)
Total received from fines	4,971,000	4,971,000	5,249,736	278,736

(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, 2018
(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	\$ 76,644	\$ 11,644
Air Rights Garage – Yale	175,000	175,000	155,060	(19,940)
Eastview PILOT	29,000	29,000	-	(29,000)
Regional Water Authority	1,091,275	1,091,275	995,092	(96,183)
Greater NH WPCA	608,400	608,400	608,400	-
New Haven Parking Authority PILOT	1,500,000	1,500,000	3,516,544	2,016,544
Trinity Housing	75,000	75,000	76,924	1,924
Air Rights Garage – Temple	45,000	45,000	-	(45,000)
Total payment in lieu of taxes (PILOT)	3,588,675	3,588,675	5,428,664	1,839,989
Other taxes and assessments:				
Real estate conveyance tax	1,700,000	1,700,000	2,998,398	1,298,398
Yale payment for fire services	2,705,000	2,705,000	2,705,000	-
Total other taxes and assessments	4,405,000	4,405,000	5,703,398	1,298,398
Miscellaneous:				
BABS revenue	825,000	825,000	537,145	(287,855)
Controllers	750,000	750,000	810,953	60,953
Police Vehicle Extra Duty (FMYL I-95 Highway)	401,659	401,659	372,351	(29,308)
Neighborhood preservation loan payments	-	-	1,370	1,370
Off track betting	675,000	675,000	484,365	(190,635)
Personal motor vehicles reimbursements	13,000	13,000	12,694	(306)
Revenue Initiative	18,600,000	18,600,000	-	(18,600,000)
Other contributions	8,240,275	8,240,275	11,681,162	3,440,887
Total miscellaneous	29,504,934	29,504,934	13,900,040	(15,604,894)
Total revenues and other financing sources	\$ 538,906,953	\$ 538,906,953	523,913,631	\$ (14,993,322)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement/Health System for City teachers are not budgeted	64,173,819
Refunding bond proceeds	33,415,000
Premiums	11,282,904
Unbudgeted state reimbursement	15,223,512
Excess cost – student based	3,340,510
Self insurance premiums not recorded in budget	1,135,882

Total revenues and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds – Exhibit D.

\$ 652,485,258

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, 2018
(unaudited)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Expenditures				
Current:				
General government:				
Assessor's office	\$ 787,808	\$ 787,808	\$ 630,075	\$ 157,733
Chief Administrators office	1,868,303	1,868,303	1,770,929	97,374
City/town	539,746	539,746	382,141	157,605
Corporation Counsel	2,516,206	2,676,206	2,485,984	190,222
Finance	10,703,813	10,703,813	10,669,767	34,046
Information and Technology	-	-	116	(116)
Legislative services	995,180	995,180	737,700	257,480
Library	1,028,979	1,028,979	1,026,817	2,162
Mayor's Office	5,382,771	5,382,771	5,332,454	50,317
Parks	4,207,015	4,207,015	4,128,374	78,641
Registrar of voters	891,565	891,565	634,709	256,856
Total general government	<u>28,921,386</u>	<u>29,081,386</u>	<u>27,799,066</u>	<u>1,282,320</u>
Public safety:				
Fire	31,470,798	35,370,798	35,308,204	62,594
Police	41,014,001	41,014,001	40,881,769	132,232
Public safety communications	3,379,393	3,629,393	3,220,889	408,504
Total public safety	<u>75,864,192</u>	<u>80,014,192</u>	<u>79,410,862</u>	<u>603,330</u>
Public works & engineering:				
Engineering	3,379,388	3,379,388	3,279,403	99,985
Public works	12,739,803	12,736,803	11,914,344	822,459
Total public works	<u>16,119,191</u>	<u>16,116,191</u>	<u>15,193,747</u>	<u>922,444</u>
Human services:				
Community services admin.	3,019,018	3,019,018	2,669,288	349,730
Disability services	92,224	92,224	85,141	7,083
Elderly services	752,176	752,176	722,642	29,534
Fair rent commission	73,650	73,650	73,081	569
Health	3,821,008	3,821,008	3,681,091	139,917
Youth services	1,088,170	1,538,170	1,556,232	(18,062)
Total human services	<u>8,846,246</u>	<u>9,296,246</u>	<u>8,787,475</u>	<u>508,771</u>
Economic development:				
Office of Building Inspection and Enforcement	1,061,951	1,061,951	1,019,053	42,898
Business Development	1,588,247	1,588,247	1,501,773	86,474
City Plan	589,013	589,013	431,655	157,358
Commission of Equal Opportunity	213,073	213,073	126,609	86,464
Development Subsidies	1,000,000	1,000,000	1,000,000	-
Livable city initiative	808,632	808,632	727,696	80,936
Transportation/traffic & parking	5,115,457	5,115,457	5,326,109	(210,652)
Total economic development	<u>10,376,373</u>	<u>10,376,373</u>	<u>10,132,895</u>	<u>243,478</u>

(Continued on next page)

Required Supplementary Information
Schedule of Expenditures and Other Financing Uses – Budget and Actual –
(Non-GAAP Budgetary Basis) – General Fund (Continued)
For the Year Ended June 30, 2018
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Other departments:				
Contract reserve	\$ 1,843,944	\$ 1,843,944	\$ 1,736,307	\$ 107,637
Non-public transportation	700,000	700,000	668,793	31,207
Various organizations	537,295	537,295	537,426	(131)
Vacancy Savings	(3,326,027)	(3,326,027)	-	(3,326,027)
Total other departments	<u>(244,788)</u>	<u>(244,788)</u>	<u>2,942,526</u>	<u>(3,187,314)</u>
Pensions/insurance/benefits:				
Employee benefits	87,091,210	96,791,210	98,659,492	(1,868,282)
Pensions	4,600,000	4,600,000	5,142,187	(542,187)
Self-insurance	61,270,774	61,270,774	61,593,369	(322,595)
Total insurance benefits	<u>152,961,984</u>	<u>162,661,984</u>	<u>165,395,048</u>	<u>(2,733,064)</u>
Education:				
Total education	<u>187,218,697</u>	<u>187,218,697</u>	<u>193,404,100</u>	<u>(6,185,403)</u>
Debt service:				
Principal	41,096,051	26,636,051	10,431,049	16,205,002
Interest	25,343,530	25,343,530	23,241,931	2,101,599
Tans Interest Premium	-	-	(144,985)	144,985
Tans Interest Payment	-	-	500,000	(500,000)
Other Contractual Services/Payments	-	-	36,542	(36,542)
Refunding and Bond Premium Savings	(9,220,909)	(9,220,909)	(5,500,000)	(3,720,909)
Master Lease	628,000	628,000	628,000	-
Rainy Day Replenishment	1,000,000	1,000,000	-	1,000,000
Total debt service	<u>58,846,672</u>	<u>44,386,672</u>	<u>29,192,537</u>	<u>15,194,135</u>
Total expenditures and other financing uses	<u>\$ 538,909,953</u>	<u>\$ 538,906,953</u>	<u>532,258,256</u>	<u>\$ 6,648,697</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement/Health System for City teachers are not budgeted	64,173,819
Refunding and Bond Premium Savings	5,500,000
Payment to escrow	38,407,984
Excess cost-student based	3,340,510
Other	789,932
Operating transfer not recorded in budget	<u>15,223,512</u>

Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balance – governmental funds – Exhibit D.

\$ 659,694,013

See note to required supplementary information.

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

Schedule of Employer Contributions – CERF

Year Ended June 30,	Actuarially Determined Employer Contribution (ADEC)	Contribution in relation to the ADEC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2018	\$ 21,662,916	\$ 21,706,165	\$ (43,249)	\$ 54,301,803	39.97%
2017	19,904,911	20,400,121	(495,210)	53,237,062	38.32%
2016	19,514,619	19,555,672	(41,053)	51,230,910	38.17%
2015	17,544,752	17,592,663	(47,911)	49,260,490	35.71%
2014	16,869,954	16,927,028	(57,074)	53,572,427	31.60%
2013	16,909,072	16,977,367	(68,295)	60,152,100	28.22%
2012	16,258,723	16,332,514	(73,791)	53,572,427	30.49%
2011	11,941,035	12,015,996	(74,961)	57,998,200	20.72%
2010	11,501,900	11,501,900	-	55,394,700	20.76%
2009	10,938,000	10,938,000	-	57,368,000	19.07%

Schedule of Employer Contributions – P&F

Year Ended June 30,	Actuarially Determined Employer Contribution (ADEC)	Contribution in relation to the ADEC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2018	\$ 34,607,856	\$ 34,607,857	\$ (1)	\$ 63,411,190	54.58%
2017	27,081,778	27,536,158	(454,380)	61,714,054	44.62%
2016	26,297,794	26,306,000	(8,206)	53,433,356	49.23%
2015	25,251,586	25,259,846	(8,260)	51,378,356	49.16%
2014	24,286,140	24,358,055	(71,915)	56,661,371	42.99%
2013	24,258,000	24,258,000	-	56,661,400	42.81%
2012	23,331,000	23,331,000	-	63,313,700	36.85%
2011	18,692,000	18,692,000	-	57,301,700	32.62%
2010	17,811,000	17,811,000	-	54,570,400	32.64%
2009	16,687,000	16,687,000	-	58,017,427	28.76%

Notes to schedule:

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

P&F

07/01/2016
Entry age normal
Level percentage of payroll, closed
28 years
Fair value
2.75%
7.75%
RP-2014 Total Dataset Mortality Table

CERF

07/01/2016
Entry age normal
Level percentage of payroll, closed
26 years
Fair value
2.75%
7.75%
RP-2014 Total Dataset Mortality Table

Required Supplementary Information – Unaudited
Schedule of Changes in the Police and Fire Net Pension Liability and Related Ratios
Last Five Fiscal Years

Police and Firemen Retirement Plan	2018	2017	2016	2015	2014
Changes in Net Pension Liability					
Total pension liability:					
Service cost	\$ 13,539,320	\$ 11,437,934	\$ 11,267,233	\$ 12,179,952	\$ 11,711,492
Interest	60,344,054	54,881,850	53,882,845	51,364,099	50,164,370
Change of benefit terms	-	-	-	(221,580)	-
Differences between expected and actual experience	-	22,751,256	-	24,925,021	-
Change of assumptions	-	57,167,094	-	14,245,876	-
Benefit payments, including refunds of member contributions	(57,416,436)	(54,073,974)	(51,639,291)	(49,650,762)	(46,025,365)
Net change in total pension liability	16,466,938	92,164,160	13,510,787	52,842,606	15,850,497
Total pension liability, beginning	793,266,199	701,102,039	687,591,252	634,748,646	618,898,149
Total pension liability, ending (a)	809,733,137	793,266,199	701,102,039	687,591,252	634,748,646
Fiduciary net position:					
Employer contributions	34,607,857	27,536,158	26,306,000	25,259,846	24,358,055
Member contributions	7,557,388	7,573,887	7,335,993	7,873,208	6,728,075
Net investment income	9,551,749	34,179,484	(5,621,654)	409,813	54,822,571
Benefit payments, including refunds of member contributions	(57,416,436)	(54,073,974)	(51,639,291)	(49,650,762)	(46,025,365)
Administrative expenses	(252,477)	(197,429)	(184,309)	(170,518)	(845,314)
Other	169,377	6,938,894	(2,500)	5,614,956	8,524
Net change in plan fiduciary net position	(5,782,542)	21,957,020	(23,805,761)	(10,663,457)	39,046,546
Fiduciary net position, beginning	324,674,234	302,717,214	326,522,975	337,186,432	298,139,886
Fiduciary net position, ending (b)	318,891,692	324,674,234	302,717,214	326,522,975	337,186,432
Net pension liability, ending = (a) – (b)	\$ 490,841,445	\$ 468,591,965	\$ 398,384,825	\$ 361,068,277	\$ 297,562,214
Fiduciary net position as a % of total pension liability	39.38%	40.93%	43.18%	47.49%	53.12%
Covered payroll	\$ 63,411,190	\$ 61,714,054	\$ 53,433,356	\$ 51,378,227	\$ 56,661,371
Net pension liability as a % of covered payroll	774.06%	759.30%	745.57%	702.77%	525.16%
Required Supplementary Information – Unaudited					
Schedule of Investment Returns					
Last Five Fiscal Years					
	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	2.21%	13.71%	-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 CERF Net Pension Liability and Related Ratios
Last Five Fiscal Years

City Employees' Retirement Plan	2018	2017	2016	2015	2014
Changes in Net Pension Liability					
Total pension liability:					
Service cost	\$ 5,964,644	\$ 5,047,368	\$ 5,045,428	\$ 6,161,890	\$ 5,924,895
Interest	35,890,874	35,984,424	35,166,980	34,804,446	34,174,249
Change of benefit terms	-	-	-	-	(3,308,888)
Differences between expected and actual experience	-	(21,080,747)	-	524,113	-
Change of assumptions	-	23,023,397	-	7,136,944	-
Benefit payments, including refunds of member contributions	(31,210,152)	(29,973,518)	(30,018,207)	(29,564,933)	(29,218,925)
Net change in total pension liability	10,645,366	13,000,924	10,194,201	19,062,460	7,571,331
Total pension liability, beginning	472,457,311	459,456,387	449,262,186	430,199,726	422,628,395
Total pension liability, ending (a)	483,102,677	472,457,311	459,456,387	449,262,186	430,199,726
Fiduciary net position:					
Employer contributions	21,706,165	20,400,121	19,555,672	17,592,663	16,927,028
Member contributions	4,981,567	4,832,717	4,609,881	4,568,385	4,104,738
Net investment income	12,436,248	12,697,497	(4,249,828)	(1,977,266)	23,978,199
Benefit payments, including refunds of member contributions	(31,210,152)	(29,973,518)	(30,018,207)	(29,564,933)	(29,218,925)
Administrative expenses	(251,637)	(202,382)	(149,332)	(459,176)	(377,446)
Other	1,134	9,749	855	44,573	31,927
Net change in plan fiduciary net position	7,663,325	7,764,184	(10,250,959)	(9,795,754)	15,445,521
Fiduciary net position, beginning	162,050,465	153,440,281	163,691,240	173,486,994	158,041,473
Fiduciary net position, ending (b)	169,713,790	161,204,465	153,440,281	163,691,240	173,486,994
Net pension liability, ending = (a) – (b)	\$ 313,388,887	\$ 311,252,846	\$ 306,016,106	\$ 285,570,946	\$ 256,712,732
Fiduciary net position as a % of total pension liability	35.13%	34.12%	33.40%	36.44%	40.33%
Covered payroll	\$ 54,301,803	\$ 53,237,062	\$ 51,230,910	\$ 49,260,490	\$ 53,572,427
Net pension liability as a % of covered payroll	577.12%	584.65%	597.33%	579.72%	479.19%
Required Supplementary Information – Unaudited					
Schedule of Investment Returns					
Last Five Fiscal Years					
	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	7.91%	8.18%	-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 – Unaudited
Schedule of Contributions - OPEB Plan
Last Two Fiscal Years**

Schedule of Employer Contributions – OPEB

Year Ended June 30,	Actuarially Determined Employer Contribution (ADEC)	Contribution in relation to the ADEC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2018	\$ 50,744,000	\$ 27,431,281	\$ 23,312,719	\$ 222,642,000	12.32%
2017	50,008,000	27,819,668	22,188,332	242,050,000	11.49%

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 OPEB Liability and Related Ratios
Last Two Fiscal Years**

Police and Firemen Retirement Plan	2018	2017
Changes in Net OPEB Liability		
Total OPEB liability:		
Service cost	\$ 18,964,138	\$ 17,843,595
Interest	23,894,764	23,242,406
Change of benefit terms	-	-
Differences between expected and actual experience	(4,773,937)	4,243,021
Change of assumptions	16,626,271	-
Benefit payments, including refunds of member contributions	(27,861,823)	(28,214,548)
Net change in total OPEB liability	26,849,413	17,114,474
Total OPEB liability, beginning	592,199,285	575,084,811
	619,048,698	592,199,285
Total OPEB liability, ending (a)	619,048,698	592,199,285
Fiduciary net position:		
Employer contributions	27,431,281	27,819,668
Active member contributions	383,343	818,612
TRB subsidy contributions	835,552	799,920
Net investment income	4,698	1,495
Benefit payments, including refunds of member contributions	(27,861,823)	(28,214,548)
Administrative expenses	-	-
Other	(20)	(58)
Net change in plan fiduciary net position	793,031	1,225,089
Fiduciary net position, beginning	1,594,455	369,366
	2,387,486	1,594,455
Fiduciary net position, ending (b)	2,387,486	1,594,455
Net OPEB liability, ending = (a) – (b)	\$ 616,661,212	\$ 590,604,830
Fiduciary net position as a % of total OPEB liability	0.39%	0.27%
Covered payroll	\$ 222,642,000	\$ 242,050,000
Net OPEB liability as a % of covered payroll	276.97%	244.00%
Required Supplementary Information – Unaudited Schedule of Investment Returns Last Two Fiscal Years	2018	2017
Annual money-weighted rate of return, net of investment expense	0.28%	0.36%

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 the City's Proportionate Share of the Net Pension Liability –
 Teachers' Retirement System
 Last Four Fiscal Years**

	2018	2017	2016	2015
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ 502,931,664	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
State's proportionate share of the net pension liability associated with the City	\$ 502,931,664	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
Total	\$ 502,931,664	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
City's covered payroll	\$ 159,411,442	\$ 153,649,618	\$ 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%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

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 the City's Proportionate Share of the Net OPEB Liability –
 Teachers' Retirement Health System
 Last Fiscal Year**

	2018
City's proportion of the net OPEB liability	0.00%
City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>129,448,918</u>
Total	<u>\$ 129,448,918</u>
City's covered payroll	<u><u>\$ 159,411,458</u></u>
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u><u>0.00%</u></u>
System fiduciary net position as a percentage of the total OPEB liability	<u><u>1.79%</u></u>

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, 2018**

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 2016-2017 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, 2018**

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, 2018, the following line items over expended their appropriations:

Department	Amount
Information and Technology	\$ (116)
Youth services	(18,062)
Transportation/traffic & parking	(210,652)
Various organizations	(131)
Vacancy Savings	(3,326,027)
Employee benefits	(1,868,282)
Pensions	(542,187)
Self-insurance	(322,595)
Total education	(6,185,403)
Tans Interest Payment	(500,000)
Other Contractual Services/Payments	(36,542)
Refunding and Bond Premium Savings	(3,720,909)



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

[THIS PAGE INTENTIONALLY LEFT BLANK]



**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 ETF	Various	Various

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.

This page intentionally left blank.

City of New Haven

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Assets				
Cash and cash equivalents	\$ 4,886,463	\$ 2,162,989	\$ 2,150,494	\$ 19,581
Investments	-	-	125,000	-
Due from other funds	1,145,493	-	511,508	-
Receivables, net	121,656	16,001	148,692	2,426
Receivables from other governments	1,375,186	-	275,364	-
Total assets	\$ 7,528,798	\$ 2,178,990	\$ 3,211,058	\$ 22,007
Liabilities				
Accounts payable	\$ 1,591,853	\$ 270,552	\$ 723,979	\$ 9,744
Accrued liabilities	56,063	-	37,764	-
Due to other funds	771,685	465,832	750,894	-
Due to other governments	340	19,785	-	-
Unearned revenue	-	180,767	-	-
Other liabilities	-	-	-	-
Total liabilities	2,419,941	936,936	1,512,637	9,744
Deferred inflows of resources:				
Unavailable revenue	106,763	-	-	-
Total deferred inflow of resources	106,763	-	-	-
Fund balances :				
Nonspendable	-	-	-	-
Restricted	5,002,094	1,242,054	1,698,421	12,263
Assigned	-	-	-	-
Total fund balances	5,002,094	1,242,054	1,698,421	12,263
Total liabilities, deferred inflows of resources and fund balances	\$ 7,528,798	\$ 2,178,990	\$ 3,211,058	\$ 22,007

Schedule 1

Other ETF	Permanent Funds	Debt Service	Total Nonmajor Governmental Funds (See Exhibit C)
\$ 1,239,217	\$ 1,965,949	\$ 15,223,513	\$ 27,648,206
2,856,231	3,651,779	-	6,633,010
-	-	-	1,657,001
-	-	-	288,775
-	-	-	1,650,550
<u>\$ 4,095,448</u>	<u>\$ 5,617,728</u>	<u>\$ 15,223,513</u>	<u>\$ 37,877,542</u>
\$ 332,945	\$ 1,735,085	\$ -	\$ 4,664,158
-	-	-	93,827
-	-	-	1,988,411
-	-	-	20,125
-	-	-	180,767
-	-	-	-
<u>332,945</u>	<u>1,735,085</u>	<u>-</u>	<u>6,947,288</u>
-	-	-	106,763
-	-	-	106,763
-	2,381,320	-	2,381,320
3,762,503	1,501,323	-	13,218,658
-	-	15,223,513	15,223,513
<u>3,762,503</u>	<u>3,882,643</u>	<u>15,223,513</u>	<u>30,823,491</u>
<u>\$ 4,095,448</u>	<u>\$ 5,617,728</u>	<u>\$ 15,223,513</u>	<u>\$ 37,877,542</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, 2018**

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Revenues:				
Intergovernmental	\$ 9,888,261	\$ 511,452	\$ 7,779,957	\$ -
Investment earnings	3,421	(73)	409	19
Charges for services	590,820	-	120,762	-
Other contributions	901,476	35,078	1,558,979	-
Total revenues	11,383,978	546,457	9,460,107	19
Expenditures:				
Current:				
General government	11,479	-	-	-
Public works	-	773,076	-	-
Public services	10,371,909	-	9,722,049	-
Total expenditures	10,383,388	773,076	9,722,049	-
Excess (deficiency) of revenues over expenditures	1,000,590	(226,619)	(261,942)	19
Other financing sources (uses):				
Transfer in	31,814	-	297,500	-
Transfer out	-	(5,262)	-	-
Total other financing sources (uses)	31,814	(5,262)	297,500	-
Net change in fund balances	1,032,404	(231,881)	35,558	19
Fund balances, beginning	3,969,690	1,473,935	1,662,863	12,244
Fund balances, ending	\$ 5,002,094	\$ 1,242,054	\$ 1,698,421	\$ 12,263

Schedule 2

Other ETF	Permanent Funds	Debt Service	Total Nonmajor Governmental Funds (See Exhibit D)
\$ -	\$ -	\$ -	\$ 18,179,670
369,677	-	-	373,453
-	-	-	711,582
396,445	168,726	-	3,060,704
<u>766,122</u>	<u>168,726</u>	<u>-</u>	<u>22,325,409</u>
-	-	-	11,479
-	-	-	773,076
-	-	-	20,093,958
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,878,513</u>
766,122	168,726	-	1,446,896
-	-	15,223,513	15,552,827
-	-	-	(5,262)
<u>-</u>	<u>-</u>	<u>15,223,513</u>	<u>15,547,565</u>
766,122	168,726	15,223,513	16,994,461
2,996,381	3,713,917	-	13,829,030
<u>\$ 3,762,503</u>	<u>\$ 3,882,643</u>	<u>\$ 15,223,513</u>	<u>\$ 30,823,491</u>

This page intentionally left blank.



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, 2018**

	Business-Type Activities – Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 682,986	\$ 17,454	\$ 258,181	\$ 958,621
Accounts receivable	12,170	-	-	12,170
Due from other funds	-	-	9,373	9,373
Total assets	695,156	17,454	267,554	980,164
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	249,393	-	1,213	250,606
Due to other funds	1,682	23,000	-	24,682
Total current liabilities	251,075	23,000	1,213	275,288
Net position (deficit):				
Unrestricted	444,081	(5,546)	266,341	704,876
Total net position (deficit)	\$ 444,081	\$ (5,546)	\$ 266,341	\$ 704,876

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018**

	Business-Type Activities – Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications	
			Tower	Total
Operating revenues:				
Charges for services	\$ 874,864	\$ -	\$ 23,773	\$ 898,637
Total operating revenues	874,864	-	23,773	898,637
Operating expenses:				
Cost of service	958,642	-	58,571	1,017,213
Total operating expenses	958,642	-	58,571	1,017,213
Operating (loss) income	(83,778)	-	(34,798)	(118,576)
Nonoperating revenues:				
Interest income	-	-	864	864
Total nonoperating revenues	-	-	864	864
Change in net position (deficit)	(83,778)	-	(33,934)	(117,712)
Fund net position (deficit), beginning	527,859	(5,546)	300,275	822,588
Fund net position (deficit), ending	\$ 444,081	\$ (5,546)	\$ 266,341	\$ 704,876

**Combining Statement of Cash Flows – Nonmajor Enterprise Funds
For the Year Ended June 30, 2018**

	Business-Type Activities – Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 875,155	\$ -	\$ 19,052	\$ 894,207
Payments to suppliers and personnel	(794,495)	(898)	(64,759)	(860,152)
Net cash provided by (used in) operating activities	80,660	(898)	(45,707)	34,055
Cash flows from investing activities:				
Interest income	-	-	864	864
Net cash provided by investing activities	-	-	864	864
Net increase (decrease) in cash and cash equivalents	80,660	(898)	(44,843)	34,919
Cash and cash equivalents:				
Beginning	602,326	18,352	303,024	923,702
Ending	<u>\$ 682,986</u>	<u>\$ 17,454</u>	<u>\$ 258,181</u>	<u>\$ 958,621</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (83,778)	\$ -	\$ (34,798)	\$ (118,576)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease in other receivables	291	-	-	291
Increase (decrease) in accounts payable	162,465	(898)	(6,188)	155,379
Increase (decrease) in due to other funds	1,682	-	(4,721)	(3,039)
Net cash provided by (used in) operating operating activities	\$ 80,660	\$ (898)	\$ (45,707)	\$ 34,055

This page intentionally left blank.



Fiduciary Funds

[THIS PAGE INTENTIONALLY LEFT BLANK]

Combining Statement of Trust Fund Net Position – Fiduciary Funds
June 30, 2018

	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	\$ 12,019,290	\$ 14,890,274	\$ 1,117,587	\$ 1,982,476	\$ 30,009,627
Interest and dividends receivable	319,330	469,987	45	-	789,362
Accounts receivable-investment sales	143,940	425,690	-	-	569,630
Accounts receivable- other	34,435	133,678	127	-	168,240
Due from other funds	-	-	-	405,010	405,010
	<u>12,516,995</u>	<u>15,919,629</u>	<u>1,117,759</u>	<u>2,387,486</u>	<u>31,941,869</u>
Investments:					
Government agencies	-	17,212,638	-	-	17,212,638
Real estate	428,650	1,709,227	-	-	2,137,877
Common stock	66,884,720	152,900,719	109,107	-	219,894,546
Preferred stock	7,108,300	18,835,000	-	-	25,943,300
Corporate bonds	9,727,990	21,668,448	-	-	31,396,438
Mutual funds	9,062,396	-	-	-	9,062,396
Hedge Fund	19,083,584	30,867,802	-	-	49,951,386
Hedge Fund – equity	1,115,936	18,456,061	-	-	19,571,997
Venture capital partnerships	12,219,664	40,766,844	-	-	52,986,508
Exchange traded funds	31,947,454	687,600	-	-	32,635,054
Total investments	<u>157,578,694</u>	<u>303,104,339</u>	<u>109,107</u>	<u>-</u>	<u>460,792,140</u>
Total assets	<u>170,095,689</u>	<u>319,023,968</u>	<u>1,226,866</u>	<u>2,387,486</u>	<u>492,734,009</u>
Liabilities					
Accounts payable-investment purchases	381,900	132,275	-	-	514,175
Total liabilities	<u>381,900</u>	<u>132,275</u>	<u>-</u>	<u>-</u>	<u>514,175</u>
Net position:					
Restricted for pension and OPEB benefits	<u>\$ 169,713,789</u>	<u>\$ 318,891,693</u>	<u>\$ 1,226,866</u>	<u>\$ 2,387,486</u>	<u>\$ 492,219,834</u>

**Combining Statement of Changes in Trust Fund Net Position – Fiduciary Funds
For the Year Ended June 30, 2018**

	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	\$ 21,706,165	\$ 34,607,857	\$ -	\$ 27,861,823	\$ 84,175,845
Plan members	4,981,570	7,557,388	-	1,201,955	13,740,913
Total contributions	26,687,735	42,165,245	-	29,063,778	97,916,758
Investment earnings:					
Net appreciation (depreciation) in fair value of investments	10,910,545	4,438,474	(1,278)	-	15,347,741
Interest and dividends	2,230,490	3,959,111	(25,309)	4,669	6,168,961
Miscellaneous Income	1,115	169,376	-	-	170,491
Total investment income (loss)	13,142,150	8,566,961	(26,587)	4,669	21,687,193
Less investment expense	956,420	1,818,313	-	818,613	3,593,346
Net investment income (loss)	12,185,730	6,748,648	(26,587)	(813,944)	18,093,847
Total additions	38,873,465	48,913,893	(26,587)	28,249,834	116,010,605
Deductions:					
Benefits	31,210,140	57,416,435	-	27,861,823	116,488,398
Total deductions	31,210,140	57,416,435	-	27,861,823	116,488,398
Net increase (decrease)	7,663,325	(8,502,542)	(26,587)	388,011	(477,793)
Restricted for pension and OPEB benefits:					
Fund net position, beginning of year	162,050,464	327,394,235	1,253,453	1,999,475	492,697,627
Fund net position, end of year	\$ 169,713,789	\$ 318,891,693	\$ 1,226,866	\$ 2,387,486	\$ 492,219,834

Statement of Changes in Assets and Liabilities – Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 595,592	\$ 1,171,055	(1,260,647)	\$ 506,000
Total assets	\$ 595,592	\$ 1,171,055	(1,260,647)	\$ 506,000
Liabilities:				
Due to student groups	\$ 595,592	\$ 1,171,055	(1,260,647)	\$ 506,000
Total liabilities	\$ 595,592	\$ 1,171,055	(1,260,647)	\$ 506,000
Performance Bond				
Assets:				
Cash and cash equivalents	\$ 659,023	\$ 146,461	(140,507)	\$ 664,977
Total assets	\$ 659,023	\$ 146,461	(140,507)	\$ 664,977
Liabilities:				
Amounts held for others	\$ 659,023	\$ 146,461	(140,507)	\$ 664,977
Total liabilities	\$ 659,023	\$ 146,461	(140,507)	\$ 664,977
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 1,254,615	\$ 1,317,516	\$ (1,401,154)	\$ 1,170,977
Total assets	\$ 1,254,615	\$ 1,317,516	\$ (1,401,154)	\$ 1,170,977
Liabilities:				
Due to student groups	\$ 595,592	\$ 1,171,055	\$ (1,260,647)	\$ 506,000
Amounts held for others	659,023	146,461	(140,507)	664,977
Total liabilities	\$ 1,254,615	\$ 1,317,516	\$ (1,401,154)	\$ 1,170,977

This page intentionally left blank.



Other Schedules

[THIS PAGE INTENTIONALLY LEFT BLANK]

This page intentionally left blank.

City of New Haven, Connecticut

Balance Sheet – by Account – General Fund
June 30, 2018

	General Fund	Medical Self- Insurance	Self- Insurance
Assets			
Cash and cash equivalents	\$ 29,512,986	\$ 1,206,335	\$ 96,069
Investments	3,029,660		
Receivables:			
Receivables, net	20,178,161	5,506,548	-
Intergovernmental	163,037	-	-
Due from other funds	19,698,795	-	194,696
Total assets	\$ 72,582,639	\$ 6,712,883	\$ 290,765
Liabilities			
Accounts payable	\$ 33,210,586	\$ 2,046,491	\$ 116,489
Accrued liabilities	16,387,234	-	-
Due to other governments	104,473	-	-
Unearned revenue	1,913,316	-	-
Due to other funds	5,136,108	9,087,778	211,370
Total liabilities	56,751,717	11,134,269	327,859
Deferred Inflows of Resources			
Unavailable revenue	10,150,924	-	-
Advanced tax collections	11,967,372	-	-
Total deferred inflows of resources	22,118,296	-	-
Fund Balances (Deficits)			
Unassigned (deficit)	(6,287,374)	(4,421,386)	(37,094)
Total fund balances (deficits)	(6,287,374)	(4,421,386)	(37,094)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 72,582,639	\$ 6,712,883	\$ 290,765

Schedule 9

Workers' Compensation	Eliminate Interfund Receivables	Totals
\$ 27,593	\$ -	\$ 30,842,983
		3,029,660
74,554	-	25,759,263
-	-	163,037
40,592	(9,299,148)	10,634,935
<u>\$ 142,739</u>	<u>\$ (9,299,148)</u>	<u>\$ 70,429,878</u>
\$ -	\$ -	\$ 35,373,566
-	-	16,387,234
-	-	104,473
-	-	1,913,316
-	(9,299,148)	5,136,108
<u>-</u>	<u>(9,299,148)</u>	<u>58,914,697</u>
-	-	10,150,924
<u>-</u>	<u>-</u>	<u>11,967,372</u>
<u>-</u>	<u>-</u>	<u>22,118,296</u>
142,739	-	(10,603,115)
<u>142,739</u>	<u>-</u>	<u>(10,603,115)</u>
<u>\$ 142,739</u>	<u>\$ (9,299,148)</u>	<u>\$ 70,429,878</u>

City of New Haven, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance – by Account – General Fund
June 30, 2018

	General Fund	Medical Self- Insurance	Self- Insurance
Revenues:			
Property taxes	\$ 253,562,833	\$ -	\$ -
Licenses and permits	22,328,301	-	-
Intergovernmental	299,089,386	-	-
Charges for services and premiums	5,703,398	19,764,949	-
Fines	5,249,736	-	-
Investment earnings	1,389,114	-	-
Payment in lieu of taxes	1,303,720	-	-
Contributions and other	18,024,984	101,882,650	12,112,000
	<u>606,651,472</u>	<u>121,647,599</u>	<u>12,112,000</u>
Expenditures:			
Current:			
General government	29,599,662	-	-
Public safety	79,360,860	-	-
Public works	17,345,495	-	-
Health and welfare	8,475,681	-	-
Culture and recreation	1,206,219	-	-
Benefit and insurance	166,023,048	120,516,402	12,108,406
Education	260,920,722	-	-
Economic Development	7,978,871	-	-
Principal retirements	10,467,592	-	-
Interest	24,113,674	-	-
Debt issuance costs	273,192	-	-
Total expenditures	<u>605,765,016</u>	<u>120,516,402</u>	<u>12,108,406</u>
Excess (deficiency) of revenues over expenditures	<u>886,456</u>	<u>(120,516,402)</u>	<u>(12,108,406)</u>
Other financing sources (uses):			
Premium on bond issuances	11,282,904	-	-
Issuance of grant anticipation notes	-	-	-
Transfers in	-	-	-
Transfers out	(15,521,013)	-	-
Payment to escrow agent	(38,407,984)	-	-
Issuance of refunding bonds	33,415,000	-	-
Total other financing sources (uses)	<u>(9,231,093)</u>	<u>-</u>	<u>-</u>
Net change in fund balance (deficit)	<u>(8,344,637)</u>	<u>1,131,197</u>	<u>3,594</u>
Fund balances (deficits), beginning of year	<u>2,057,263</u>	<u>(5,552,583)</u>	<u>(40,688)</u>
Fund balances (deficits), end of year	<u>\$ (6,287,374)</u>	<u>\$ (4,421,386)</u>	<u>\$ (37,094)</u>

Schedule 10

Workers' Compensation	Eliminate Interfund Receivables	Totals
\$ -	\$ -	\$ 253,562,833
-	-	22,328,301
-	-	299,089,386
-	(19,764,949)	5,703,398
-	-	5,249,736
-	-	1,389,114
-	-	1,303,720
9,314,839	(122,173,607)	19,160,866
9,314,839	(141,938,556)	607,787,354
-	-	29,599,662
-	-	79,360,860
-	-	17,345,495
-	-	8,475,681
-	-	1,206,219
9,313,748	(141,938,556)	166,023,048
-	-	260,920,722
-	-	7,978,871
-	-	10,467,592
-	-	24,113,674
-	-	273,192
9,313,748	(141,938,556)	605,765,016
(9,313,748)	141,938,556	886,456
-	-	11,282,904
-	-	-
-	-	-
-	-	(15,521,013)
-	-	(38,407,984)
-	-	33,415,000
-	-	(9,231,093)
1,091	-	(7,208,755)
141,648	-	(3,394,360)
\$ 142,739	\$ -	\$ (10,603,115)

City of New Haven, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2018

Grand List	Uncollected Taxes July 1, 2017	Current Levy	Lawful Corrections Additions/ Deductions	Transfers to Suspense	Net Amount Collectible
2002	\$ 80,932	\$ -	\$ (7,547)	\$ -	\$ 73,386
2003	89,971	-	(7,742)	-	82,228
2004	94,612	-	(8,646)	-	85,967
2005	144,452	-	(681)	-	143,771
2006	161,737	-	(753)	-	160,984
2007	(180,964)	-	(3,736)	-	(184,700)
2008	165,029	-	(10,445)	-	154,584
2009	161,356	-	(12,126)	-	149,230
2010	178,149	-	(12,126)	-	166,023
2011	131,059	-	(16,141)	-	114,918
2012	244,541	-	(20,029)	-	224,512
2013	1,374,432	-	(25,184)	(946,758)	402,490
2014	2,060,050	-	(44,987)	-	2,015,063
2015	4,336,843	-	(62,998)	-	4,273,845
Prior Years' Total	9,042,199	-	(233,140)	(946,758)	7,862,301
2016	-	255,107,330	(2,303,081)	-	252,804,250
	<u>\$ 9,042,199</u>	<u>\$ 255,107,330</u>	<u>\$ (2,536,221)</u>	<u>\$ (946,758)</u>	<u>\$ 260,666,551</u>

Schedule 11

Collections					Uncollected Taxes	
Taxes	Overpayments	Interest and Lien Fees	Lien Fees	Total	June 30, 2018	
\$ 84	\$ -	\$ 322	\$ -	\$ 406	\$ 73,302	
86	-	202	-	288	82,142	
92	-	201	-	293	85,875	
9,651	-	19,793	-	29,444	134,120	
4,504	(7,890)	9,766	-	14,270	164,370	
18,485	(379,250)	31,573	-	50,058	176,065	
21,305	(28,351)	26,492	-	47,797	161,630	
18,068	(12,996)	2,068	-	20,136	144,158	
(6,235)	(7,024)	5,632	-	(603)	179,283	
(9,654)	(94,286)	13,885	-	4,231	218,858	
68,023	(77,971)	19,599	-	87,622	234,460	
222,527	(112,113)	96,606	-	319,133	292,076	
687,460	(232,020)	244,972	-	932,432	1,559,624	
2,744,825	(376,949)	563,436	-	3,308,261	1,905,970	
3,779,221	(1,328,851)	1,034,545	-	3,484,914	5,411,932	
248,813,458	(1,041,140)	836,089	-	248,608,407	5,031,932	
<u>\$ 252,592,679</u>	<u>\$ (2,369,992)</u>	<u>\$ 1,870,634</u>	<u>\$ -</u>	<u>\$ 252,093,321</u>	<u>\$ 10,443,864</u>	

This page intentionally left blank.



**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.

This page intentionally left blank.

City of New Haven, Connecticut

**Net Position by Component
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
Net investment in capital assets	\$ 795,545,245	\$ 790,216,721	\$ 889,013,623	\$ 933,256,161
Restricted	12,887,497	12,550,193	16,979,104	13,770,223
Unrestricted	(148,878,781)	(37,143,425)	(97,426,220)	(136,664,640)
Total governmental activities	659,553,961	765,623,489	808,566,507	810,361,744
Business-type activities:				
Unrestricted	1,647,934	652,000	520,387	552,158
Total business-type activities	1,647,934	652,000	520,387	552,158
City net position:				
Net Invested in capital assets,	795,545,245	790,216,721	889,013,623	933,256,161
Restricted	12,887,497	12,550,193	16,979,104	13,770,223
Unrestricted (deficit)	(147,230,847)	(36,491,425)	(96,905,833)	(136,112,482)
Total governmental activities	\$ 661,201,895	\$ 766,275,489	\$ 809,086,894	\$ 810,913,902

Source: Department of Finance

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 950,575,226	\$ 952,587,372	\$ 918,930,231	\$ 956,517,425	\$ 1,024,694,383	\$1,001,195,147
16,333,526	20,765,758	13,528,982	10,763,525	12,791,744	20,148,539
(154,091,504)	(190,023,485)	(717,176,614)	(751,798,333)	(854,616,649)	(1,369,562,105)
812,817,248	783,329,645	215,282,599	215,482,617	182,869,478	(348,218,419)
453,546	611,147	469,359	599,845	822,588	704,876
453,546	611,147	469,359	599,845	822,588	704,876
950,575,226	952,587,372	918,930,231	956,517,425	1,024,694,383	1,001,195,147
16,333,526	20,765,758	13,528,982	10,763,525	12,791,744	20,148,539
(153,637,958)	(189,412,338)	(716,707,255)	(751,198,488)	(853,794,061)	(1,368,857,229)
\$ 813,270,794	\$ 783,940,792	\$ 215,751,958	\$ 216,082,462	\$ 183,692,066	\$ (347,513,543)

City of New Haven, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses:				
Governmental activities:				
General government	\$ 33,128,676	\$ 38,324,187	\$ 38,378,265	\$ 42,912,415
Education	281,171,745	369,049,226	387,620,341	398,188,801
Public Safety	70,113,405	95,866,212	100,362,361	100,752,656
Public Works	25,800,652	46,150,257	43,462,757	29,571,591
Public Services	41,512,155	36,094,387	34,963,806	35,226,515
Employee benefits and insurance	115,508,082	-	-	-
Culture and Recreation	9,665,487	12,194,921	11,008,820	-
Economic Development	39,221,060	8,599,509	7,778,651	7,748,513
Interest on long-term debt	21,900,866	22,380,844	22,625,151	24,802,662
Total governmental expenses	638,022,128	628,659,543	646,200,152	639,203,153
Business-type activities:				
Recreation	1,255,002	883,496	1,269,621	1,086,086
Total business-type expenses	1,255,002	883,496	1,269,621	1,086,086
Total expenses	639,277,130	629,543,039	647,469,773	640,289,239
Program revenues:				
Governmental activities:				
Charges for services	48,839,095	32,703,214	23,694,252	25,775,734
Operating grants and contributions	273,622,190	304,571,883	290,018,680	281,391,602
Capital grants and contributions	110,706,951	69,966,267	94,495,718	43,861,614
Total governmental activities	433,168,236	407,241,364	408,208,650	351,028,950
Business-type activities:				
Recreation	1,117,372	1,353,464	1,137,624	1,227,809
Total business-type activities	1,117,372	1,353,464	1,137,624	1,227,809
Total program revenues	434,285,608	408,594,828	409,346,274	352,256,759
Net (expense)/revenue				
Governmental activities	(204,853,892)	(221,418,179)	(237,991,502)	(288,174,203)
Business-type activities	(137,630)	469,968	(131,997)	141,723
Total net expenses	(204,991,522)	(220,948,211)	(238,123,499)	(288,032,480)

Source: Department of Finance

Fiscal Year						
	2013	2014	2015	2016	2017	2018
\$	44,273,863	\$ 42,374,815	\$ 45,019,352	\$ 42,621,112	\$ 51,190,242	\$ 44,732,017
	422,504,443	441,022,674	471,239,560	551,621,913	539,165,020	551,501,263
	100,514,476	103,204,821	118,802,515	112,584,258	156,935,928	168,088,802
	28,086,703	36,849,330	36,357,486	46,241,701	34,813,406	32,688,007
	34,109,046	37,089,015	35,959,603	32,628,293	41,830,406	36,205,051
	-	-	-	-	-	-
	-	-	-	-	-	-
	16,022,738	20,216,634	14,227,659	8,673,822	14,790,863	15,814,990
	26,153,935	25,334,747	25,948,757	19,597,972	21,732,765	22,763,793
	671,665,204	706,092,036	747,554,932	813,969,071	860,458,630	871,793,923
	1,178,023	811,193	1,206,943	906,629	668,672	1,017,213
	1,178,023	811,193	1,206,943	906,629	668,672	1,017,213
	672,843,227	706,903,229	748,761,875	814,875,700	861,127,302	872,811,136
	36,907,521	35,291,621	40,886,610	32,702,396	34,325,195	34,859,383
	299,280,981	309,425,898	327,560,388	396,220,688	382,520,519	359,569,290
	49,720,146	30,467,436	38,134,971	75,476,816	84,762,285	38,437,427
	385,908,648	375,184,955	406,581,969	504,399,900	501,607,999	432,866,100
	1,189,355	1,078,769	1,175,155	1,106,538	890,819	898,637
	1,189,355	1,078,769	1,175,155	1,106,538	890,819	898,637
	387,098,003	376,263,724	407,757,124	505,506,438	502,498,818	433,764,737
	(285,756,556)	(330,907,081)	(340,972,963)	(309,569,171)	(358,850,631)	(438,927,823)
	11,332	267,576	(31,788)	199,909	222,147	(118,576)
	(285,745,224)	(330,639,505)	(341,004,751)	(309,369,262)	(358,628,484)	(439,046,399)

(Continued)

City of New Haven, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
General revenues and other:				
Changes in net position:				
Governmental activities:				
Property taxes	\$ 205,341,992	\$ 213,331,992	\$ 223,589,061	\$ 229,270,651
Grants and contributions not restricted to specific purposes	53,565,509	54,721,798	53,781,158	60,472,827
Investment income	823,478	192,676	114,301	115,962
Miscellaneous	7,475,580	3,775,000	3,450,000	-
Transfers	110,000	1,466,241	-	110,000
Total governmental activities	267,316,559	273,487,707	280,934,520	289,969,440
Business-type activities:				
Investment income	1,818	339	384	48
Transfers	(110,000)	(1,466,241)	-	(110,000)
Total business-type activities	(108,182)	(1,465,902)	384	(109,952)
Total general revenues	267,208,377	272,021,805	280,934,904	289,859,488
Change in net position:				
Governmental activities	62,462,667	52,069,528	42,943,018	1,795,237
Business-type activities	(245,812)	(995,934)	(131,613)	31,771
Change in net position	\$ 62,216,855	\$ 51,073,594	\$ 42,811,405	\$ 1,827,008

Source: Department of Finance

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 232,021,388	\$ 245,329,193	\$ 251,874,699	\$ 249,774,495	\$ 252,274,961	\$ 254,463,152
55,960,782	55,924,054	61,506,528	59,929,086	73,551,080	75,606,647
119,890	56,231	(7,977)	(4,392)	411,451	1,769,957
-	-	-	-	-	-
110,000	110,000	110,000	70,000	-	-
288,212,060	301,419,478	313,483,250	309,769,189	326,237,492	331,839,756
56	25	-	577	596	864
(110,000)	(110,000)	(110,000)	(70,000)	-	-
(109,944)	(109,975)	(110,000)	(69,423)	596	864
288,102,116	301,309,503	313,373,250	309,699,766	326,238,088	331,840,620
2,455,504	(29,487,603)	(27,489,713)	200,018	(32,613,139)	(107,088,067)
(98,612)	157,601	(141,788)	130,486	222,743	(117,712)
\$ 2,356,892	\$ (29,330,002)	\$ (27,631,501)	\$ 330,504	\$ (32,390,396)	\$ (107,205,779)

City of New Haven, Connecticut

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

	Fiscal Year			
	2009	2010	2011*	2012
General fund:				
Nonspendable	\$ -	\$ -	\$ 7,000,000	\$ 5,000,000
Unassigned	-	-	9,827,620	3,791,796
Reserved	-	7,000,000	-	-
Unreserved	16,025,789	9,177,717	-	-
Total general fund	\$ 16,025,789	\$ 16,177,717	\$ 16,827,620	\$ 8,791,796
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ 2,495,040	\$ 2,415,247
Restricted	-	-	13,149,999	12,577,203
Committed	-	-	2,480,268	2,480,268
Assigned	-	-	858,106	696,429
Unassigned	-	-	(42,124,903)	(41,238,667)
Reserved	119,254,075	74,673,938	-	-
Unreserved, reported in:				
Special revenue funds	(4,394,417)	(10,990,440)	-	-
Capital projects funds	(166,587,369)	(107,306,164)	-	-
Permanent funds	2,447,525	2,536,873	-	-
Total all other governmental funds	\$ (49,280,186)	\$ (41,085,793)	\$ (23,141,490)	\$ (23,069,520)

* 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						
2013	2014	2015	2016	2017	2018	
\$ 4,000,000	\$ -	\$ -	\$ -	\$ 369,575	\$ -	
(8,721,555)	22,047	1,726,001	2,023,605	(3,763,935)	(10,603,115)	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ (4,721,555)</u>	<u>\$ 22,047</u>	<u>\$ 1,726,001</u>	<u>\$ 2,023,605</u>	<u>\$ (3,394,360)</u>	<u>\$ (10,603,115)</u>	
\$ 2,501,388	\$ 2,501,388	\$ 2,449,526	\$ 2,433,271	\$ 2,524,744	\$ 4,933,954	
13,952,206	56,816,595	53,526,263	58,876,699	70,232,391	72,243,740	
-	-	-	-	-	-	
783,844	-	-	-	-	15,223,513	
(48,281,991)	(9,853,003)	(4,821,965)	-	(579,530)	(252,543)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ (31,044,553)</u>	<u>\$ 49,464,980</u>	<u>\$ 51,153,824</u>	<u>\$ 61,309,970</u>	<u>\$ 72,177,605</u>	<u>\$ 92,148,664</u>	

City of New Haven, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues:				
Property taxes	\$ 203,404,742	\$ 206,824,921	\$ 218,720,737	\$ 226,146,445
Licenses and permits	17,319,960	18,844,871	13,195,587	12,562,691
Intergovernmental	434,232,125	413,032,296	405,712,082	375,716,436
Charges for services	4,575,057	7,249,401	7,816,539	7,900,287
Fines	5,351,710	5,077,231	5,709,988	5,312,756
Investment income	823,478	192,676	114,301	115,962
Payments in lieu of taxes	2,435,344	5,364,603	1,820,138	2,018,863
Contributions and other	25,035,449	19,212,240	28,910,176	18,346,222
Total revenues	693,177,865	675,798,239	681,999,548	648,119,662
Expenditures:				
Current:				
General government	32,908,251	32,228,453	30,704,867	33,414,390
Public safety	68,810,405	70,769,960	73,739,649	72,617,616
Public works	19,439,170	29,061,135	27,581,215	16,076,971
Public services	41,512,155	33,753,120	31,895,908	29,207,328
Other departments	-	-	677,539	1,825,846
Culture and recreation	9,110,439	8,700,514	106,160,244	-
Employee benefits and insurance	91,498,136	97,698,274	8,576,710	120,102,608
Economic development	-	8,599,509	7,778,651	7,748,513
Education	265,877,829	273,173,543	276,049,421	276,988,897
Other expenditures	39,221,060	-	-	-
Debt service:				
Principal	42,147,976	41,333,551	41,618,348	40,676,028
Interest	21,669,413	22,380,844	23,333,353	24,482,136
Capital outlay	132,086,908	115,394,256	69,472,533	83,765,276
Bond issuance costs	-	-	-	-
Total expenditures	764,281,742	733,093,159	697,588,438	706,905,609
Excess (deficiency) of revenues over expenditures	(71,103,877)	(57,294,920)	(15,588,890)	(58,785,947)
Other financing sources (uses):				
Capital related debt	45,000,000	50,400,000	-	-
Bond proceeds	-	-	-	44,500,000
Issuance of grant anticipation notes	-	-	-	-
Refunding bond proceeds	-	-	44,265,000	-
Proceeds from sale of capital assets	7,475,580	3,775,000	3,450,000	3,663,000
Payment to escrow	-	-	(16,569,312)	-
Premium on bonds issued	-	-	3,037,408	2,549,093
Transfers in	110,000	3,813,094	6,218,541	2,465,303
Transfers out	-	(2,346,853)	(6,218,541)	(2,355,303)
Issuance of capital leases	-	-	-	-
Bond premium on refunding	-	-	-	-
Refunding bonds proceeds	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond issue premium	-	-	-	-
Total other financing sources (uses)	52,585,580	55,641,241	34,183,096	50,822,093
Net change in fund balances	(18,518,297)	(1,653,679)	18,594,206	(7,963,854)
Fund balance at beginning of year	(14,736,100)	(23,254,397)	(24,908,076)	(6,313,870)
Fund balance at end of year	\$ (33,254,397)	\$ (24,908,076)	\$ (6,313,870)	\$ (14,277,724)
Debt service as a percentage of noncapital expenditures	11.23%	11.50%	11.53%	11.68%
Source: Department of Finance				
Total debt service	\$ 63,817,389	\$ 63,714,395	\$ 64,951,701	\$ 65,158,164
Noncapital Expenditures	568,377,445	553,984,508	563,164,204	557,982,169

							Fiscal Year					
2013		2014		2015		2016		2017		2018		
\$	230,988,343	\$	243,999,342	\$	249,968,781	\$	250,993,094	\$	252,389,650	\$	253,562,833	
	16,207,851		15,715,800		25,735,463		18,835,219		21,780,552		22,328,301	
	368,505,030		395,251,811		427,556,702		507,395,162		509,215,520		461,849,333	
	11,658,305		8,868,596		7,377,689		7,627,709		5,527,278		6,924,985	
	4,502,154		4,713,752		5,127,968		5,534,394		5,143,809		5,249,736	
	119,890		56,231		(7,977)		(4,309)		410,083		1,769,957	
	1,943,383		1,975,822		1,436,103		1,427,020		1,292,074		1,303,720	
	19,833,644		23,187,286		21,118,723		19,488,380		23,561,936		26,152,020	
	653,758,600		693,768,640		738,313,452		811,296,669		819,320,902		779,140,885	
	34,051,946		31,933,933		32,497,009		31,941,350		31,874,587		34,386,513	
	72,103,165		72,312,347		76,868,915		72,663,255		76,450,736		79,360,860	
	21,643,596		27,151,726		28,269,005		21,582,317		25,454,621		18,716,941	
	28,020,430		27,256,339		28,071,550		28,241,064		30,589,011		28,569,639	
	1,437,285		797,221		1,085,037		1,210,771		1,201,474		1,206,219	
	-		-		-		-		-		-	
	128,736,336		124,811,581		143,188,467		137,510,540		147,029,077		166,023,048	
	16,022,738		20,216,234		14,227,659		8,673,822		10,755,284		10,957,299	
	299,236,689		311,955,067		336,796,430		384,845,337		381,972,038		379,988,600	
	-		-		-		-		-		-	
	42,855,066		41,858,092		38,753,682		38,160,503		58,526,363		17,467,592	
	22,955,367		20,423,668		26,059,727		24,327,972		25,209,653		24,113,674	
	57,765,250		42,297,623		53,956,863		122,802,205		84,774,064		65,331,768	
	-		-		-		-		-		-	
	724,827,868		721,013,831		779,774,344		871,959,136		873,836,908		826,122,153	
	(71,069,268)		(27,245,191)		(41,460,892)		(60,662,467)		(54,516,006)		(46,981,268)	
	-		-		-		-		-		-	
	43,000,000		53,870,000		96,150,000		100,100,000		117,510,000		43,300,000	
	-		56,552,893		-		-		-		-	
	47,700,000		24,235,000		-		-		-		33,415,000	
	4,500,000		-		-		-		-		-	
	(51,372,532)		(25,602,585)		(68,191,150)		(60,666,022)		(77,675,143)		(38,407,984)	
	1,538,351		1,749,713		14,424,001		13,078,096		19,532,886		11,282,904	
	9,118,246		2,584,489		1,554,742		2,832,464		665,850		15,736,660	
	(9,008,246)		(2,474,489)		(1,444,742)		(2,762,464)		(665,850)		(15,736,660)	
	-		-		2,360,839		-		597,933		-	
	4,105,065		1,583,305		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	49,580,884		112,498,326		44,853,690		52,582,074		59,965,676		49,589,920	
	(21,488,384)		85,253,135		3,392,798		(8,080,393)		5,449,670		2,608,652	
	(14,277,724)		(35,766,108)		49,487,027		52,879,825		63,333,575		68,783,245	
\$	(35,766,108)	\$	49,487,027	\$	52,879,825	\$	44,799,432	\$	68,783,245	\$	71,391,897	
	10.95%		10.10%		9.69%		9.10%		11.84%		5.30%	
\$	65,810,433	\$	62,281,760	\$	64,813,409	\$	62,488,475	\$	83,736,016	\$	41,581,266	
	601,252,185		616,434,448		661,004,072		686,668,456		707,179,791		784,540,887	

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
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
2017	2,930,573,686	2,823,153,977	414,539,336	1,033,827,953
2018	2,933,701,899	2,751,284,913	422,346,345	1,093,283,530

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
\$ 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	41.55	9,879,716,877	70%
595,468,205	6,606,626,747	38.68	10,288,707,074	70%
609,114,408	6,591,502,279	42.98	10,286,595,267	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	\$ 308,940,290	1	4.87%	\$ 76,148,512	2	1.82%
Winn-Stanley	134,067,620	2	2.11%	N/A	N/A	N/A
Yale University	130,633,581	3	2.06%	66,241,341	3	1.58%
Fusco	112,662,610	4	1.78%	79,766,677	1	1.90%
PSEG Power Connecticut LLC	76,582,336	5	1.21%	N/A	N/A	N/A
MEPT Chapel Street LLC	54,347,611	6	0.86%	N/A	N/A	N/A
Carabetta	52,309,900	7	0.83%	N/A	N/A	N/A
Howe St. Landlord LLC	47,250,630	8	0.75%	N/A	N/A	N/A
New Haven Towers	46,807,620	9	0.74%	N/A	N/A	N/A
HTA-YLW New Haven LLC	41,142,990	10	0.65%	N/A	N/A	N/A
	<u>\$ 1,004,745,188</u>		<u>15.85% %</u>	<u>\$ 222,156,530</u>		<u>5.30%</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
2009	\$ 204,055,700	\$ 199,464,168	97.75	\$ 1,678,046	\$ 201,142,214	98.57
2010	206,066,188	201,314,351	97.69	1,856,121	203,170,472	98.59
2011	219,290,220	213,902,653	97.54	2,749,901	216,652,554	98.80
2012	226,835,432	220,502,270	97.21	3,434,673	223,936,943	98.72
2013	233,426,979	227,626,731	97.52	(271,666)	227,355,065	97.40
2014	245,563,608	240,989,878	98.14	321,852	241,311,730	98.27
2015	252,620,573	247,382,319	97.93	718,498	248,100,817	98.21
2016	252,312,223	247,811,024	98.22	2,299,478	250,110,502	99.13
2017	251,492,664	246,609,814	98.06	2,367,876	248,977,690	99.00
2018	252,804,249	247,772,319	98.01	-	247,772,319	98.01

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
2009	\$ 501,192	5.43%	\$ 4,065	18.70%
2010	511,288	5.62%	3,939	18.31%
2011	501,180	5.34%	3,867	18.96%
2012	507,431	5.17%	3,884	16.64%
2013	510,590	5.73%	3,937	16.87%
2014	525,053	6.04%	4,048	17.35%
2015	539,448	6.03%	4,140	17.74%
2016	556,277	7.94%	4,269	18.29%
2017	570,450	7.91%	4,378	18.76%
2018	606,160	9.20%	4,652	19.93%

Source: Department of Finance

Note: The City has no overlapping debt.

City of New Haven, Connecticut

**Ratio of Total Direct Debt
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	General Obligation Bonds (in 000's)	Capital Leases (in 000's)	Notes (in 000's)	Total Net Primary Debt (in 000's)	Ratio of Total Direct Debt to Estimated Actual Value of Property	Total Direct Debt Per Capita
2009	\$ 501,192	\$ 1,080	\$ 92,619	\$ 594,891	6.45%	\$ 4,825
2010	511,288	475	77,177	588,940	6.47%	4,537
2011	501,180	291	65,860	567,331	6.07%	4,378
2012	507,431	3,760	60,903	572,094	5.87%	4,414
2013	510,590	3,217	78,288	592,095	6.65%	4,530
2014	525,053	3,258	67,915	596,226	6.65%	4,597
2015	539,448	5,432	60,397	605,277	6.76%	4,645
2016	556,277	4,534	77,718	638,529	6.46%	4,900
2017	570,450	4,274	64,311	639,035	6.21%	4,808
2018	606,160	3,179	60,984	670,323	6.52%	5,044

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, 2018
(Unaudited)**

Total tax collections (including interest and lien fees) received for the year ended June 30, 2018						\$ 252,093,321
Reimbursement for revenue loss from: Elderly tax relief						-
Base						<u>\$ 252,093,321</u>
	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding	Total
Debt limitation:						
2-1/4 times base	\$ 567,209,972	\$ -	\$ -	\$ -	\$ -	\$ 567,209,972
4-1/2 times base	-	1,134,419,945	-	-	-	1,134,419,945
3-3/4 times base	-	-	945,349,954	-	-	945,349,954
3-1/4 times base	-	-	-	819,303,293	-	819,303,293
3 times base	-	-	-	-	756,279,963	756,279,963
Total debt limitation	<u>567,209,972</u>	<u>1,134,419,945</u>	<u>945,349,954</u>	<u>819,303,293</u>	<u>756,279,963</u>	<u>4,222,563,128</u>
Indebtedness:						
Bonds payable	297,948,485	225,423,309	-	28,778,813	-	552,150,607
Grant anticipation note	-	57,633,475	-	-	-	57,633,475
School grants receivable	-	(15,202,858)	-	-	-	(15,202,858)
Bonds authorized and unissued	2,000,478	214,254,709	-	-	-	216,255,187
Total indebtedness of the City	<u>299,948,963</u>	<u>482,108,635</u>	<u>-</u>	<u>28,778,813</u>	<u>-</u>	<u>810,836,411</u>
Component unit indebtedness:						
New Haven Parking Authority	6,180,000	-	-	-	-	6,180,000
New Haven Solid Waste Authority	6,535,000	-	-	-	-	6,535,000
Total indebtedness	<u>312,663,963</u>	<u>482,108,635</u>	<u>-</u>	<u>28,778,813</u>	<u>-</u>	<u>823,551,411</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 254,546,009</u>	<u>\$ 652,311,310</u>	<u>\$ 945,349,954</u>	<u>\$ 790,524,480</u>	<u>\$ 756,279,963</u>	<u>\$ 3,399,011,717</u>

Source: Department of Finance

This page intentionally left blank.

City of New Haven, Connecticut

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

	2009	2010	2011	2012
Debt limit	\$ 1,424,007,039	\$ 2,984,366,075	\$ 3,650,066,669	\$ 3,760,220,716
Total net debt applicable to limit	692,566,863	770,266,215	743,923,424	723,700,313
Legal debt margin	<u>\$ 731,440,176</u>	<u>\$ 2,214,099,860</u>	<u>\$ 2,906,143,245</u>	<u>\$ 3,036,520,403</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>48.64%</u>	<u>25.81%</u>	<u>20.38%</u>	<u>19.25%</u>

Source: Department of Finance

2013	2014	2015	2016	2017	2018
\$ 3,886,957,715	\$ 4,093,343,175	\$ 4,182,734,307	\$ 4,157,468,305	\$ 4,183,195,250	\$ 4,222,563,128
793,344,746	776,296,792	774,789,991	800,040,047	790,381,000	823,551,411
\$ 3,093,612,969	\$ 3,317,046,383	\$ 3,407,944,316	\$ 3,357,428,258	\$ 3,392,814,250	\$ 3,399,011,717
20.41%	18.96%	18.52%	19.24%	18.89%	19.50%

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	Educational Attainment		School Enrollment	Unemployment Rate
					% of 25+ adults with a high school degree or higher	% of 25+ adults with a bachelor's degree or higher		
2009	123,314	\$ 2,680,476	\$ 21,737	28.6	87.60%	32.70%	19,050	8.2%
2010	129,849	2,792,533	21,506	30.5	87.80%	32.20%	19,810	9.5%
2011	129,591	2,633,289	20,320	30.2	88.10%	31.80%	19,841	9.2%
2012	129,585	2,956,352	22,814	30.0	88.00%	32.60%	19,826	9.7%
2013	130,749	3,055,212	23,367	29.0	88.20%	32.70%	20,794	10.10%
2014	129,779	2,827,755	21,789	30.1	89.80%	33.50%	20,474	9.80%
2015	130,282	3,040,652	23,339	30.4	81.30%	32.60%	21,439	8.00%
2016	130,322	3,101,142	23,796	30.5	82.30%	33.60%	21,722	7.60%
2017	132,866	3,182,008	23,949	30.3	83.00%	34.40%	21,981	6.90%
2018	129,934	3,207,811	24,688	30.7	84.65%	33.94%	21,518	5.60%

Sources: U.S. Department of Commerce, Census Bureau
U.S. Department of Labor, Bureau of Labor Statistics

<https://www.census.gov/quickfacts/fact/table/newhavencityconnecticut/POP060210>
http://www.bls.gov/regions/new-england/summary/blssummary_newhaven.pdf
<https://connecticut.hometownlocator.com/ct/new-haven/new-haven.cfm>

Department of Numbers
<https://www.deptofnumbers.com/income/connecticut/new-haven/>

Student Enrollment
<http://edsight.ct.gov/SASPortal/main.do>

New Haven Stat information
https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkml

City of New Haven, Connecticut

Principal Employers New Haven's Major Employers (Unaudited)

Employer	Town	Industry	Employees Min.
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
American Medical Response	New Haven	Ambulance Service	500 - 999 employees
ASSA ABLOY DOOR SECURITY SLTNS	New Haven	Security Systems	500 - 999 employees
Assa Abloy Inc	New Haven	Hardware-Manufacturers	500 - 999 employees
Connecticut Mental Health Ctr	New Haven	Psychiatric Hospitals	250 - 499 employees
Cornell Scott Hill Health Corp	New Haven	Clinics	250 - 499 employees
Ct Mental Health Ctr	New Haven	Mental Health Services	250 - 499 employees
Department of Anesthesiology	New Haven	Schools-Medical	250 - 499 employees
General Counselors Office	New Haven	Business Services NEC	1,000 - 4,999 employees
IKEA	New Haven	Furniture-Dealers-Retail	250 - 499 employees
Knights of Columbus	New Haven	Clubs	500 - 999 employees
Knights of Columbus Insurance	New Haven	Insurance	500 - 999 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	500 - 999 employees
Pwc	New Haven	Accountants	500 - 999 employees
Reese Stadium	New Haven	Amusement & Recreation NEC	250 - 499 employees
SARGENT Manufacturing Co	New Haven	Security Systems	500 - 999 employees
Southern Connecticut State Univ	New Haven	Schools-Universities & Colleges Academic	1,000 - 4,999 employees
Student Health	New Haven	Physicians & Surgeons	250 - 499 employees
United Illuminating Co	New Haven	Utilities	500 - 999 employees
U.S. Post Office	New Haven	Post Offices	500 - 999 employees
Wiggin & Dana LLP	New Haven	Attorneys	250 - 499 employees
Yale Department-Anesthesiology	New Haven	Schools-Medical	250 - 499 employees
Yale Diagnostic Radiology	New Haven	Diagnostic Imaging Centers	250 - 499 employees
Yale New Haven Health System	New Haven	Health Care Management	5,000 - 9,999 employees
Yale School of Medicine	New Haven	Children's Nursing & Rehabilitation Ctrs	1,000 - 4,999 employees
Yale School of Psychiatry	New Haven	Schools-Medical	500 - 999 employees
Yale University	New Haven	Schools-Universities & Colleges Academic	250 - 499 employees
Yale University	New Haven	University-College Dept/Facility/Office	5,000 - 9,999 employees
Yale-New Haven Hospital	New Haven	Hospitals	10,000 or more 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
Reese Stadium	New Haven	Amusement & Recreation NEC	250 - 499 employees
South Central Connecticut Rwa	New Haven	Water & Sewage Companies-Utility	250 - 499 employees
Student Health	New Haven	Physicians & Surgeons	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
AT&T	New Haven	Telephone Companies	100 - 249 employees
DCF New Haven	New Haven	Government Offices-State	100 - 249 employees
Fair Haven Community Health	New Haven	Clinics	100 - 249 employees
Omni-New Haven Hotel At Yale	New Haven	Hotels & Motels	100 - 249 employees
Paradigm Health Care Ctr	New Haven	Physical Therapists	100 - 249 employees
Wilbur Cross High School	New Haven	Schools	100 - 249 employees
Yale Medical Group	New Haven	Billing Service	100 - 249 employees
Yale School of Medicine	New Haven	Schools-Universities & Colleges Academic	100 - 249 employees
Yale University	New Haven	Schools-Universities & Colleges Academic	100 - 249 employees

Source: Connecticut Department of Labor, October 31, 2018 (Top 100 Employers in New Haven County)

City of New Haven, Connecticut

**Full-Time Equivalent Government Employees by Function/Program
Last Ten Fiscal Years General and Special Funds Budgeted & FTE Positions
(Unaudited)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL GOVERNMENT										
Mayor's Office	12	12	11	12	10	11	11	12	10	11
Legislative Services	10	10	10	10	10	10	10	10	10	10
Human Resources	0	0	0	0	0	0	0	7	7	7
Labor Relations	0	0	0	0	0	0	0	2	2	2
ECONOMIC DEVELOPMENT										
Economic Development	16	16	16	13	13	13	13	15	13	14
Transportation, Traffic and Parking	35	35	35	33	33	33	30	31	31	33
City Plan	9	9	8	8	8	8	8	9	9	11
Building Inspection and Enforcement	20	19	17	16	16	16	16	17	17	16
Livable City Initiative	47	49	40	40	40	40	40	43	44	54
Commission on Equal Opportunity	3	4	6	7	9	9	10	12	6	13
ADMINISTRATIVE SERVICES										
Chief Administrator's Office	17	17	11	11	11	12	12	6	5	7
Finance Department & IT	65	66	65	65	67	69	70	75	73	80
Assessor's Office	12	12	12	12	12	12	12	13	13	7
Corporation Counsel	21	18	18	18	17	17	17	18	18	22
Town Clerk	6	6	6	6	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	1	1	2	2	2
PUBLIC SAFETY										
Police	554	554	553	553	554	554	551	577	613	617
Fire	366	366	366	376	376	376	376	382	415	419
Public Safety Communications	60	60	60	75	77	79	79	71	0	0
PHYSICAL SERVICES										
Public Works	113	114	114	114	115	118	116	120	119	136
Engineering	14	14	14	14	14	9	8	8	8	9
HUMAN SERVICES										
Youth & Family Services	7	7	6	6	5	5	5	7	6	7
Senior & Community Services	31	30	25	19	13	16	13	12	17	28
Public Health	93	104	96	90	86	88	88	95	96	103
LEISURE/CULTURE										
Public Library	47	47	42	39	39	41	43	47	47	51
Parks & Recreation	62	62	59	59	59	59	59	63	63	73
EDUCATION**										
	3379	3500	3503	3486	3396	3387	3390	3435	3371	3334
TOTAL TOWN & EDUCATION										
	5,007	5139	5101	5090	4993	4995	4990	5101	5027	5078

* Estimated. As of FY2012 board of education positions are not authorized by the Board of Alders in conjunction with the City's annual budget process.

** Education employee count based on any employee that was paid during the FY being reported.

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Corporation Counsel	FY 2018	FY 2017
A. Lawsuits:		
i. Total New Cases Received During Year	329	409
ii. Total New Cases Closed During Year	275	239
a. Settlement	69	61
b. Withdrawal	69	63
c. Not Applicable -Tax Appeals, Bankruptcy & Workers Compensation Matters	90	80
d. Dispositive Motion	4	3
e. Dismissal/Win after Hearing	43	33
iii. Pending Active Cases (as of 11/01/16)	780	846
a. AVG: JRJ-52, CMN-117, CGP-8, MAW-36, ACK-125, RRW-73, BLC-85, KMF-22, ALM-143, AT-64	78	85
B. Notices Of Intent To Sue:		
i. Notices Received	80	106
C. Contracts:		
i. Number of New Contracts Received	594	630
ii. Number of Contracts Completed	514	635
iii. Contracts Not Executed	80	-
D. Legal Opinions:		
i. Legal Opinions Formally Delivered	10	10
E. Freedom of Information Requests:		
i. Freedom of Information Requests Received	284	265
F. Subrogation Claims:		
i. Claims Brought Against the City	11	28
ii. Amount Claimed	\$ 51,751	102,503
iii. Amount Paid by the City	\$ 785	13,771
G. Property Damage Claims:		
i. Claims Brought Against the City	76	94
ii. Amount Claimed	\$ 231,229	372,559
iii. Amount Paid By the City	\$ 24,912	22,816

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Department of Finance	FY 2018	FY 2017
A. Accounts Payable:		
i. No. of Checks Issued	20,176	23,732
ii. No. of 1099's Issued	1,069	1,309
B. Internal Audit:		
i. Operational Reviews	12	12
ii. Other Special Projects	50	41
C. Accounting:		
i. Total Bank Reconciliations	164	190
ii. Completion Date of Audit	1/31/19	1/31/17
iii. Journal Entries	21,766	22,267
D. Tax Collector's Office		
i. Collection Rate	98.43%	98.42%
ii. Delinquent Property Values	\$ 1,000,000	\$ 1,000,000
E. Payroll:		
i. Payroll Checks Processed	207,170	221,401
ii. Employee Verifications	2,400	2,400
F. Treasury:		
i. Total Deposits Received	5,165	5,250
ii. Bond Issuance Debt	\$ 43,300,000	\$ 44,990,000
G. Accounts Receivable:		
i. Parking Tickets Paid	\$ 4,604,385	\$ 4,655,139
ii. Residential Permits Paid	\$ 26	\$ 120
iii. Police Private Duty Payments	\$ 5,218,138	\$ 6,974,464
H. Purchasing:		
i. Purchase Orders Processed	8,229	10,186
ii. Solicitations	178	255
I. Labor Relations:		
i. Contract Negotiations – To begin 01/01/17	2	-
ii. Grievances Filed	153	132
iii. MPPs Filed	37	60
K. Workers Compensation:		
i. Number of Cases Filed	882	1,120
ii. Number of Cases Resolved	692	635
L. Management & Budget:		
i. Number of Grant Applications Processed	83	76
ii. Monthly/Annual Financial Reports	16	16

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Department of Assessments	FY 2018	FY 2017
A. Real Estate Corrections	1,032	1,507
B. Motor Vehicle Corrections	6,314	7,552
C. Supp Motor Vehicle Corrections	1,556	1,632
D. Personal Property Corrections	248	271
E. City Elderly Applications	355	386
F. State Elderly Applications	384	436
G. City Veterans Applications	121	162
H. State Veterans Applications	107	148
I. Change Mailing Address Apps	502	383
J. Number of Field Inspections	605	1,302
K. Personal Property Declarations	3,564	3,882
L. Income and Expense Reports	2,657	2,620
Performance Indicator: Library	FY 2018	FY 2017
A. Hours/Week open to Public	202	202
B. Number of visits (Total)	542,531	547,303
i. Main	275,827	291,064
ii. Branches	266,704	256,239
C. New Card Registrations	10,121	10,326
D. Circulation	362,370	393,289
E. Reference Activity	60,965	58,915
F. Database Usage	289,129	309,008
G. Library Programs	2,602	2,742
H. Attendance	47,605	52,415
I. Computer Usage (session log-ins)	221,888	204,189
J. Website Sessions (active engagement)	224,021	253,660
Performance Indicator: Parks, Recreation, and Trees	FY 2018	FY 2017
A. Parks System Profile:		
i. Parks	142	142
ii. Playgrounds	65	65
iii. Acres per 1,000 Persons	15.4	15
B. Park Services & Programs:		
i. # of Park Visits	*1,511,813	690,000
ii. # of Playground Inspections Performed	360	360
iii. # of Trees Trimmed	1,000	1,463
iv. # of Trees Removed	490	355
v. # of Stumps Removed	160	250
vi. # of Trees Planted	497	548

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
C. Recreation Programs:		
i. Athletic Field Permits Issued	5,399	4,144
ii. # of Participants in Summer Day Camp (average per day)	1,890	2,318
iii. # of Participants in Youth Basketball	500	475
iv. # of Youth Programs	60	60
v. # of Adult Programs	20	17
vi. Total # of Participants	353,500	352,000
vii. # of Summer Day Camps	18	18
viii. # of Volleyball Participants (ages 12-15)	215	217
ix. Youth Basketball	500	475
x. Youth Baseball Little Leagues	10	8
D. Revenue:		
i. Skating Rinks	\$ -	\$ -
ii. Golf Course	\$ 788,000	\$ 872,000
iii. Lighthouse	\$ 65,470	\$ 64,273
E. Other Park Services:		
i. # of participations/Visitors Ranger Programs (non-school)	83,970	79,300
ii. # of Ranger Programs offered to the Public	703	810
iii. # of Park Permits	8,112	6,607
iv. # of School Groups Visit to Lighthouse Park	*249	224
v. # of Lighthouse Park Permits Issued for Parking	9,900	9,800
vi. # of Permits Issued for Carousel Facility	80	82
vii. # of Volunteers in Park Programs/Services	3,500	3,000
viii. # of Organized Park Friends Groups	16	16
Performance Indicator: City/Town Clerk		
i. # of deeds Recorded	11,331	11,910
ii.# of recording fees	325,754	347,249
iii. Conveyance fees	\$ 2,967,988	\$ 1,696,864
iv. City Land Preservation	\$ 15,397	\$ 17,484
v. Capital Projects Land Preservation	\$ 53,997	\$ 30,402
vi. Trade Name Certificates	2,705	4,480
vii. Liquor Permits	518	596
viii. Notary Fees	3,545	3,215
ix. Copies	65,203	52,460
x. Maps	660	580
xi. Dog Licenses	3,562	7,276
xii. Legal Documents – Scanned/Indexed	455	740
xiii. Absentee Ballots Issued	3,226	1,544
xiv. Aldermanic Committee Minutes	80% bound	75% bound
xv. Dog Licenses Issued	692	1,195
Performance Indicator: Department of Public Safety		
i. Number of 911 Calls Received	173,824	132,777
ii. Number of Dispatchers Crossed Trained	25	16
iii. Number of Complaints Received	9	8
iv. Percentage of 911 Calls Answered in less than 10 seconds	92.6%	98.7

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Public Health	FY 2018	FY 2017
A. Health Program Division		
i. Syringes Distributed Through Needle Exchange	N/A	N/A
ii. Average # of Clients Served Through Needle Exchange	N/A	N/A
iii. HIV Tests Performed	N/A	N/A
iv. Child Home Safety Assessments	N/A	N/A
v. Child Passenger Safety Presentations	5	6
B. Bureau of Nursing:		
i. Schools Served	50	53
ii Students Served	28,855	22,090
iii. Students With Health Problems	8,000+	8,378
iv. Nurse/Student Ratio	1:703	1:526
Information Services:		
C. Epidemiology		
i. Average # of Reportable Disease and Lab Findings Reviewed Per Month	466	327
ii. Interviews Conducted for Enteric Pathogens, Hepatitis, TB and Legionella	79	61
iii. Data Requests for program planning & grant applications	8	N/A
iv. Presentations to City officials, community organizations & the public	7	7
v. Major documents (author or significant contributor)	4	N/A
vi. Infectious disease surveillance reports	12	7
D. Infectious Disease Control Measures		
i. Outbreak & contact investigations	11	4
ii. Foodborne disease patient interviews	61	42
E. Vital Statistics		
i. Birth Certificates (Full Size)	14,515	11,252
ii. Death Certificates	11,440	8,141
iii. Burial, Cremation, Disinterment	2,922	2,085
iv. Marriage Licenses	1,235	1,121
v. Marriage Certificates	2,704	2,017
vi. State Copies Processed	2,235	2,435
vii. Resident Town Copies Processed	1,915	1,951
F. Maternal & Child Health Division:		
i. Pregnant/Postpartum Women Enrolled in HUSKY	-	376
ii. Children Enrolled in HUSKY	-	474
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	7	351
iv. Woman Served Through Intensive Care Management	35	120
v. Children Served Through Intensive Care Management	35	38
vi. Home Visits Through CT Healthy Start		
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	-	50
viii. Families Served Through Nurturing Families Program	35	38
ix. Home Visits Through Nurturing Families	966	1,081

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
G. Bureau of Environmental Health:		
i. Food Service Inspections & Re-Inspections	1,439/ 94	1,848
ii. Food Service Licenses	1,115	1,108
iii. Temporary Food Service Inspections & Licenses	1,568/256	1,554/210
iv. Child Daycare Inspections	14	26
v. Group Home Inspections	2	8
vi. Swimming Pool Inspections	92	90
vii. Bathing Area Inspections	215	229
viii. Lead Inspections of Housing Units- EBL	76	116
ix. New Cases of Lead Housing Units- EBL	199	223
x. Re-Inspections Performed During Lead Abatement	492	594
xi. Cases of Lead Poisoning Closed	252	243
xii. Housing Units Abated for Lead	88	90
xiii. Nuisance Complaints Investigated & Resolved	38	75
xiv. Food Service Complaints Investigated and Resolved	29	49
H. HUD Lead Hazard Control Grant Activities:		
i. Housing Units Inspected for Lead	69	149
ii. Housing Units Lead Abated	79	51
iii. Individuals Trained in Lead Abatement Field	97	116
iv. Education Outreach Events	19	28
v. Individuals Reached	15,000	15,300
I. Office of Emergency Preparedness:		
i. Flu Vaccinations Provided	1,320	2,000
ii. Number of Mass Vaccination Tabletop Exercises	0	-
iii. Number of Activation EOC Events	4	3
Performance Indicator: Fair Rent		
i. Number of Inquiries	*488	*1266
ii. Number of Complaints	52	49
iii. Number of Inspections	85	*60
iv. Number of Preliminary Hearings	69	63
v. Number of Public Hearings	26	33
vi. Walk-in Consultations	*100	*321
* Indicates Approximate Numbers		
Performance Indicator: Elderly Services		
A. Estimated Service Population		
i. 55 and Up	20,771	21,902
ii. 65 and Up	13,681	14,078
iii. 85 and Up	1,984	1,579
B. Senior Centers:		
i. Average Weekly Attendance	613	700
ii. Calls, case management and referrals weekly average – centers, outreach and City Hall	542	425
C. Energy Assistance:		
i. Seniors Served	-	90
ii. Number of Centers Providing Services	3	3
iii. Outreach Staff	3	3

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
D. Rental Rebate		
Rental Rebate Applicants	4,846	5,133
i. Seniors Approved Total	4,605	4,866
ii. Centers Providing Service	3	3
iii. Seniors over 65 approved	2,356	2,331
iv. Seniors 65 and under approved	2,230	2,535
v. Seniors 65 and under disallowed	10	38
vi. Seniors 65 and up disallowed	9	17
vii. Senior 65 and up not payable	75	53
viii. Seniors 65 and under not payable	147	159
viiii. Outreach staff at libraries	3	3
E. Share Program		
i. Centers Providing Service	3	3
F. Transportation Services:		
i. Seniors Transported to Centers	22,740	220
ii. Trips	363	14,041
G. Property Tax Credit/Tax Freeze		
	150	135
Performance Indicators: Youth Services Department		
A. Youth Commission:		
i. Youth Commission Number of Meetings		
B. Youth @ Work		
i. Jobs Funding	750,000	690,000
ii. Number of School Year Employers	99	36
iii. Number of Summer Employers	667	615
iv. Number of Applicants Processed	1062	865
v. Number of Students Employed School Year/ Summer	766	651
vi. % of Participants Job Ready: Pre Program	55%	65%
vii. % of Participants Job Ready: Post Program	93%	90%
C. CDBG Programs:		
i. CDBG Monitoring Number of Programs Monitored	14	13
D. Open Schools:		
iv. Programs offered	12	13
E. Summer Busing:		
i. Number of Organizations served	48	45
F. Street Outreach Workers:		
i. # of outreach workers	4	5
ii. # of youth served (undup)	157	141
iii. Ratio (Workers to Youth)	1:40	1:28
iv. Percentage of youth engaged in a program who have not recommitted a crime or acts of violence	86%	85%
v. % Employment of program participants	30%	45%
vi. % of Participants Enrolled in School	75%	70%

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
G. Leadership Council		
i. # of youth engaged/enrolled	-	-
ii. % attendance	-	-
H. Youth Map:		
i. # of organizational partners registered	-	N/A
ii. # of website hits	-	N/A
I. Youth Texting:		
i. # of teens signed up	-	N/A
J. Youth Guide		
i. # of guides distributed	5,000	5,000
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)	12	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)	3	3
iii. Upon request or complaint assist other department with various aspects of ADA compliance.	3	3
iv. Represent residents with disabilities at various local and statewide events, committees and conferences.	36	12
v. Advocate for legislative initiatives that will benefit New Haven residents with disabilities	1	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.	3	5
Performance Indicator: Community Service Administration		
i. Persons receiving SAGA Medical/ Medical LIA (SS)*	N/A	N/A
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)	N/A	N/A
x. Number of Client Assessments Completed (S)	N/A	N/A
xi. Number of Client Service Plans Created (SS)	N/A	N/A
xii. Number of Clients receiving transportation assistance	N/A	N/A
xiii. Instances of Clients receiving CT Drivers' License services	N/A	N/A
xiv. Number of Clients receiving CT Non-Drivers' Photo Identification	N/A	N/A
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)*	N/A	N/A
xvii. % Clients in Program seeking employment that obtain employment (SS)*	N/A	N/A
xviii. Amt (\$) collected on liens and assignments of interest (Welfare)	N/A	N/A
xix. Number of Clients Assisted with Gasoline Vouchers	N/A	N/A
xx. Number of Clients assisted in obtaining Rx eyeglasses via Lens Crafters collaborative	N/A	N/A
xxi. Instances of clients receiving Justice of the Peace services	N/A	N/A
xxii. Number of clients assisted in obtaining under garments/toiletries – new service	N/A	N/A

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
Homeless :		
– Columbus House	568	326
– Continuum of Care	158	135
– Emergency Shelter Management Services	1320	1,303
– New Reach	261	336
– Youth Continuum	153	309
<i>Some columns are inapplicable as the program does not continue as the SNAP E&T contractor*</i>		
Social Services / New Haven Opportunity Center (NHO-p-C) rendered the following services:		
Members of the public addressed.	2,690	1,157
Case management services were extended to.	120	246
Intake services completed	92	190
Transportation assistance	121	190
AJC@ New Haven Correctional Center - transportation assistance	13	
Puerto Rico Hurricane Response JUNTA - transportation assistance	324	
Referrals to outside agencies	467	568
Clothing assistance	5	19
Assisted with certified Birth Certificates	7	10
State of Connecticut DMV Identifications	4	9
State of Connecticut DMV Driver's License	2	
Weekly "Careers" jobs & resource publications produced	3135	3,360
Social Services / 165 Church Street Office – rendered the following services from that locale:		
Addressed requests for services	195	124
Emergency transportation (via Project Fresh Start)	166	284
Gasoline vouchers issued	3	7
State of Connecticut Identification provided	0	3
Notarized documents	1	3
www.Get Connected New Haven.com – New Haven web-based version of 2-1-1		
Number of residents provided training on use of site	223	314
Number of logged sessions of tracked site use	5,923	2,451
Mayor's Financial Empowerment Commission – New Haven Financial Empowerment Center		
Number of commission meetings convened	7	4
City staff trained and certified as financial counselors	0	3
New Haven residents seeking certified financial counseling services	223	
New Haven residents completing intake for financial counseling	42	
Individuals screened for Money Management International Credit Repair Services*	N/A	23
Individuals establishing Money Management International Credit Repair case management'	N/A	7
Attendees Money Management International live interactive webinars*	N/A	12
CT Money School financial workshops offered	16	18
Participants in CT Money School financial workshops	21	55
www.Newhavenfinancialempowerment.com – web-based resource and self-help tool		
Number of residents provided training on use of site	223	314
Number of logged sessions of tracked site use	1,835	731
CSA – Health In Your Hands – Fair Haven & Hill Neighborhood improving health attitudes initiative		
Number of residents served	N/A	1,500
Positive health engagement activities held, i.e. exercise, cooking classes, dance classes	N/A	123
Healthy eating participants reporting a change in healthy eating habits	N/A	75%

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
Mental Health First Aid training		
Number of adults receiving training	27	142
Number of youths receiving training	0	23
Volunteer Income Tax Assistance (VITA) campaign – New Haven VITA Coalition		
Number of free tax clinics across New Haven	16	16
Marketing flyers printed	35,000	35,000
Targeted mailing to New Haven households	2,723	3,600
Outreach canvassing to New Haven households – NHHA	500	500
New Haven tax payers utilizing VITA free tax clinics	5,124	4,415
Refund dollars inclusive of EITC, Education & Child Tax Credits	\$6,661,768	\$7,012,055
Recoupment on past City Welfare Department property lien debt	\$7,800	\$ 1,600.19
Performance Indicator: Public Works		
A. Administration		
i. Solid Waste and Recycling Authority Surplus/(Deficit)	\$547,462	\$ 210,141
B. Bridges (24 hour operation of three bridges):		
i. Maintenance cost: Ferry Street	\$23,960	\$ 65,693
ii. Maintenance cost: Chapel Street	\$27,368	\$ 12,549
iii. Maintenance cost: Grand Avenue	\$36,840	\$ 45,909
vi. Total number of closures	15	17
C. Solid Waste/Refuse Management:		
i. Tons of residential solid waste	30,500	30,541
ii. Tons of residential recycling	6,502	6,585
iii. Recycling per household	1.11lbs/day	1.12 lbs/day
iv. Percent Recycling	19%	17.74%
v. Number of litter barrels	425	
vi. Number of residential transfer station customers served	5,834	
vii. Number of commercial transfer station customers served	18,402	16,668
viii. Total tons of municipal solid waste	81,173	78,393
D. Street Division:		
i. Tons of pothole patching	852.33	1,151
ii. Pavement conditions rating	59	61
iii. Number of storms	17	12
iv. Overtime expenses	\$ 401,608.00	\$ 348,744.00
v. Cost of bulk trash pickup	\$ 325.00	\$ 325.00
E. Storage and disposal of the possessions of evicted individuals:		
i. Total labor hours	1200	1,200
ii. Number of right of way warnings issued	165	100
iii. Number of right of way citations issued	238	650

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Engineering	FY 2018	FY 2017
A. Sewer Separation:		
i. Pollution Overflow	-	28.2
ii. Miles of Combined Sewer	-	52
iii. Miles of New Storm Sewers Installed	-	-
iv. Projects Under Design or Construction	-	5
B. City Bridges		
i. City Bridges	51	51
ii. Bridges in Poor Condition	2	1
iii. Projects Under Design or Construction	2	1
iv. Bridges Completed and Open	1	2
C. Drainage:		
i. Drainage Complaints	175	200
ii. Catch Basin Backlog	50	50
D. Road Improvements:		
i. Miles of Local Roads	226.48	226.48
ii. Road Design	0	
iii. Road Reconstructed	1	0.5
E. Support Service:		
i. Department Support Service Project	70	85
ii. Property Inquires	200	200
iii. Plan Reviews	125	125
Performance Indicator: City Plan		
A. Zoning Board of Appeals:		
i. Hearings	10	10
ii. Zoning Compliance Letter	227	287
iii. Agenda Items	112	89
B. City Plan Commission:		
i. CAL	1	2
ii. Meetings	12	8
iii. Total Number of Agenda Items	228	206
iv. Ordinance Text & Map Amendments	4	3
v. Items Associated with Planned Development	8	6
vi. Items Associated with Inland Wetlands Reviews	2	4
vii. Items Associated with Land Disposition	13	18
viii. Items Associated with Coastal Site Plans	20	23
ix. Items Associated with Site Plan Review	79	60
x. Items Referred by Zoning Board of Appeals	20	32
xi. Items Associated with Livable City Initiative	15	24
xii. Items Associated with Special Permits	10	11
xiii. Other Items referred to by the Board of Alderman	50	47

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

	FY 2018	FY 2017
C. Walk-In Applicants Assistance:		
i. Zoning & City Plan Inquiries	97 - signed in	more than 500
D. Project Management:		
i. Development Projects	-	7
ii. Dollar Value of Development Projects Managed	-	\$25.8m
F. Neighborhood Plans:		
i. Zoning Ordinance Amendments/Sections	-	-
ii. G.I.S. Maps provided to public	N/A on web	N/A on web
iii. G.I.S. Maps to City Departments	N/A on web	N/A on web
G. Publications Sold:		
i. Zoning Maps	N/A on web	N/A on web
H. Zoning:		
i. Applications/Historic District Commission – New	13	12
Performance Indicator: Transportation, Traffic and Parking		
A. Traffic Signals:		
i. Signalized Intersections	331	331
ii. Intersections Rebuilt	6	10
iii. Repair Visits	1,095	1,750
iv. % of Requests for Emergency Service on Traffic Control Equipment within 1 hour	100.00%	100
	-	550
B. Signs and Markings:		
i. Inventory of Street Signs	29,500	111,000
ii. Signs Replaced	1,097	1,925
iii. Cost of Contact Service (Painting)	300,000	358,495
C. Enforcement & Collection:		
i. Tickets Written	135,069	139,730
ii. Revenue Collected	4,422,729 \$	4,540,531
iii. Appeals Adjudicated	8,014	10,832
D. Meters:		
i. Total Collections	6,327,052 \$	6,348,996.00
ii. Repair Visits	-	5,350
iii. Total Replacements	-	59
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	18.9	100%

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Office of Building Inspection and Enforcement	FY 2018	FY 2017
A. Number of Permits Issued:		
i. Building	1672	1,665
ii. Electrical	1338	1,318
iii. HVAC	674	693
iv. Plumbing	718	682
v. Demolition	26	33
vi. Total	4428	4,391
B. Building Permits Issued By Category:		
i. Residential (new)	31	10
ii. Non-Residential (new)	7	12
iii. Mixed Use (new)	4	6
iv. Residential (Rehab)	1070	1,026
v. Non-Residential (Rehab)	522	562
vi. Mixed Use(Rehab)	38	49
C. Demolition		
i. Residential	10	11
ii. Non-Residential	16	21
iii. Revenue from Permits & Fees	\$14,279,718.54	\$ 13,536,601.30
iv. Routine Building Inspections	9515	9,520
v. Building & Zoning Code Violations Cited	385	380
vi. Auction	2	-
vii. Broker	7	12
viii. One Day Food Vendor	52	21
xi. Food Vendor	302	213
x. Parking Lot		
xi. Peddler	14	35
xii. One Day Peddler	20	28
xiii. Rooming House	40	24
xiv. Excavation Permit	619	509
xv. Obstruction	318	289
xvi. Sidewalk License	52	50
xvii. Sandwich Board	11	9
xviii. Special Event	216	140
xix. Outdoor Seating	34	14

**City of New Haven, Connecticut
Operating Indicators by Function/Program**

Performance Indicator: Livable City Initiative	FY 2018	FY 2017
i.# of Complaints	2,750	9,957
ii. # of Letters	150	190
iii. # of Citations	35	24
iv. # of Foreclosures	6	10
v. # of Community Meetings Attended	220	201
vi. # of Complaints Addressed	2,750	9,854
vii. # of Vacant Homes Monitored	504	515
viii. # of Foreclosed Properties Registered	519	510
ix. # of Tons of Trash Removed	225	239
x. # of Properties Maintained	210	190
xi. # of Liens Placed as it relates to Property Maintenance	35	81
xii. # of Structures to be Demolished		Building Dept
xiii. # of Properties Demolished		Building Dept
xiv. # of Liens Placed as it Relates to Demolition of Private & City Owned Property		Building Dept
xv. # of Properties for Sale	206	190
xvi. # of Properties Sold	6	15
xvii. # of Properties Condemned due to Fire	20	8
xviii. # of Properties Condemned due to Code	48	11
xviii. # of Persons Temp Relocated Fire	11	13
xviii. # of Persons Temp Relocated Code	1	25
xix. # of Persons Permanently Relocated	59	56
xx. # of Liens Placed as it Relates to Relocation	6	7
xxi. # of For Profit Community Partners	8	7
xxii. # of Not-For-Profit Community Partners	17	17
xxiii. # of Projects in Development	38	29
xxiv. # of Units in Development	856	421
xxv. # of Rental Units Completed	99	66
xxvi. # of Homeownership Units Completed	35	7
xxvii. # of Individuals Completing Post Purchase/Homeownership/Counseling	17	22
xxviii. # of Down Payment Loans	17	22
xxix. # of Energy Improvement Loans	7	17
xxx. # of Elderly/Disabled Emergency Repair Loans	4	7
xxxi. # of Complaints as it Relates to Code Enforcement	1463	1,050
xxxii. # of Cases Resolved	695	553
xxxiii. # of Units Inspected	6205	5,147
Performance Indicator: Economic Development Administration	FY 2018	FY 2017
A. Citywide Indicators		
i. Employment Base-Total number of jobs in New Haven.	82,438	82,121
ii. Unemployment Rate-% of city residents who are unemployed.	5.70%	6.5%
iii. Business Start-Ups-Total number of business start-ups in the city.	507	45
iv. Downtown Retail Occupancy-% of downtown retail storefronts that are occupied.	87.80%	93.0%
v. Commercial Vacancy Rate-% of vacant citywide commercial office space.	19.60%	14.0%
B. Department Indicators		
i. Technical Assistance to Small- and MBE-Contractors-Number of contractors served in-person by ED	325	249
ii. Registered Small- and MBE-Contractors-Number of contractors registered in SCD program.	159	142
iii. Contractor Participation Rate-% of City contracts awarded to non-women-owned MBEs.	10.00%	19.8%
iv. Contractor Workshops-Number of contractor workshops conducted by ED.	10	4
v. Arts, Culture and Tourism Events-Number of people served.	n/a	400,000
vi. Project Storefronts Activity-Number of participating businesses.	n/a	120

APPENDIX B

SOCIOECONOMIC INFORMATION

[THIS PAGE INTENTIONALLY LEFT BLANK]



OCTOBER 2019

**OFFICIAL
STATEMENT**



TONI N. HARP, MAYOR

**MICHAEL PISCITELLI, AICP
ACTING ECONOMIC DEVELOPMENT ADMINISTRATOR**

INTRODUCTION TO NEW HAVEN

New Haven is the socio-economic center of southern Connecticut and the hub of innovation which is driving the economic resurgence of southern New England. The City is home to a global academic powerhouse at Yale University and to a leader in patient care at Yale- New Haven Health. These centers of excellence are the economic base for mature companies and innovative startups in technology, precision medicine, bioscience, food and advance manufacturing across our region.

For centuries, New Haven made products, ranging from the first submarine to the first telephone switch to the first hamburger, which have shaped our nation's culture and transformed the course of history. Today, New Haven is at the forefront of new ideas and ingenuity. This culture of innovation includes the new treatments for rare diseases at Alexion, new approaches to cancer at Arvinas and the development of solid state qubits at Quantum Circuits.

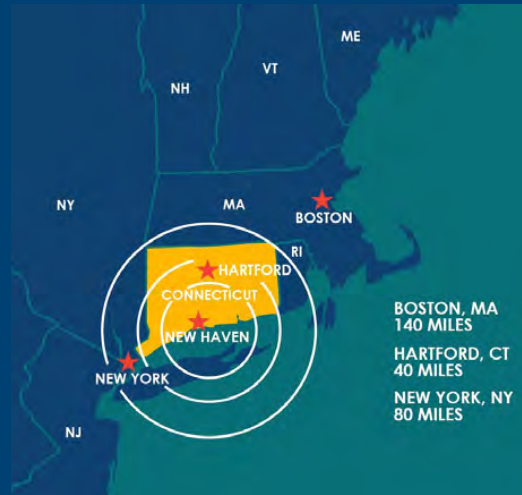
In the first three months of this year alone, New Haven firms brought in

half of the state's total startup funding of \$109 million; and in 2018, Yale University offices reported that New Haven firms hold a total of 1,371 cumulative active patents across 59 countries. The consistently low residential vacancy rate (5.6% in 2018) and 3,700+ new units in the city's real estate pipeline are testaments to New Haven's unbeatable location and increasing popularity, particularly among young professionals.

Centrally located between New York and Boston, New Haven offers high quality transit connections to major markets with far lower cost of living and cost of doing business. With the panache of a big city, New Haven likewise features a dense and compact urban form and high quality of offerings in the arts, cultural and tourism sector. These assets are coupled with the passion of residents and the value of place that is felt not only in the Downtown but in neighborhoods across the city. In no uncertain terms, New Haven is well-positioned to retain its high-skill workforce and attract new talent to support economic development.

REGIONAL CONTEXT

New Haven is located on Long Island Sound between New York City, Boston, and Hartford. It is directly connected to each of these cities by I-95, I-91, and the Northeast Rail Corridor, which recently added the Hartford Line, a high-speed train connecting New Haven to Hartford and Springfield, MA. Frequent rail service via Amtrak, Metro North, and Shoreline East, make New Haven among the most convenient destinations in the Northeast.



New Haven rivals the dynamic feel of New York or Boston, while remaining smaller and more affordable. New Haven prides itself on offering residents an array of world-class cultural offerings and attractive living options at a fraction of the price expected in most big cities. The rent for a one-bedroom apartment in New York City is nearly twice that of New Haven, while the price of a Boston one-bedroom is more than 80% higher.

Average Rent, 1-BR Apartment in New York City	\$2,945
Average Rent, 1-BR Apartment in Boston	\$2,685
Average Rent, 1-BR Apartment in New Haven	\$1,494

DEMOGRAPHICS

New Haven is the densest, most populous, and most economically significant city in the Greater New Haven region. It is also one of Connecticut's most diverse and fastest growing cities. With a median age of 31 years old, New Haven's current population has the capacity to impact and drive the regional economy for years to come.

POPULATION

	New Haven City	New Haven MSA	Connecticut
Total Population	130,418	857,620	3,572,665

AGE

	New Haven City	New Haven MSA	Connecticut
Population below age 18	22%	20%	21%
Population ages 18-64	67%	63%	62%
Population 65 and older	11%	17%	17%

RACE & ETHNICITY

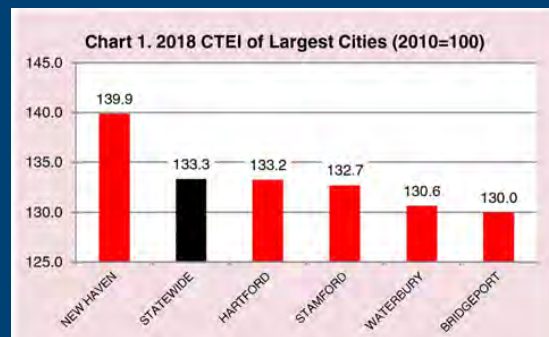
	New Haven City	New Haven MSA	Connecticut
White	30%	62%	67%
Black	33%	15%	12%
Hispanic	30%	19%	17%
Asian	5%	4%	5%
Two or More Races	4%	3%	2%

ECONOMIC SNAPSHOT

New Haven is a city with...

A robust growth trajectory

- Ranked 62nd in GDP among all US metro areas, with a total current-dollar GDP of \$45,252 million in 2017
- Among Connecticut's large cities (100,000+ population), ranked highest on four economic growth indicators in 2018*



- According to the CT Department of Labor's Economic Index of overall economic health, New Haven outperformed all other major cities in statewide average growth since 2010 (see chart above).

A resilient, diverse economic base

- Top economic drivers remain steady year on year: healthcare, higher ed, arts and tourism, manufacturing
- No single sector dominates, creating economic resiliency
- 50+ biotech firms employ 5,000 employees.
- 506 new businesses openings in 2018.

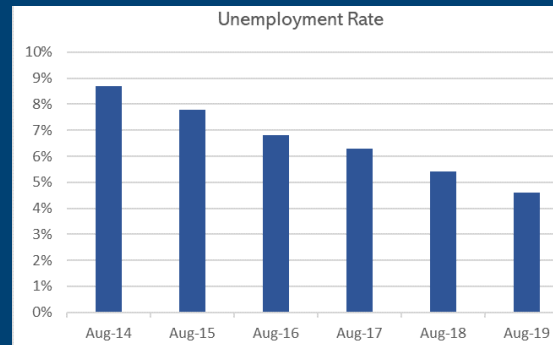


*The four factor rating includes: number of business establishments, overall employment, inflation-adjusted wages, and unemployment rate. New Haven scored 139.9; Hartford came in second at 133.2.

Economic Snapshot (Cont'd)

A declining unemployment rate

- As of August 2019, the unemployment rate was 4.6%, down from a high of 12.4% in 2013.
- Despite a sharp increase in rental housing stock in recent years, the city's residential vacancy remains low at 5.6%.



A low residential vacancy rate

- Despite a sharp increase in rental housing stock in recent years, the city's residential vacancy remains low at 5.6%.



Strong Anchor Institutions

New Haven is home to strong anchor institutions in higher education and health care, namely Yale University and Yale-New Haven Health. These and many other anchor institutions are committed to the well-being of the entire community, participating in workforce development, business-to-business collaborations and innovative supply chain initiatives.

- **Yale University** employs 14,000 people, 4,000 of whom reside in New Haven. Through collaboration with a local non-profit, Yale has made over 1,100 local hires in permanent and/or temporary positions since 2015 and is working towards ensuring half of these hires come from neighborhoods of focus.
- **Yale-New Haven Hospital** is the 4th largest hospital by bed-count in the country and has partnered with the city on development of its two large medical campuses in the city and is working with the city on an innovative employee-owned cooperative initiative in the Newhallville neighborhood.
- **Eights universities/colleges in the New Haven area** enroll nearly 52,000 students, employ more than 30,000 people, and contribute more than \$2B to the local economy each year. Southern Connecticut State University and Albertus Magnus College, are both located in New Haven and participate in the New Haven Promise program, connecting New Haven Public School students to Bachelor-level degree opportunities.

Section I:

Attracting & Retaining Quality Investment



The Economic Development Administration secures public-sector investment and private-sector partners that will enhance New Haven's advanced manufacturing, high technology, food processing, health care, and life sciences business and industry clusters.

Attracting & Retaining Quality Investment

The City of New Haven is organized in a fashion that supports socio-economic development through close collaboration of departments involved in the business development, housing and community development, permits / inspections, workforce, transportation, land use and planning. For example, business development specialists partner with private entities to attract capital and investment and to facilitate dialogue with the community and regulatory agencies to ensure responsible growth and project development. The success of these partnerships is demonstrated in sustained private market interest in New Haven.

In addition to their direct economic impact, Yale University, Yale-New Haven Health and the many other colleges and universities in the area are home to global leaders in their field. The talent and cutting-edge research are the very significant underpinnings to forward progress. With this sound economic base, the City works to demonstrate market confidence in the residential, commercial and industrial market sectors.

Key Statistics

- The residential rental vacancy rate in New Haven remains low at around 5.6%
- This year, private developers completed or began construction on 1,655+ market-rate housing units in mixed-use and residential development projects
- As of October 2019, an additional 1,937 market-rate units were in planning.
- New Haven's developers favor mixed-use projects, which comprise 61.4% of all current and planned projects

State of the Market

New Haven's Residential Real Estate Market: 2019 Update

Developers regard New Haven as one of the most attractive places in the nation in which to do business, as evidenced by the state of the New Haven's current real estate market.

New Haven's real estate market outlook continues to be characterized by low residential vacancy rates and a positive future outlook for growth. The overall residential vacancy rate dropped more than one percentage point from the previous year, to 5.6%, as local rental demand successfully absorbed developers' new additions to the market. New Haven's low vacancy rates is more remarkable in comparison to the state and national rates for the same period, at 6.1% across Connecticut and 6.9% nationwide.

In 2019, New Haven also led the regional real estate market in sales velocity, outperforming its peers in number of real estate transactions for the second time in five years. The city's stable supply of local renters, above market capitalization rates, and in-demand housing stock all contributed to the city's historically robust real estate market and its stellar performance over the past year.

"[New Haven] is a city that has incredible fundamentals and a growth trajectory you can really believe in. This is a very investable city."

***-Darren Seid, President,
Epimoni Real Estate***

Development Benefits & Incentives

City and State Programs to Spark & Sustain Real Estate & Business Investment in New Haven

The City of New Haven offers a number of programs to attract investment and to create a local environment in which businesses can thrive (see box).

This year, Economic Development helped business owners take advantage of these programs to access new financing, update their facilities, and more.

Featured Programs

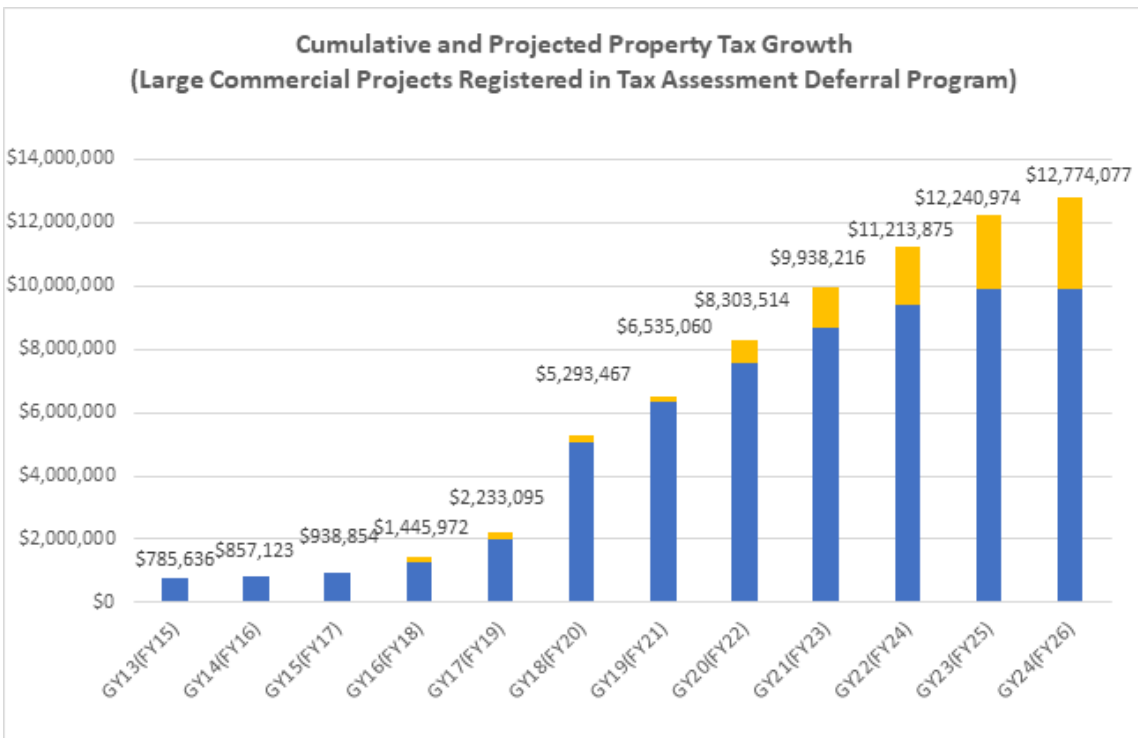
- Tax Assessment Deferral Program
- Facade Improvement Program
- Environmental Assessment Fund
- Flood Mitigation Matching Funds
- CT Enterprise Zone & Urban Jobs Program
- Grants and loans through State of CT Department of Economic and Community Development (DECD)

"[The Tax Assessment Deferral Program has] been an invaluable tool. It's critical in helping us attract outside investors into these investment opportunities."

***-Frank Caico, Spinnaker Real Estate Partners,
September 2018***

Benefit & Incentive Programs (Cont'd)

One of the city's most successful project finance incentives is the Tax Assessment Deferral Program, which enables developers to phase taxable value of new development projects over a period of five years. The City expects to generate approximately \$12M in additional property tax revenues by 2026 from the development projects currently registered and under contract with the Tax Assessment Deferral Program.



Long-Term Development Partners

The New Haven real estate market has proved so promising that several Connecticut and New England based real estate developers have launched serious development platforms with multiple concurrent projects in New Haven. These developers have each invested hundreds of millions of dollars into New Haven real estate, adding value to New Haven's neighborhoods, housing stock, and long-term economic potential.

Two of New Haven's long-term development partners are Spinnaker Real Estate Partners and RMS Companies.

\$555 M

current investment
planned for New Haven

SPINNAKER REAL ESTATE PARTNERS

- 3 Projects
- \$555 million investment pipeline
- 1,167 Apartment Units
- 1 Boutique Hotel

5 + 1

5 projects completed or
in planning +
1 boutique hotel

RMS COMPANIES

- 5 Projects
- 557 Apartment Units
- 1 Boutique Hotel

Development Highlights

Featured residential real estate market projects completed or added to the pipeline this period

Real estate developers find New Haven an attractive city for development projects, in part, because New Haven has so many infill and redevelopment sites. New Haven's underutilized surface parking lots, previously locked rights-of-way, and older buildings give developers ample opportunities to modernize the city while maintaining its historic charm.

This year, developers completed or continued construction on a total of **1,668 market rate and affordable units**. A selection of these projects is highlighted below. A full listing of current (2018-2019) and planned (2020 and beyond) projects can be found in Annex A.



Parkside Crossing

22 Gold Street
RMS Companies

Completed 2019

Part of the Hill-to-Downtown development initiative, this project opened 110 new residential units (with 30% affordable), 101 parking spaces, and 2,300 square feet of retail. This project transformed four underutilized parcels adjacent to Amistad Park, creating a new, four-story building that serves neighborhood residents through proximity to downtown and Union station, ample parking, and street-level retail.



The Lofts at Audubon Square 335, 367 Orange & 29 Audubon St *Spinnaker Real Estate Partners*

Phase I on track for completion 2019

The \$75 million Audubon development will bring 485 new units to New Haven's downtown, in the form of a mixed-use mini-city. The building welcomed its first residents in July 2019, marking a milestone of Phase I of the project, which comprises 269 residential units and more than 12,000 square feet of retail space. Phases II and III are still underway, and will offer an additional 150 units on Orange Street (Phase II) and 66 units on Audubon Street (Phase III).





Torrco Design Center Site
87 Union Street
Epimoni & Adam America Real Estate

Broke ground March 2019



This new, 299-unit mixed-use complex sits at the edge of the iconic Wooster Square neighborhood. The project will 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 area will revitalize the connection between Downtown New Haven and historic Wooster Square, adding new housing mere blocks from mass transit options at the State Street and Union Stations. The building is anticipated to open in 2021.

This conversion project will transform 68,000 square feet of former industrial building and office space in the Mill River neighborhood into 87 market rate units: 14 studios, 46 one-, and 27 two-bedroom apartments. The reimagined site will add new green space and be tied into the city's existing bicycle infrastructure network through a two-way cycletrack planned along East Street.

Ann Taylor Office Conversion
414 Chapel Street
Carriage House LLC

Site plan approved June 2019

Hotel Development

Given the strength of the mixed-use residential market, several of New Haven's most avid private developer partners have expanded their development portfolios to include boutique hotels. These developers join several other nationally recognized developers as they expand New Haven's hotel room stock and capitalize on New Haven's booming hospitality and tourism industry. At present, there are **310** hotel rooms approved or pending approval with another **300+** rooms in the pipeline.

Additional detail on completed or pending hotel developments is provided below. A full listing of hotel development projects in the city's pipeline is located in Annex A.



The Graduate

Opened October 2019

Project A renovation of this iconic, 125-year old building preserved its façade while transforming it into a 72-room boutique hotel. Located in the middle of Yale University's arts campus next to the Yale University Art Gallery, Yale Center for British Art, and dozens of bars and restaurants.

Developer AJ Capital Partners, a national developer headquartered in Chicago specializing in restoring architecturally-significant hotels in college towns.

Purchase Price \$8M

The Blake

Opened January 2019

Project Located on the corner of High and George Streets, the Blake is New Haven's first high-end boutique hotel. It offers 108-rooms, both traditional and extended-stay. Located in the heart of downtown, the Blake contributes to New Haven's thriving cultural and food scenes, hosting the area's first Michelin-starred chef at its on-site restaurant.

Developer RMS Companies, developer of the Novella apartments and the Hill-to-Downtown mixed-use project.

Investment \$8M



Hilton Garden Inn, 80 Elm Street

Project This project will convert a vacant, former bank building into a Hilton Garden Inn in the center of Downtown. The six-story, boutique hotel will offer 132 rooms, and will occupy 12,000 square feet including guestrooms and amenities.

In planning. Targeted for completion, 2021

Developer Spinnaker Real Estate Partners, developer of mixed-use projects in Audubon Square and the Lofts at Wooster Square



Rendering of the Hilton Garden Inn at 80 Elm Street

Cambria Hotel Project, 480 MLK Jr Boulevard

Project This hotel is the final stage of the multi-phase Route 34 West Project. The City of New Haven sold land to the developer through a Land Disposition Agreement in 2014. The Cambria hotel is part of the international Choice Hotel chain, and will feature 6 stories and 130 keys.

Received approval in October 2019

Section | Feature

Coliseum Site Development

Spinnaker Real Estate & Fieber Group (“Spinnaker”) have partnered with the City of New Haven to undertake a large-scale development initiative at 275 South Orange Street, on the site of the former New Haven Coliseum. The current surface lot will become a landmark mini-city, using mixed-use development to revitalize 5.5 acres of desirable downtown-adjacent property.

Spinnaker and the city formalized their partnership this July, with the signing of a modified development plan and land disposition agreement. The \$400 million investment will serve New Haven residents and visitors through the addition of 450 residential units (including up to 20% affordable units), 75,000 square feet of retail space, 200,000 square feet of office space, and the creation of new public open space.

Prior to construction, Spinnaker will undertake extensive design development and community input activities. As of Fall 2019, community consultations are underway with the Downtown and Hill South neighborhoods, and the developer has already begun discussions with potential tenants for the site’s commercial spaces.

Coliseum site construction will be conducted in two phases.

Phase I is anticipated to break ground in Spring 2021, for completion in Spring 2023. Current development plans for this stage include 16,000 square feet of retail and restaurant space, 25,000 square feet of public open space, and 200 rental apartments. The needs of the city’s numerous entrepreneurs and future labor force are reflected in the

Section I Feature: Coliseum Site Development (Cont'd)

retail site plans, which include co-working space and areas tailored for business incubation. Spinnaker is seeking collaboration with the Housing Authority to ensure that 20% of rental units are affordable.

Phase II comprises the addition of a further 30,000 square feet of retail, 30,000 square feet of public open space, 500 residential units, and 80,000 square feet of as-yet undetermined commercial use space. As part of this phase, Spinnaker has committed to conducting studies to determine whether a hotel and conference center would be feasible additions to the site.



Section | Feature

The District, 470 James Street

In 2016, the City entered into a development agreement with a local development firm to convert a former brownfield into Connecticut's first state-of-the-art tech and innovation campus called The District. The final project cost is estimated at more than \$25M, and included state support in the form of a \$5.5 million grant from the State of Connecticut Department of Economic and Community Development ("DECD") to remediate contaminated soil. The success of this project serves as an emblematic example of New Haven's forward-thinking pursuit of true public-private partnerships.

The building opened its doors in February 2018. Today, the 6.95-acre campus boasts a 100,000 square foot building that contains 40,000 square feet of private office space, 15,000 square feet of coworking space, event space, and a full-service athletic center.



The District has already begun to have positive economic impacts on the surrounding community and the city at large. The site houses four anchor companies, nearly a dozen private offices, coworking desks, and an athletic club. The campus has grown to feature a beer garden and restaurant conceived by Caseus Fromagerie and Black Hog Brewing Co-Founder Jason Sobocinski, as well as an outdoor amphitheater, indoor/outdoor event space, and a kayak launch into the Mill River.

Section I Feature (Cont'd): The District

As a tech hub for New Haven and the region more broadly, the site has already attracted some of the nation's most innovative firms. In 2018, the San Francisco-based Holberton School opened its doors at the District. The Holberton School trains students to become highly skilled software and operations engineers through project-based and peer learning, enabling them to compete among the best programmers in the world. Holberton graduates have been placed into jobs at LinkedIn, Google, Tesla, IBM, and Apple, among others. Holberton students pay no up-front tuition, instead, contributing a percentage of their salary to the school for a short period following graduation.

The collective excitement around The District has drawn attention to investment opportunities in the Mill River District of New Haven—a sparsely populated, former industrial area. With the aid of local preservationist groups, the developers of the District agreed to create a bike trail along the banks of the Mill River. The Mill River Trail, as it is known, will extend from East Rock Park to the point where the river meets the Long Island Sound. Phase I of this project was completed in August 2019.

Between the physical improvements The District is making to neighborhood, the jobs that The District's businesses are creating, and the City's ongoing efforts to expand the existing Mill River Municipal Development Plan, the City anticipates that investors will soon discover the value of redeveloping parcels in the Mill River District.



New Haven's Key Employment Clusters

The New Haven economy is notable for its diversity and its resilience. Anchor institutions, such as Yale-New Haven Health and the area's eight higher education institutions, constitute a major economic strength and contribute to New Haven's ranking as the 62nd highest GDP among all metropolitan areas nationwide.

While the city as a whole benefits from a stable employer base, no one sector dominates. Healthcare and biomedical sciences, higher education, hospitality and leisure, and technology continue to dominate and drive the region's growth, resulting in New Haven's first place ranking in 2018 among similarly-sized Connecticut cities across four economic growth indicators.

Due in part to Economic Development's success in attracting quality development, employers have seen that New Haven is a place where employees and managers thrive. And businesses and entrepreneurs increasingly see New Haven as an ideal site for their operational headquarters. This section summarizes the strength of New Haven's business sector across the industries that act as its key economic drivers.

Featured Sectors & Industries

- Biotech
- Digital Tech
- Food
- Professional Services
- Financial Services
- Advanced Manufacturing

Biotech Industry

- Greater New Haven is home to upwards of **50** biotech and medical device companies, which together employ more than **5,000** people.
- Venture capital firms and big pharmaceutical companies have invested more than **\$700M** in startup capital and nearly **\$5B** in equity in New Haven biotech companies.
- In 2018, the Yale's offices reported **1,371** cumulative active patents in **59** countries
- New Haven is one of the few small cities in the United States successfully competing in an industry dominated by big cities. The industry drives housing, job growth, and investment inflow throughout the entire Southern Connecticut area.

Biotech Clusters

The strength of New Haven's biotech industry allows the city to be responsive in providing for the sector's needs. In recent years, the Economic Development Office has supported the establishment of biotech clusters within the city, each of which offer resources and facilities appropriate for the operational and research needs of new and growing biotech firms. These sites include The Center for Bioscience and Technology, Science Park, Downtown New Haven, and 100 College Street (see next page).

Biotech Industry: Biotech Clusters in New Haven (Cont'd)

The Center for Bioscience & Technology, 300 George Street

A 500,000 square foot office and research space within walking distance of the Yale School of Medicine, housing a number of life science ventures arising from Yale University.

Science Park

An urban reuse project located at the former site of the Winchester Repeating Arms Factory. The 80-acre, redeveloped campus is home to more than 20 biotech companies.

Downtown New Haven

Numerous biotech firms base their corporate operations out of Downtown's abundant and reasonably priced Class A office space, finding it advantageous to locate their corporate operations close to research facilities.

100 College Street

The City entered into a Development Agreement with Winstanley Enterprises which entailed the infill development of a 450,000 s.f. med/lab office building within the former Route 34 highway connector. This first phase of the award-winning Downtown Crossing infrastructure project is now home to the research and development center of Alexion Pharmaceuticals with over 500 jobs on site and is the future expansion space for Yale University's School of Medicine.

Biotech Industry: Featured Biotech Firms

New Haven is home to more than 50 biotech and medical device firms. The following section features a small subset of this group, including both well-established firms, such as Alexion, and more recent additions to the sector, like HaldaTherapeutics. Even this small selection powerfully represents the innovative potential and economic force of the New Haven's biotech sector.

Biotech Industry: Featured Biotech Firms (Cont'd)



Alexion Pharmaceuticals is a leading producer of drug therapies for rare diseases and disorders, particularly related to immune system research and auto-immune diseases. The company was founded in 1992 in New Haven's Science Park. It maintains a significant research division of approximately **500 employees** in New Haven.



Arvinas develops cancer and autoimmune disease therapies using research on protein degradation. In 2019, Arvinas had an **IPO of \$120 million**. Bayer also committed \$115 million to Arvinas for ag and pharma research, a partnership with \$685 million in earning potential. In January 2018 Arvinas signed an \$830M contract with Pfizer to develop a small-molecule protein degradation drug therapy.



Biohaven Pharmaceuticals is a clinical-stage biopharmaceutical company with a portfolio of late-stage product candidates targeting neurological diseases. In June 2018, private equity firm Royalty Pharma acquired approximately 2% royalty rights on global annual net sales of two Biohaven products for \$100M.

Biotech Industry: Featured Biotech Firms (Cont'd)

Bioxcel Therapeutics, Inc. is a clinical stage biopharmaceutical company that uses artificial intelligence to identify new treatments in neuroscience and immunoncology (NASDAQ: BTAI, **market cap \$83 million**).



Ikonisys, Inc. is a designer and manufacturer of medical diagnostic products for the diagnosis of various cancers. Its products include the Ikoniscope Robotic Microscope and the Ikonisoft explorer tissue. While in its nascent stages, Ikonisys raised **\$48.7M in startup funding**.

Invicro develops imaging products for use in translational drug discovery and development. It is a Konica Minolta company. In 2018, Invicro established a New Haven clinic facility and offices, complementing their existing Boston and London facilities.

KLEO Pharmaceuticals.

Founded in 2016, this Science Park-located firm is pioneering creation of a synthetic molecule that engages patients' own immune system to target and destroy cancer.



NextCure, Inc., an immune therapy cancer treatment startup, raised **\$93 M in Series B funding in 2018**. Their \$67 M Series A funding was one of the largest Series A rounds ever for a biotech startup.

Digital & Tech Industry

- New Haven brought in half of the state's startup funding of \$109 million in Quarter 1 of 2019
- Since 2000, over 50 startups based on Yale IP in the New Haven area have raised over \$1 billion in venture capital and \$11 billion in public markets
- In 2017, Verizon named New Haven the **Best City in America** to start a tech business because of its low real estate prices and high density of tech-savvy millennials
- New Haven was ranked 16th in **CityLab's 2017 list of the Top 20 metros** based on venture capital investment per capita. New Haven claimed \$234 of VC funds per person.

Digital & Tech Industry: Featured Firms

The following section highlights a few of New Haven's digital and tech industry companies. Firms such as these are fostered by the City's support for innovation and collaborative spaces, such as **The District**, **Ives Squared**, and **The Grove**, which enable New Haven residents to build and expand creative new businesses.

Digital & Tech Industry: Featured Firms (Cont'd)

Quantum Circuits, Inc. (QCI) opened at Science Park January 2019, is the first spin off coming out of the innovative work at Yale University. Co-Founder, Robert Schoelkopf is a pioneer in the development of solid-state qubits and efforts to make the first practical quantum computer.



QCI occupies 6,000 square feet of state-of-the-art laboratories and in-house manufacturing, and employs more than 20 scientists and engineers. Quantum computing has the potential to enable calculations that are orders of magnitudes faster and more powerful than today's supercomputers for certain types of problems. Applications will include drug design for biotech, materials science, improved processes for industrial chemicals, fintech, logistics, machine learning, and energy.

Digital Surgeons is a New Haven-based digital marketing firm focused on brand and product development. It achieved national recognition through its Webby Award-winning "GaGa's Workshop" microsite for Barney's New York. Its other major clients include Lego, the U.S. Open, Camelbak, and Sperry's. Digital Surgeons' owners are part of the development entity that developed **The District NHV**, the tech/innovation campus in the Mill River District. Digital Surgeons is one of the anchor tenants at the new facility.

Technolutions Founded 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. Over the past decade, Slate has been adopted by hundreds of colleges and universities, and is considered by many to be the de facto standard-bearer for admissions technology. Technolutions has more than 60 employees working out of its office in Downtown New Haven.

Digital & Tech Industry: Featured Firms (Cont'd)

Grey Wall Software Grey Wall Software LLC develops web and mobile SaaS solution for enabling effective team collaboration and response during crisis situations and other disruptive events. Grey Wall's main product is Veoci, a web and mobile-based software for managing communication and coordinating activities between teams during crisis and emergency situations. Veoci also allows users to create tasks and interact with tasks that have been assigned to them. The product is used in airports, governments, higher education, hospitals, and finance and is the leader in Emergency Management & Operations software. At last count, Grey Wall had 40 employees.

SeeClickFix, now a division of CivicPlus, is a web tool that allows citizens to report non-emergency neighborhood issues that are communicated to local government. Its smooth web and mobile app services help people and governments build more transparent, collaborative, and happy communities. SeeClickFix is used in 300+ cities, counties, and states across the country, including Oakland, CA; Houston, TX; and Albany, NY, among others. SeeClickFix employs more than 35 people in New Haven and is a staple presence of the Downtown New Haven business community.

Food Industry

New Haven's food culture defines what the city is today. From award-winning international cuisine to arguably the best pizza in the country, New Haven delivers a diverse and creative menu of options to satisfy any appetite and budget.

Restaurants and bars represent the largest retail sector in the city. Within a half-mile radius of the New Haven Green, there are **175** restaurants and bars which collectively generate **\$131M** in gross receipts per year.

Apart from New Haven's bustling dining scene, the city is also home to historic food manufacturers and arterial food distribution terminals, including the following:

Food Industry: Featured Firms

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 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 at 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.

Onofrio's Ultimate Foods

Located in the Annex/East Shore Area of New Haven, Onofrio's is a private label food packing, copacking, bottling, and manufacturing company. Onofrio's has long been a leader in the Food Preparation and Distribution industry.

Other Economic Drivers

Professional & Financial Services

Professional and financial services also act as significant drivers of New Haven's economy. More than 33,000 professionals from surrounding towns commute to New Haven each day, many of them to fill roles in the services industry.

- **Law**—At last count, there were 110 law firms in the city, representing approximately 10 percent of the state total.
- **Architecture**—New Haven's approximately 75 architecture firms employ more than 500 professionals and support staff.
- **Government**—New Haven is home to several major federal facilities such as the Giaimo Federal Services Building, the Federal Bureau of Investigation's regional office, and the regional centers of the Naval Reserve Center and United States Coast Guard.
- **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 900 people, with holdings of more than \$100B in life insurance, annuities, disability insurance, and long-term care insurance in force.
- **Blackboard/Higher One** was 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."

Other Economic Drivers (Cont'd)

Advanced Manufacturing Services

New Haven is home to several specialty manufacturers, such as **Assa Abloy**, a Swedish manufacturer and global leader in lock production. Assa Abloy has been named one of Forbes's 100 most innovative companies multiple times.

Obsidian Advanced Manufacturing is a high-tech start-up developing atomic-beam multi-material 3D printing. Obsidian has received funding from Connecticut Innovations, and the 2019 TechConnect Defense Innovation Award. Another example of New Haven's advanced manufacturing firms is **Uretek**, a high-tech fabric manufacturer.

Section II:

Developing Locals Jobs & Businesses



The Economic Development Administration provides aspiring entrepreneurs and small businesses, particularly those that are minority-, woman-, or locally-owned, with access to the resources to locate and grow in New Haven, and connecting City residents from all backgrounds to sustainable employment opportunities.

Small Business Development

In addition to attracting new businesses and investment capital to New Haven, the City actively works to support and develop local businesses. The Office of Economic Development's staff provide business development advice, counseling, and technical assistance to walk-in clients, on everything from how to start a business or secure permitting, to how to evaluate project financing options.

On average, over 300 small business owners and would-be entrepreneurs received such assistance per year. Historically, approximately 10% of these entrepreneurs go on to establish businesses, within the city.

Small Business Development

The Small Business Development division strives to enhance the City's tax base and support business, community, and resident employment by using public resources to leverage private sector investment. In addition to providing technical assistance to small businesses regarding business plans, loan applications, and city/state/federal regulations, the Small Business Development Division connects businesses with public funding sources, such as the City's Façade Improvement Grant program or the State of Connecticut's DECD Small Business Express program.

The Façade Improvement Program

The Façade Improvement Program is one of the City's most attractive investment incentives available to brick and mortar businesses. The program reimburses businesses for building improvements, thereby investing in the growth of brick and mortar locations while enabling businesses to address blighted conditions and rehabilitate existing business structures for everyone's benefit.

Over the past year, the program's matching grants leveraged a ratio of nearly 1:66, that is, every \$1 of public façade money was matched by \$65.79 of private investment – a ratio that has nearly tripled in size in comparison with the previous year.



35-39 Church Street | Received a Façade Improvement Grant to restore a historic façade, create two ground-floor retail spaces, and convert the upper floors into apartments.

Small Business Resource Center

The Office of Economic Development's Small Business Resource Center (SBRC) offers New Haven entrepreneurs technical assistance, training, and access to startup capital, networking events, and mentorship opportunities. To date, hundreds of entrepreneurs from the community have participated in SBRC events and programs.

SBRC Training Modules

The SBRC provides training modules designed for entrepreneurs and current business owners. This year's programming included modules on:

- Business planning and structure
- Business basics
- Marketing analysis and strategy
- Basic numbers: financing, accounting, and budget planning
- Getting financed
- The web

After completing SBRC's programs, many community members have gone on to launch small businesses of their own. In 2018 alone, SBRC's outreach efforts brought together more than **360 entrepreneurs and community members** who participated in SBRC events.

While SBRC holds numerous events and workshops throughout the year, its most concerted efforts include its **Fit For Business Workshop**, its recruitment for national **small business training programs** like Goldman Sachs' 10,000 Small Businesses Program, and its seasonal **Pop-Up Shops**.

SBRC (Cont'd)

Fit for Business

To help New Haven's new entrepreneurs working on early-stage companies, SBRC developed the "Fit for Business" workshop. Workshop participants learn business fundamentals and examine in a comprehensive way the benefits, responsibilities, and challenges associated with owning a business. Participants take a skills-assessment test to better understand their strengths and weaknesses as potential small business operators. They then follow a carefully curated curriculum that includes components on topics such as incorporation, marketing, social media, accounting, business plan writing, and presentation skills to help prepare them for launch.



SBRC leverages relationships with program graduates and local professionals and leaders to benefit New Haven's resident participants. Each Fit For Business module is taught by an experienced practitioner from the New Haven Business community. These professionals volunteer to teach and serve as networking contacts.

National Training Programs for Small Businesses

SBRC has relationships with local and national service and training providers to meet entrepreneurs' needs regardless of the stage of their business or extent of their education. SBRC hosts classes for existing businesses in collaboration with the Connecticut Small Business Development Center and the Federal Small Business Administration; SBRC partners with organizations such as the Spanish American Merchant Association, the Urban League of Southern Connecticut, and SCORE. SBRC is working to establish a relationship with the Connecticut Supplier Connection, a conduit platform for Fortune 500 companies, which will give New Haven businesses access to an elite clientele.

SBRC (Cont'd)

SBRC has an established partnership with Goldman Sachs' 10,000 Small Businesses program, which provides entrepreneurs with education, capital, and business support services. SBRC refers some of New Haven's most successful private businesses to the program for elite-level training. During the program, business owners join with others from around the region and the country, to engage in an executive MBA-like program that uses each student's business as the basis of their study.

In the previous year, 18 businesses participated in the program. Eighteen months after completing the program, 74% of graduates report increasing revenues, 55% of graduates have create new jobs, and 88% expand their sales through contacts they make in the program.

**Pop Up Shops, Holiday
Village, & Night
Market**



In response to growing levels of interest for producing and purchasing locally-sourced goods and services, Economic Development's SBRC continues to expand its assistance to small, artisanal businesses.

In 2017, SBRC launched a "pop-up shop" for 12 entrepreneurs to sell their unique products for the holidays. The success of this pilot program proved that demand exists for flexible, micro-retail venues. These pop-up shops helped SBRC identify technical deficiencies among the entrepreneurs and enabled SBRC to focus its training efforts on areas where entrepreneurs need the most help. SBRC is committed to providing training that responds to these identified needs, so that the City can help these businesses, and businesses like them, succeed.

SBRC (Cont'd)

In 2018, SBRC built on the “pop-up shop concept” to help local, primarily home-based, entrepreneurs and vendors to sell their products for the holidays, by creating a Holiday Village in Temple Plaza Park. This retail plaza provided 20 vendors with the opportunity to gain exposure for their businesses, and was well received. An even larger event is planned for 2019, and SBRC is considering turning it into a biannual event.



Similarly, in 2019, the Town Green Special Services District launched a Night Market in the Ninth Square, for local companies to sell their goods and services. Thanks to the event’s success, Town Green plans to provide more such opportunities to local vendors.

iHaven

In 2019, the small business team partnered with CT Next and Health Haven Hub to launch iHaven. This initiative brings together college-level entrepreneurs from five area colleges to a modern Downtown incubator setting with training classes and collaborative team-building activities.

Small Contractor Development

Healthy local businesses build strong, sustainable communities by creating job opportunities for residents and keeping money circulating in the local economy. In 2001, the Board of Alders adopted Section 12¼ of the New Haven Code of Ordinances to create the Small Contractor Development (SCD) Program. Through this ordinance, the City provides opportunities to small and minority contractors to establish parity in New Haven construction contract procurement.

SCD is responsible for building a base of emerging business enterprises that can perform high-quality construction at competitive

prices. Businesses need know-how to succeed, and SCD provides them with opportunities to grow from startups into profitable, sustainable, competitive companies.

SCD Successes: Networking Events in 2018

- **22 Gold Street:** \$1.4 million electrical contract awarded to a small SCD contractor & \$1.3 million to minority construction contractors
- **384 Blatchley site:** \$400,000 awarded to small, minority, and woman owned construction businesses
- **Judith Terrace:** \$1 million+ awarded to small, minority, and woman-owned construction businesses
- **The Learning Experience at 243 Legion Ave:** 13% woman-owned construction business subcontracting & 16% minority owned business subcontracting

SCD (Cont'd)

The SCD's primary goals are to expand opportunities for small, minority-, and woman-owned construction-related businesses; grow the capacity of small, minority-, and woman-owned construction businesses to undertake larger contracts; increase the number, size, and quality of contracts awarded to small, minority-, and woman-owned businesses; and assist small, minority-, and woman-owned construction businesses to overcome challenges. Since its founding, SCD has assisted **more than 1,000 small, woman, and minority firms** with contract issues, bid documents, payments, credit, contractor conflicts, and registration.

SCD accomplishes these goals by hosting training workshops, OSHA certification courses, and networking events where general contractors and developers pitch construction projects to SCD subcontractors and elicit bids. SCD also connects registered businesses to industry professionals who volunteer to act as mentors. Select workshop topics for 2018 included construction business literacy, sales and use tax, 1099-independent contractors, payroll forms, contracts, workers compensation insurance, and safety regulations (OSHA 10 and Silica dust safety).

In 2018, SCD helped New Haven resident construction businesses secure roughly **\$14.7M in contracts**. As of September 2019, 121 small contractors were registered with the program. In the last year alone, businesses registered with the SCD program were awarded 748 contracts. In 2018, the statewide Minority Construction Council recognized SCD for its outstanding efforts to provide opportunities to the minority contractor community.

Commercial Gateway District Initiative

Residents are attracted to New Haven for its vibrant downtown, walkability, and forward-looking orientation towards mixed-use buildings and transit-oriented development. Current and planned real estate development projects have responded to market demand, with nearly two-thirds of total units planned as part of mixed-used developments.

Benefits of the Initiative

- Zoning to promote infill projects
- Requiring and incentivizing affordable housing incentives
- Creating flexible and predictable building requirements
- Removing barriers to land use and business operation
- Promoting green building and productive use of space
- Right-sizing parking requirements

The Commercial Gateway District initiative addresses the needs of local business owners and residents by promising to transform three of the city's major commercial corridors along Grand Avenue, Whalley Avenue, and Dixwell Avenue. Each commercial corridor is situated in close proximity to New Haven's downtown and, combined, the three areas are home to hundreds of New Haven's local businesses.

Through a multi-year effort, and in close collaboration with the community, the City is conducting a comprehensive review and proposing updates to zoning ordinances for these three economic hubs. Revised zoning will incentivize and promote infill projects, improve and realize the benefits of proximity and walkable

Section II Feature: Commercial Gateway (Cont'd)

connections to downtown, and guide a transition between lower-density residential and higher-density business zones. The result will be areas that are vibrant, walkable, and economically robust.

This year marked significant progress in the realization of the Commercial Gateway District initiative. City staff engaged property owners, businesses, and residents in listening meetings and feedback sessions throughout the year, gaining traction and support for the final rezoning plan in anticipation of its presentation to the Board of Alders for adoption.

Example Site: 117 Whalley Avenue sits on a highly promising parcel of land, which is poised for redevelopment. As it stands, this site is not eligible for mixed-use development and cannot build to more than 30,492 square feet. Rezoning will encourage mixed-use development on this site, allowing for 68,607 square feet of building, affordable housing, and infill to bring building development up to the sidewalk with parking in the rear.



Example Site: 265 Dixwell Avenue is an underutilized parcel, under its current zoning designation. With the proposed commercial corridors update, this parcel becomes an attractive investment opportunity, as the commercial storefront will be zoned for rebuilding and the site can be leased to commercial tenants by right without parking relief.



Workforce Development

Bioscience Career Ladder

New Haven is home to the largest concentration of life science companies in Connecticut and the second largest bioscience cluster in New England. The bioscience industry has tremendous growth potential due in large part to the volume and quality of research coming out of the Yale School of Medicine.

The City has worked to bring together workforce development partners to categorize job typologies, bolster related educational fields, and create specific job training opportunities wherever possible. Two notable initiatives are currently underway:

1. A partnership with **BioCT**, a statewide advocacy organization, to assist New Haven-based companies with key capital purchases to support local operations and stimulate job growth.
2. A partnership with **Southern Connecticut State University (SCSU)** to design new academic programs that leverage the university's new science building, a 103,608 sq. ft. science and research facility located in the West Rock neighborhood. The City and SCSU entered into a partnership to make the following career academic pathways available for students completing their studies in New Haven: BS in Biotechnology, Chemistry, and STEM. To support SCSU in this effort, the City gave the university an initial start-up grant and helped assemble an industry advisory committee.

Tech Career Ladder

Given the growth of the IT/Tech sector in Downtown New Haven, the City 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. All of the graduates of the program found work in the New Haven area in tech roles. The “**Web Development Certificate**” program, as it has been renamed, is in its third year. The success of the Web Development Certificate program led Gateway’s Advisory Committee to offer two more tech-related certificate courses, Business Analysis and Web Design.

The City continues to emphasize the importance of developing the tech career ladder as a way of attracting tech jobs to New Haven. Recently, the City has succeeded in persuading its private sector partners to contribute to workforce development efforts by making educational opportunities in coding available to members of the community.

- **The Grove** coworking space continues to work on the A-100 coding project, a software apprenticeship program that provides technical training to aspiring software developers to get them startup-ready, then matches them up with paid internships at local startups
- **The District** tech/innovation campus offers a coding bootcamp to ambitious students through the Holberton School, enabling their graduates to gain programming skills that are competitive in the global market (see Section I).
- **Workforce Alliance**, a partner of American Jobs Center network, applied for a federal “Tech Hire” grant to introduce tech-related workforce training programs for its clientele at the New Haven Adult Education Center.

Hospitality Career Pipeline

The recent surge of hotel development will lead to a dramatic increase in hotel and hospitality industry jobs. Currently, with 314 hotel rooms planned or approved, New Haven is preparing to add between 471 and 942 hotel and hospitality jobs to its economy.

To best develop a hospitality jobs pipeline, the City urged Workforce Alliance to create a training course specifically for hospitality management. Thus, in partnership with the University of New Haven's Hospitality Program, Workforce Alliance graduated its first cohort of 24 students in July 2018.

Upon completion of the Hospitality and Tourism Management program, students receive two ServSafe certifications, recognition from the American Hotel and Lodging Industry, and access to the region's largest and most prestigious hotel and hospitality employers.

Section II Feature

Elm City Innovation Collaborative

In June 2017, after hearing pitches and conducting visits to nearly a dozen municipalities, CTNext designated New Haven as one of four “Innovation Places” statewide.



This recognition brought with it a \$2M implementation grant, which the City is using proactively to lay the foundation for a thriving innovation economy.

Upon receiving the grant, the City created the Elm City Innovation Collaborative (“ECIC”). ECIC is run by a joint steering committee with members from the Economic Development Corporation, the City’s Office of Economic Development, members of the Mayor’s cabinet, and some of New Haven’s most recognizable innovators. The ECIC Steering Committee began the implementation process by identifying six sub-areas where the CTNext Innovation Place grant would most benefit New Haven’s economy: Bioscience, Digital Divide, Digital Tech, Educational Institutions, Incubators, and Development.

In November 2017, ECIC began greenlighting “projects”—organizations and initiatives run by members of the community—which the ECIC steering committee believed would solidify New Haven’s innovation ecosystem and stimulate the economy around innovation and entrepreneurships. ECIC then distributed the grant monies to selected projects and hired an implementation manager to track the progress of each project.

Section II Feature: Elm City Innovation Collaborative

The ECIC projects selected to receive grant funds range in type and size. The **Ives Squared project**, for example entailed a significant construction project that expanded the New Haven Free Public Library's main branch to include a maker space with 3-D printers, a café, and small-team workshop rooms.



By contrast, the **Collab project** is a hands-on training program for very early-stage entrepreneurs focusing on community inclusivity run by two recent college graduates. Each of these projects makes a unique contribution to New Haven's innovation landscape

ECIC Progress Report (Q3 FY17-18)

- 32 organizations engaged in developing NHV's innovation economy
- \$2.4M funds deployed
- 9 New companies created as a result of ECIC grant funds
- 31K square feet of new space developed
- \$10M generated by venture capital investment, public / private grants, and sales
- 3 Patents registered
- 3 Prescription drug licenses approved/submitted
- 8 Prototypes developed
- The City expects to receive a second \$2M grant from CTNext's Innovation Places for FY2018-2019 to continue investing in New Haven's innovation infrastructure

Section II Feature: Elm City Innovation Collaborative

ECIC Projects

- **Collab** — Collab is incubating new ventures with an inclusive model for providing a lattice of supports: mentorship, childcare, transportation and translation services as well as seed funding. Events at Ives and The Grove.
- **Concepts for Adaptive Learning** — Concepts for Adaptive Learning is training parents to use technology to support their children's education and build job skills and readiness. 5 Science Park.
- **The District NHV**— The District is establishing a new epicenter for entrepreneurship and tech training in New Haven with a full-service campus featuring recreational amenities, educational programs, and business supports for life science and tech startups. 470 James St.
- **Economic Development Corporation of New Haven** — The Economic Development Corporation is marketing New Haven as a center for innovation and introducing the community to participating organizations through the work of its Implementation Manager / Superconnector. Citywide.
- **Gateway Community College** — Gateway Community College is supplying the pipeline of tech talent through scholarships to build in-demand skills and professional development opportunities for recent certificate-holders. 20 Church St.
- **The Grove** — The Grove is improving the coworking experience by enhancing communications and building out new team space to connect more entrepreneurs and grow companies. 760 Chapel St.
- **Health Haven Hub** — Health Haven Hub is a new incubator specialized in supporting early and seed-stage startups in digital health, advanced diagnostics, and medical devices. Key tenants are Bridge Innovations, HealthVenture, and Origami Innovations. 195 Church St.
- **Ives Squared** — Ives Squared at New Haven Free Public Library is creating an Innovation Commons to provide public access to entrepreneurship. 133 Elm St.
- **MakeHaven** — Make Haven is expanding facilities for makers with upgraded fabrication tools, such as 3D printers, laser cutters, and home brewing equipment, and more avenues for inventors to bring products to market. 770 Chapel St.
- **Mobile CSP** — Mobile CSP is helping New Haven's high schoolers fall in love with coding at Southern Connecticut State University's new center for STEM innovation. 501 Crescent St.
- **Science Park Development Corporation** — Science Park Development Corporation is creating a shared facility to make pharmaceutical research more accessible to growing companies. It is also launching community-building programs for professionals in its life science and tech incubators. 4 & 5 Science Park.
- **A Small Instrumentation Fund at SCSU** — A Small Instrumentation Fund at SCSU is enabling professors from area higher education institutions in industry relevant disciplines to purchase specialized equipment along with accompanying equipment and software so they can prepare students in ways that match the talent needs of local companies. Citywide.
- **The State House** — State House launched a new mid-size, multi-purpose venue to host arts, music, and innovation events and to connect the city's creative and innovation communities. 294 State St.
- **Town Green Special Services District** — Town Green Special Services District is advancing the connectivity and livability of downtown. Town Green offers business resources, makes public space improvements, hosts events, and runs a downtown ambassador program. 900 Chapel St.

Section III:

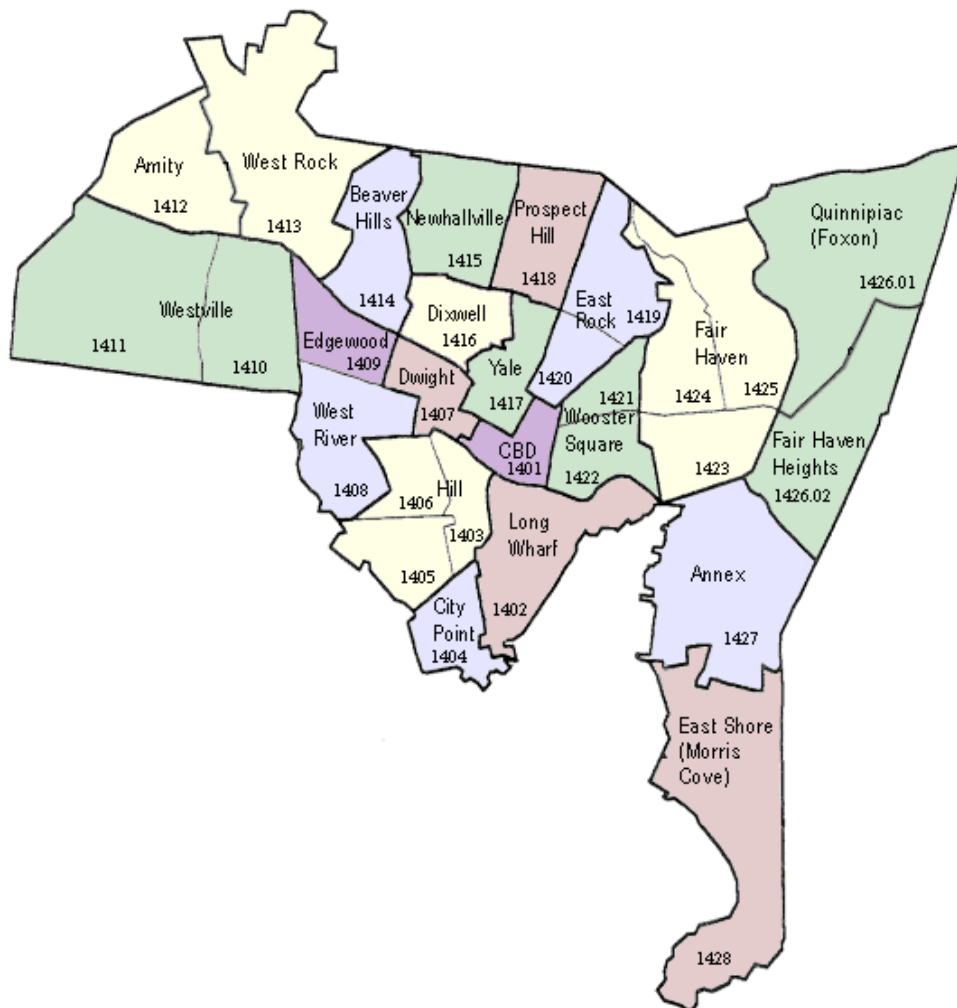
Revitalizing New Haven's Neighborhoods



The Economic Development Administration fosters mixed-use development that accelerates the formation and enhancement of distinctive, welcoming communities throughout the city; partnering with community stakeholders and accomplished developers to offer residents of all circumstances high-quality housing and retail options; and promoting the growth of diverse educational, artistic, and cultural amenities that will augment New Haven's status as a leading recreational destination for tourists and visitors.

Neighborhood Infill Development

Currently, the City is working on an extensive array of infill projects with both private developers and community organizations. The following section shares updates on individual projects by neighborhood.



Newhallville

The Olin Project

201 Munson Street

Eclipse Development, a nationally-known developer, is constructing nearly 400 units of multifamily housing on the former Olin Metals site at 201 Munson Street. The project will feature housing, retail, community amenity space, and major greenspace improvements. The developer has received a needed zone change from the Board of Alders and is close to receiving final approvals.



Dixwell

The Q House

Q HOUSE Community Center will feature a full gym, workout space, a senior center, a recording studio, a new home for the Stetson Library branch, and a new location for Cornell-Scott Hill Health Center. The Q House will be a community hub for residents of Newhallville and Dixwell. Construction on the \$16.7 million site began in September 2019.



Rendering of the Q House

NXTHVN

NXTHVN plans to revamp an industrial complex at 169 Henry St. into 38,000 square feet of apartments, artists' studios, gallery spaces, offices, an assembly hall, and a cafe. The project aims to develop into an artists-incubator to enable New Haven to retain artistic talent and help redevelop the Dixwell neighborhood.

The \$5.8 million project is funded largely by private donors. It received grants from the Ford Foundation and RISC Foundation, as well as a \$200,000 investment from the City and State's brownfield remediation revolving loan fund

A promotional poster for NXTHVN Studio & Curatorial Fellowships. The poster features the NXTHVN logo at the top left, followed by the text 'Studio & Curatorial Fellowships'. The main message is 'APPLICATION DEADLINE JULY 31, 2019' in large, bold, pink letters. Below this, it states 'THE FELLOWSHIPS RUN FROM January-December, 2020'. At the bottom, there is a pink button that says 'CLICK HERE TO APPLY NOW' and the website 'NXTHVN.COM'. The background of the poster shows a modern interior space with a wooden table, a chair, and a window.

Westville

Former Delaney's Site

In 2017, Economic Development began working with Lior Excavating, the new owner of the vacant development site at the corner of Whalley Avenue and Fountain Street in the heart of Westville, on possible redevelopment concepts. The owner envisions a mixed-use, two-story building, with 22 apartments, above ground-floor retail, and restaurant space. The owner obtained approvals in June 2018.



East Rock

East Rock Brewing Co., 285 Nicoll Street

New Haven's first commercial brewery since Elm City Brewing Co. closed in 1998, East Rock Brewing Co. opened in October 2018 after refurbishing a portion of the former Rockbestos factory. Its initial production was set at 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 its operation to more than 45,000 barrels per year.

The Hill

Hill-to-Downtown Project

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. The project will result in 1,400 new housing units, of which 300 will be priced to accommodate low-to-moderate-income renters. Additionally, the project will feature up to 1M additional square feet of lab/research space, up to 40,000 square feet of retail, 2,500 new permanent jobs, 10,000 temporary construction jobs, and \$165M in annual tax receipts. The project will better connect New Haven’s train station, the Yale medical facilities, the Hill neighborhood, and downtown.

The City partnered with RMS Companies of Stamford, CT, which agreed to invest \$100-150 million in developments with a significant affordable housing component.

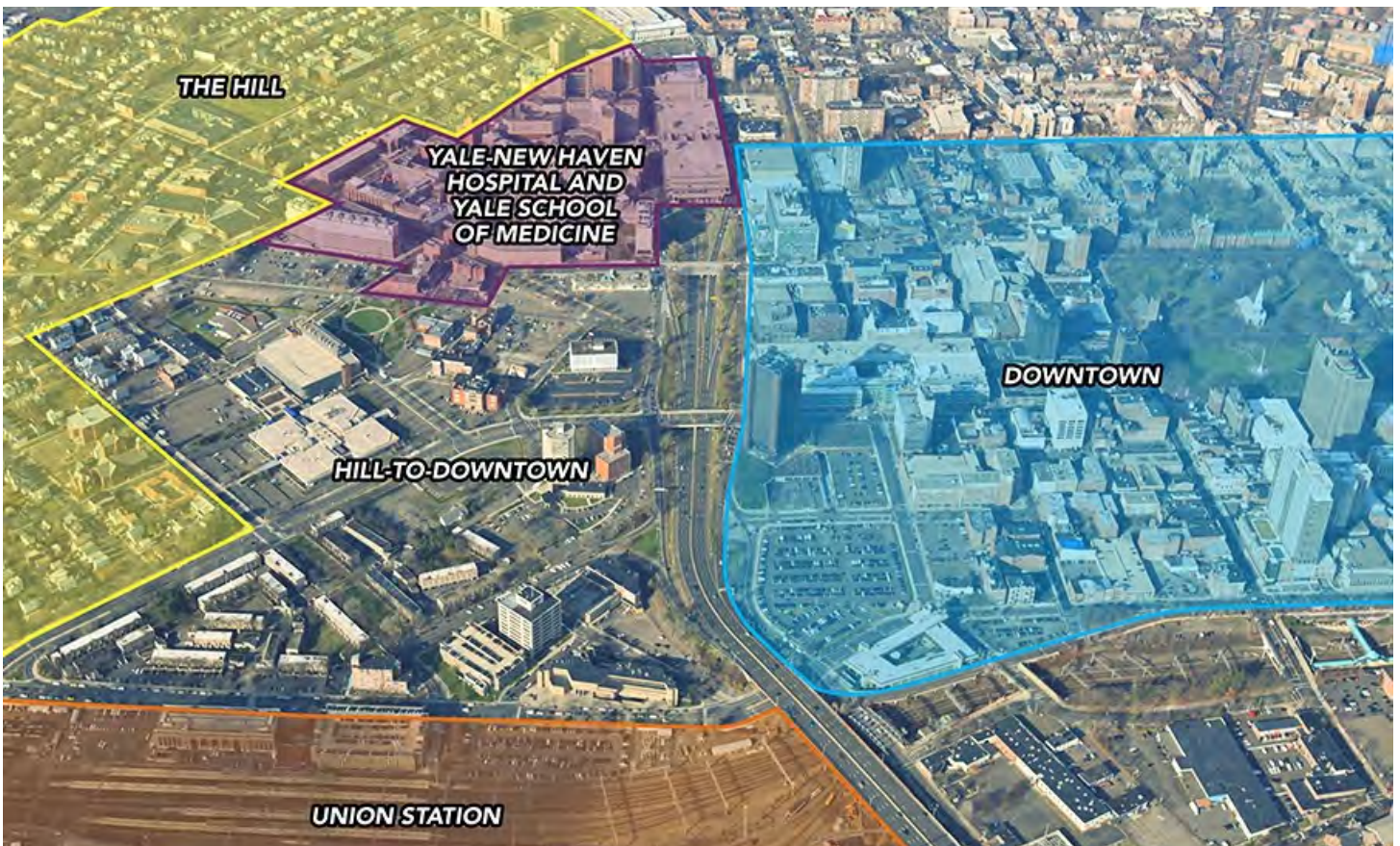
In 2019, RMS Companies completed construction on the first phase of the project, a four-story, 110-apartment, mixed-used development on Gold Street. A total of 30% of the units are affordable, and residents will enjoy ground-floor retail and proximity to downtown and Union Station.



The Hill: Hill-to-Downtown Project (Cont'd)

The next priority of the Hill-to-Downtown project is the redevelopment of a former 300-unit publicly-subsidized housing complex known as Church Street South. The City is working with property owner Northland Investment Corporation to create 750 new housing units, made up primarily of mid-rise apartments with approximately 150 affordable units and ground-level retail. This project will transform the area surrounding the Union Station train station into a modern hub of community activity and transit-oriented real estate and business development.

In addition, the City commissioned a \$160,000 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 is entertaining plans for a general repurposing of land and buildings located on the block generally bound by Meadow, Union, and Lafayette Streets. Due to the irregular parcel size, the age of the existing structures, and the proximity to the train station, the City foresees a higher and better use for these properties and continues to explore alternative uses.



Section III Feature

Opportunity Zones

The 2017 Tax Cuts and Jobs Acts paved the way for state governments to designate "Opportunity Zones." Each Opportunity Zone reflects an economically disadvantaged or underserved community with high investment potential. Real estate and other financial investments in these areas benefit from special tax treatment, including tax deferrals and tax exclusions of 15% or more on capital gains.

The City of New Haven has seven Opportunity Zones (see side panel), each offering unique chances for investment. The Office of Economic Development serves as a key resource and matchmaker, facilitating connections between investors, developers, and business owners, to realize the promise and potential of New Haven's seven zones.

Newhallville: Densely populated residential neighborhood ideal for investments in retail and lifestyle businesses.

Dixwell: Home to performing arts center and coworking space, NXTHVN, and primed for creative infill development.

Fair Haven North & South: Lively multicultural neighborhood with thriving business community, ready for investments in profit-stage businesses.

Mill River: Post-industrial warehouse and factory district, with sites for brownfield redevelopment and manufacturing investment.

Trowbridge Square: Priority site for the city's Hill-to-Downtown Plan, available for dense development with proximity to Union Station and downtown.

Long Wharf: Industrial district along the Long Island Sound, subject of major infrastructure improvements, primed for mixed-use/commercial development.

Section III Feature: Opportunity Zones (Cont'd)

Featured Investment: Bassett Street Laundry Co-Op



In October 2019, the city closed a \$900,000 deal to acquire a formerly vacant office at 188-208 and 218-222 Bassett Street in the Newhallville neighborhood. The space will be converted into a worker-owned laundry cooperative, which will employ 150 community members, while building wealth and equity within Newhallville.

The model, based on Cleveland's successful Evergreen Cooperative, includes plans for a full-service fitness facility and daycare on site, which will employ an additional 50 people.

Neighborhood Commercial Activities

The City has continued to identify, design, and implement “Main Streets” improvements to neighborhood business districts. To this end, the City launched a citywide effort to inventory and repair uneven sections of sidewalk and worked to increase green spaces through tree-planting and landscaping efforts. Additionally, the City has undertaken a number of neighborhood-specific Main Streets improvements.

Grand Avenue Business District: The City repainted crosswalks, worked with the Grand Avenue Special Services District (GASSD) to improve street cleaning and trash pickup, updated the GASSD website, and revamped the “Business Map & Guide” for Grand Avenue businesses

Dixwell Avenue Business District: The City continues to improve the Broadway “gateway,” is moving forward with the Q-House community center project, and is realizing plans to redevelop the former Dixwell Plaza commercial shopping center.

Broadway Business District: Every year Yale University initiates several major construction projects that bring millions of dollars to New Haven. The City coordinates communications between the Office of Economic Development, City Plan, and the Building Department to facilitate Yale’s projects.



In August 2018, Yale completed a major addition to the Broadway Business District in the form of a new mixed-use graduate student-housing complex with ground floor retail. A three-story LL-Bean store serves as one of the complex’s anchor tenants.

Neighborhood-Specific Initiatives

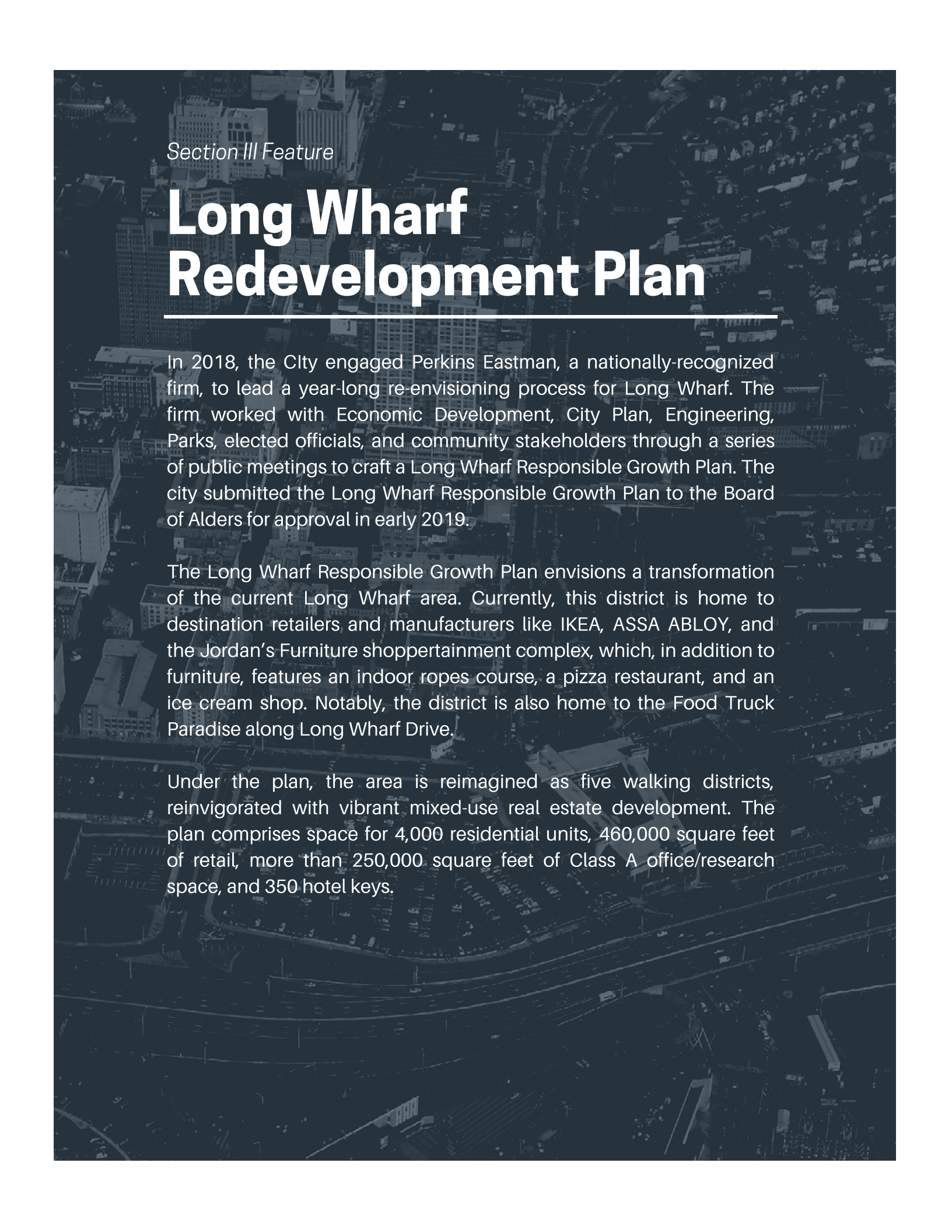
Mill River District Municipal Development Plan

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 Mill River to take advantage of emerging growth opportunities in advanced manufacturing, food processing, and home improvement product sales.

The planning study has led the City Plan department to apply for an expansion to the existing municipal development plan (MDP) to help guide investment money to the Mill River District. If the application is approved, the expanded MDP is anticipated to help preserve existing jobs, create new industries, and spur development that will greatly enhance the district's physical appearance through public and private investment.

Wooster Square TOD 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.



Section III Feature

Long Wharf Redevelopment Plan

In 2018, the City engaged Perkins Eastman, a nationally-recognized firm, to lead a year-long re-envisioning process for Long Wharf. The firm worked with Economic Development, City Plan, Engineering, Parks, elected officials, and community stakeholders through a series of public meetings to craft a Long Wharf Responsible Growth Plan. The city submitted the Long Wharf Responsible Growth Plan to the Board of Alders for approval in early 2019.

The Long Wharf Responsible Growth Plan envisions a transformation of the current Long Wharf area. Currently, this district is home to destination retailers and manufacturers like IKEA, ASSA ABLOY, and the Jordan's Furniture shoppertainment complex, which, in addition to furniture, features an indoor ropes course, a pizza restaurant, and an ice cream shop. Notably, the district is also home to the Food Truck Paradise along Long Wharf Drive.

Under the plan, the area is reimagined as five walking districts, reinvigorated with vibrant mixed-use real estate development. The plan comprises space for 4,000 residential units, 460,000 square feet of retail, more than 250,000 square feet of Class A office/research space, and 350 hotel keys.

Section III Feature: Long Wharf Redevelopment Plan (Cont'd)

The Long Wharf Responsible Growth Plan includes measures to fortify coastal resiliency, add streetscape improvements, and create new, multi-modal transit options. The result will be a commercial and residential destination that attracts visitors and new residents, and breaths social and economic life into the Long Wharf Business District.



While the City presses forward with envisioning a new Long Wharf, it remains committed to revitalizing the community's renewed interest in using and enjoying New Haven's waterfront along Long Wharf Park. The City is investing heavily in amenities along the waterfront. These initiatives include investments in the Canal Dock Boathouse and the Snack Shack (see following page).

Section III Feature: Long Wharf Redevelopment Plan (Cont'd)



The Canal Dock Boathouse. In September 2018, the City finished construction a new \$43M boathouse, education, and waterfront recreation center.

The Canal Dock Boathouse helps restore the public's access to the waterfront and is available to host a variety of water-related activities including crew, kayaking, canoeing and sailing, as well as serving as the new home for parts of UNH's Marine Biology Program. The project was funded by the Federal Highway Administration as part of the I-95 mitigation program.



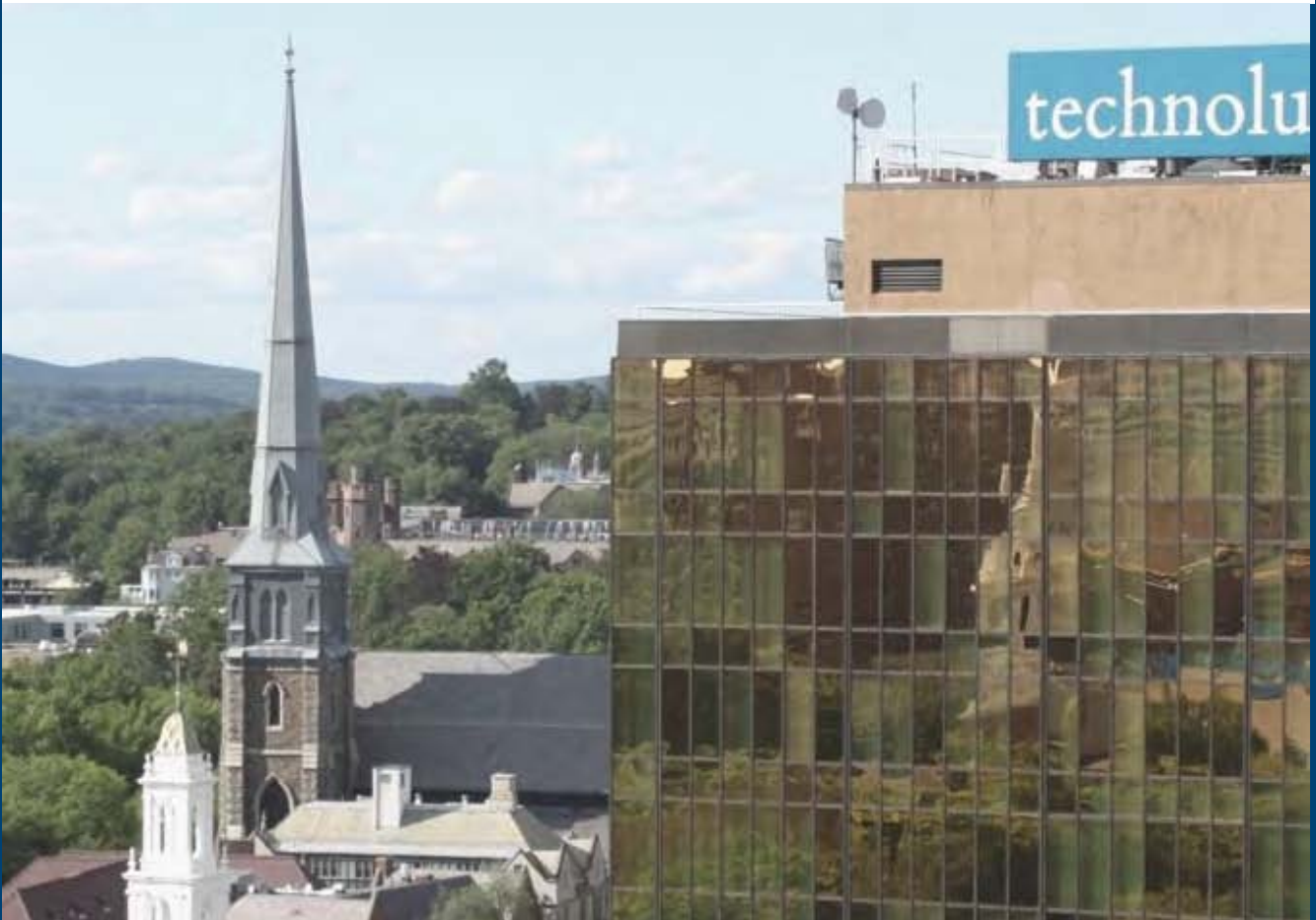
The Snack Shack. The City leveraged state funds to reopen the New Haven Visitors' Center—fondly known as the "Snack Shack"—which offers prepared foods and locally-made gelato, as well as visitors guides and tourist information.

Visible from the 1-95 and located right off Exit 46, the Visitors' Center and Food Truck Paradise are often out-of-town visitors' first stop in New Haven.



Section IV:

Improving New Haven's Regional Competitiveness

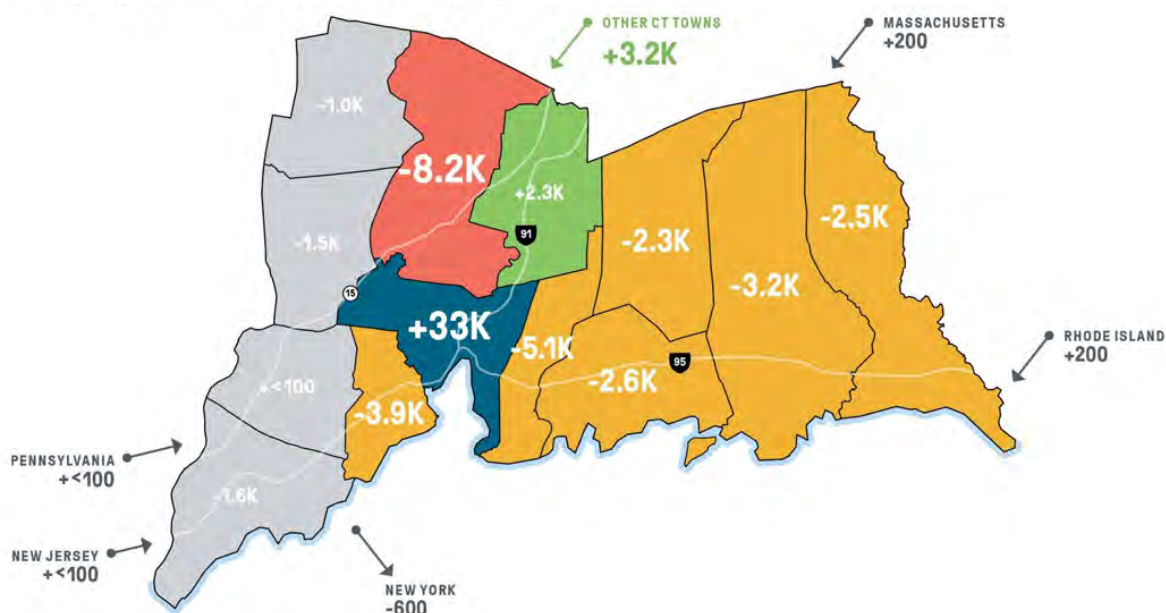


The Economic Development Administration works to expand New Haven's competitive stature regionally, nationally, and internationally, and means of access to the world, by increasing the city's transportation connectivity through State Street Station, Union Station, Tweed-New Haven Airport, targeted road and highway improvements, and new transit alternatives that align closely with the city's essential quality of life.

Strengthening New Haven's Competitive Position

New Haven is not only attracting quality investment and businesses. It is attracting quality residents. People are attracted to New Haven's employment opportunities, one of a kind educational opportunities, cultural amenities, and overall high quality of life.

New Haven is the region's commercial center. There are more than 80,000 jobs in New Haven, which represents the majority of jobs available in the region. Due to the City's density of job opportunities, 33,000 commuters from outer-ring suburbs commute to New Haven every day for work.



More than 33,000 commuters from Connecticut suburbs commute to high-wage jobs in New Haven daily. Figure 2.19, Greater New Haven Community Index (2019).

With respect to educational opportunities, New Haven is home to eight universities that, combined, enroll more than 51,000 students every year. These universities employ nearly 9,000 full- and part-time faculty and more than 30,000 employees, and make a \$2B economic impact on the region each year. With respect to New Haven's K-12 appeal, it is estimated that more than 2,600 students from the region's suburbs attend New Haven magnet schools.

New Haven's regional competitiveness is founded on four factors: 1) its array of arts and culture offerings, 2) its proximity to high quality health care, 3) its extensive transportation networks, and 4) its strong and innovative schools.

Arts, Culture & Tourism

Shopping

New Haven is home to world-class shopping. Most notably, New Haven is home to some of the region's most popular shopping destinations, including the Apple Store, IKEA, Jordan's Furniture, the brand new 3-story LL Bean, Barbour, and Ten Thousand Villages.

Apart from the big destination stores, New Haven proudly boasts a mix of eclectic boutiques and one-of-a-kind shops selling everything from vintage kitchen wares to trendy clothing.

New Haven's walkable downtown core creates a street-level urban mall, where shoppers can stop in to upscale shops like Enson's Idiom, and Gant as they stroll over to Urban Outfitters and Patagonia, all the while making intermittent stops for ice cream or coffee.



Dining

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.

Arts, Culture, Tourism (Cont'd)

New Haven's reputation as a foodie destination has attracted investments from major regional and national restaurateurs. For instance, Danny Meyers' Union Square Hospitality Group opened a New Haven location for Shake Shack, and the new Blake hotel is home to the area's first Michelin-starred chef.



Art Galleries, Museum, & Theaters

New Haven's world-class collection of museums, art galleries, and theaters attract approximately 800,000 visitors to the city each year. Notable galleries include:

The Yale Art Gallery, which possesses one of the world's largest collections of masters and modernist works. The gallery was designed by modernist architect Louis Kahn and underwent a \$135 million renovation completed in 2012.

The Yale Center for British Art, which contains the largest, most comprehensive collection of British art outside of the United Kingdom. It reopened May 2016 after a 16-month, \$33M conservation effort to restore the Louis Kahn-designed treasure to the architect's original vision.

Arts, Culture, Tourism (Cont'd)

The Peabody Museum of Natural History, which was founded in 1866, and contains artifacts of four billion years of history. The Peabody benefits from frequent special exhibitions coordinated by Yale professors. In 2018, the Peabody received a \$160 million donation for a two-year renovation, which will allow the museum to expand its visitors' galleries by 50% to better serve its 150,000 annual visitors. The expansion will add a dedicated K-12 education center, and include new student classrooms.



The Long Wharf Theatre, which attracts more than 100,000 patrons annually to view imaginative revivals of classics and new works by world-renowned playwrights. Multiple past productions have earned Pulitzer Prizes and Tony Awards.

The New Haven Symphony Orchestra, which 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 patrons annually.

College Street Music Hall, which opened in May 2015 at 238 College Street, at the site of the old Palace and Roger Sherman Theatres. The 2,000-seat fully-renovated venue is in the heart of downtown New Haven's arts and entertainment district. Each month, it hosts an average of 3-5 big-ticket acts, such as Jose Gonzales and Franz Ferdinand, which draw concertgoers from as far away as Brooklyn, NY. An economic impact report indicated that the 72 events at College Street in 2018 generated **\$16 million** in economic activity, supplying over **250 jobs**.

Arts, Culture, Tourism (Cont'd)

Annual Festivals

The International Festival of Arts & Ideas, held annually in mid-June, draws performers, thinkers and artists from around the world.



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.

The New Haven Jazz Festival is a landmark week-long event in August on the New Haven Green and in “pop-up” locations around town.



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 New Haven's cultural vibrancy.

Access to World-Class Healthcare

Yale-New Haven Hospital and Yale University's School of Medicine are world leaders in healthcare, research, and education. The medical facilities affiliated with these institutions attract patients, doctors, and students from across the world, region, and state.

Yale-New Haven Hospital


Yale-New Haven Hospital (YNHH) is the fourth largest hospital in the country by bed-count, with 1,541 beds and 12,991 employees (including 4,136 medical staff). It serves as the primary teaching hospital for Yale School of Medicine. YNHH 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.

YNHH is ranked as the number one hospital in Connecticut, and is widely considered one of the best hospitals in the United States. It is nationally ranked in 12 out of 16 specialties by U.S. News & World Report's: Best Hospitals 2019-2020, and ranks in the Top 10 nationally in psychiatry (#9). YNHH has also received Magnet designation from the American Nurses Credentialing Center, the nation's highest honor of nursing excellence.

YNHH has expanded significantly in recent years, including a 2012 acquisition of Saint Raphael's Hospital, a 2016 approval to merge with Lawrence and Memorial Hospital in Norwich, CT, and the 2019 announcement of plans to develop an \$838 million neurosciences center at the St. Raphael campus (see Section Feature below).

Healthcare (Cont'd)

Smilow Cancer Hospital



Part of Yale-New Haven Health, Smilow Cancer Hospital provides individualized cancer treatment regimens in 13 oncology disciplines, and integrates treatment and research with the Yale Cancer Center, a recognized leader in cancer care. The facility is one of just 51 comprehensive care cancer centers recognized by the National Cancer Institute, and is the only one of its kind in the Northeast. Connecticut's largest provider of cancer care, Smilow's 168-bed inpatient/outpatient facility treats more than 45% of the 20,000 patients diagnosed in state annually. With world class staff and state-of-the-art facilities, Smilow is transforming the city and its medical district into a destination for researchers, medical professionals, and patients from around the world.

Section IV Feature

St. Raphael's Campus

In April, Yale-New Haven Health announced plans for the development of an \$838 million neurosciences center on their St. Raphael campus in the West River neighborhood. The project will include two new patient facilities and a new research center, which will focus on diseases such as Parkinson's, Alzheimer's, and epilepsy. One of the largest projects of its kind in state history, the new center is expected to attract research investments and improve access to Yale-New Haven Health's world class care.

The new facility will cover 505,000 square feet and offer 204 inpatient beds. It is anticipated to generate \$1.0 billion in economic activity during construction and ongoing benefits once opened and in operation. The project will also generate nearly \$12 million for the city in building fees and other payments.

In addition to the physical construction activities, the City is also using a community partnership and a sector strategy to leverage the impact of this project with business attraction and workforce development strategies.



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.

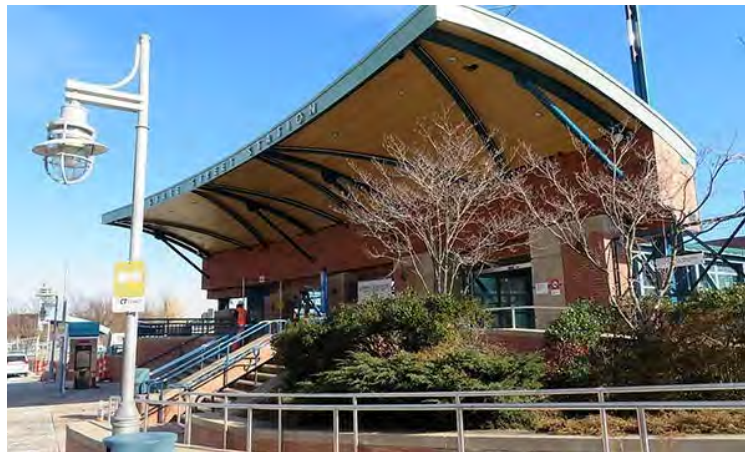
The City, State and Federal governments are investing heavily in New Haven's public transportation infrastructure. New Haven is the hub of all passenger rail service in Connecticut with historic Union Station the eastern terminus of Metro-North Railroad's New Haven Line, the western terminus of Shoreline East, and the intersection for Amtrak service into northern New England.

- 10th safest cycling city in the country, and the safest cycling city east of the Mississippi
- In 2019, CityLab recognized New Haven as the 4th best medium-sized city to be car free nationwide
- Ranked 2nd for greatest reduction in congestion in 2018, following Salt Lake City and tied with Portland, Oregon
- In 2018, New Haven's State Street and Union Stations hosted 689,680 Amtrak annual passengers, representing an increase in ridership of more than 55,000 passengers in the last two years alone.

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 State Street station, along with Union Station, serves as the southerly hub for the new CT Rail Hartford Line, which runs from New Haven to Hartford and then on to Springfield, MA. Minimal stops allow speeds of up to 110 miles per hour.



The Hartford Line opened in June 2018 with resounding success. In its first year, the rail line averaged 51,000 passengers a month and exceeded 630,000 total passengers. New Haven's Union Station was the most frequented stop along the line, serving 41.0% of total riders.

Section IV Feature

Union Station

Union Station is an important asset for New Haven, not only as a transportation hub, but also as a welcome center and economic catalyst. It is the 16th busiest station in the national Amtrak system in terms of ridership numbers, with over 627,000 passengers in 2017. In addition to Amtrak, Union Station also serves as a hub for the heavily-used New Haven MetroNorth Line to Grand Central Terminal, serving over 3 million annual passengers.

With that in mind, the City and State are pursuing policies to address the station's limited commuter parking supply as part of a comprehensive, transit-oriented development program, which envisions

redeveloping the area around Union Station—and parts of the station itself—into a vibrant mixed-use commercial and residential community.

This year, the City continued work with the Connecticut Department of Transportation on issues related to the design of a second garage at Union Station, including intermodal transit, retail, and overall design. As part of this process, the State committed to several parallel efforts, including enhanced bike/pedestrian connectivity, streetscape improvements, and financial support to rehabilitate the Grand Avenue Bridge, efforts that are valued at more than \$10 million.



Section IV Feature: Union Station

The City remains committed to Union Station's potential as the centerpiece of mixed-use commercial and residential developments in and around Union Avenue. A renovation and expansion of the existing commercial space would transform the restaurant and retail program at the terminal, providing opportunities for an outdoor café and reopening the station's balcony to the general public and second-floor retail space.



Port of New Haven

The Port of New Haven is the largest and most diverse deep-water commercial port in Connecticut and a leading port of call on the Atlantic Seaboard. The port is ranked #45 in the nation for domestic trade (6.5 million short tons) and #54 in the nation for foreign trade (2.4 million short tons) based on 2017 volume. 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, providing better rail access, and developing the area surrounding the port. The first draft of the study, and its accompanying environmental impact assessment, were released in September 2018. The proposed improvements would remove more than 4 million cubic yards of silt from the channel, while offering the opportunity to create new shellfish habitat, salt marsh habitats, and rock reef creation. If undertaken, the dredging project would expand commerce through the Port of New Haven, create jobs, and have a positive environmental impact.

In 2018, the city announced a \$500,000 grant from the State of Connecticut supporting an additional study to strengthen the link between freight rail lines and the Port of New Haven. Increasing freight linkages with the port has the potential to increase the volume transiting through New Haven, generating jobs to support the increased transit, and decrease freight traffic along city streets.

Tweed-New Haven Regional Airport

Economic Development has continued its robust support to modernize and expand Tweed-New Haven Regional Airport. Tweed is an FAA-certified Class-I airport, providing both scheduled commercial (American) and general aviation services (Robinson Aviation). It serves as a key economic engine for New Haven, offering more than 330 destinations to which you can fly through the American hub in Philadelphia. Tweed airport supports more than 100 local jobs.

Tweed currently offers one year-round and two seasonal airlines. In 2018, American Airlines added a weekly flight from New Haven to Charlotte and increased their existing, daily round-trip service to Philadelphia. Total annual enplanements increased by more than 35% between 2017 and 2018, from 28,511 to 38,668. In response to market demand, American Airlines adjusted the type of aircraft servicing Tweed, increasing the number of seats available per aircraft.



**THE
AIRPORT
FOR
JETSETTERS.**

To book American Airlines

CLICK HERE

tweed NEW
HVN
Southern Connecticut's Jetport

American Airlines

Transportation Improvement Initiatives

Farmington Canal Greenway

Once a canal and railroad, the Farmington Canal Heritage Greenway extends for 84 miles between New Haven, CT and Northampton, MA. This adaptive reuse project reimagines an abandoned railroad right-of-way as a statewide bike and pedestrian friendly Rail Trail, which connects communities, transforms the abandoned right-of-way into a neighborhood amenity, and creates new opportunities for safe transit and leisure for cyclists and residents.

This year marked significant progress in finalizing New Haven's section of the Greenway: Phase IV of the repaving effort, which will reconnect sections of the greenway north of Downtown, has received all necessary approvals for easements. Construction will begin in 2020 and is anticipated to be completed in 2021. The Long Wharf section was completed in May 2018.



Transportation Improvement (Cont'd)



goNewHavengo

To further reduce vehicular traffic in New Haven, the Department of Transportation, Traffic and Parking (TTP) launched goNewHavengo, a smart transportation initiative that aims to make the city more human-scaled by increasing transportation affordability, educating communities about transit alternatives, providing convenient public transportation options, and reducing environmental contamination. This comprehensive transportation initiative engages employers, residents and commuters to identify transit and bike/pedestrian alternatives across the community. goNewHavengo runs various programs and events year-round such as the New Haven Bike Share, the Clean Air Run, PARK[ing] Day, and Transportation on Tap.

Recently, the City has made notable strides in increasing New Haven's bicycle infrastructure. New Haven now has a 40-mile bike lane system, and has been dubbed the safest cycling city east of the Mississippi. In 2017, the City debuted the state's first two-way protected cycle tracks on Long Wharf Drive. And in 2018, New Haven earned a designation as a Silver-Level Bicycle Friendly Community by the League of American Cyclists.



"In New Haven, Conn., the city has embraced integrated transit, bicycle, and pedestrian options to ensure job growth happens in locations with non-car commuting options, which has also resulted in a 2 percent congestion dip."

-Yahoo! Finance, June 2019

Downtown Crossing Infrastructure Project

The Downtown Crossing infrastructure project will transform the portion of Route 34 in New Haven known as the Oak Street Connector from an expressway into pedestrian and bicycle-friendly boulevards. When completed, the Downtown Crossing Project will make it safer and easier for pedestrians and bicyclists to enjoy New Haven, provide new opportunities for economic development, and restore the urban street environment.

Phase I was completed in 2016. It rebuilt the College Street Bridge, constructed dedicated bike lanes, added traffic signals and pedestrian lighting, and moved highway exit ramps into further east of the city.

Phase II broke ground in July 2019. This phase will reconnect the Orange Street connection between the Hill and Downtown neighborhoods, which was previously severed by Route 34. The reimagined intersection will transform the area around Union Station into a modern hub of community activity and transit-oriented real estate and business development. In this phase, New Haven will build on its reputation as one of the most bike-friendly cities in New England by installing the first protected bike intersection in Connecticut.

Phase III will construct a bridge to extend Temple Street to Congress Avenue, providing another multi-modal connection between Downtown and the Hill neighborhoods and reclaiming more land for development.



Educational Opportunities

Higher Education

New Haven's universities provide a platform from which the city can compete in the global arena. Eight colleges and universities call the New Haven region home and are major drivers for the local and regional economy. Undergraduate and graduate programs at these universities bring students from all over the country and all over the world to New Haven. Many graduates stay and make New Haven their homes for years to come.

Institution	Faculty	Enrolled Students
Yale University	4,739	12,974
Southern Connecticut State University	409 Full-time & 643 Part-time	10,202
Quinnipiac University	378 Full-time & 694 Part-time	10,200
Gateway Community College	106 Full-time & 424 Part-time	7,154
University of New Haven	263 Full-time & 384 Part-time	6,984
Middlesex Community College	124 Full-time & 389 Part-time	2,682
Albertus Magnus College	41 Full-time & 236 Part-time	1,464
Paier College of Art	8 Full-time & 19 Part-time	79
Total	8,857	51,739

Yale University, a global leader in higher education, research, and technology transfer, is located in the heart of downtown New Haven. Yale University is a close partner to the City in investing in New Haven's future and shared economic growth (see box next page).

Higher Education (Cont'd)

In addition to more than \$60 million in investments in 2018 alone, in 2017, Yale completed development of two new residential colleges. The project cost \$600 million to construct and added 800 additional students. It was Yale University's first major expansion in over 40 years.

In 2019, Yale completed a \$200 million building, which houses seven floors of state-of-the-art bioscience facilities.

Additionally, this spring, Yale announced plans for the creation of a new school of public policy, the Yale Jackson School of Global Affairs, which will be the first professional school established since 1976.

Investing for the Future: Yale's Commitments in 2018

- Baker Hall Renovation- \$31m
- Carol Roberts Field House- \$4.6m
- Dwight Hall Partial Renovation- \$3.6m
- Elm Street Graduate Student Housing- \$8.9m
- Evans Hall Renovation- \$2.8m
- 406 Prospect/Institute of Sacred Music- \$4.5m
- Sterling Memorial Library Partial Exterior Repairs- \$5.5m

K-12 Education

New Haven Public Schools are dedicated to preparing students for the 21st century workforce. They educate approximately 21,300 students in grades Pre-K through 12. Over 2,600 suburban students now attend New Haven's magnet programs and other cooperative schools forming the largest inter-district magnet program in the area.

K-12 Education (Cont'd)

In 2018, Clinton Avenue School educator Lauren Sepulveda was awarded the Milken Educator Award, a prestigious national recognition recognizing promising early and mid-career teachers. 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 recently completed a \$1.5B program to renovate or rebuild every school in the New Haven school system. Since 1995, the City has rebuilt 41 schools through its School Construction Program. In 2010, New Haven launched the School Change Initiative which aims to eliminate the achievement gap between New Haven and the rest of the state, decrease the dropout rate by half, and ensure all students have the tools and knowledge to go to college.

The City's school renovation efforts rebranded several historic schools as magnet or lab schools. Two notable examples are the Strong School and ESUMS.

Strong School as the Strong 21st Century Communications Magnet & SCSU Lab School, a K-4 STEM-focused school that strives to develop an understanding of the history and impact of communications. With a rigorous STEM-infused curriculum and a project-based learning approach, Strong prepares students to utilize digital media, global technologies, and other languages to communicate effectively in an evolving world. Through its unique partnership with Southern Connecticut State University (SCSU) as a Lab School, students receive support from future educators in a dynamic learning environment.

The Engineering and Science University Magnet School (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 the University of New Haven and ESUMS is aimed at leveraging the strengths of UNH in STEM fields towards ESUMS students.

K-12 Education (Cont'd)

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 opened a new building on the University of New Haven's campus in early 2017. The 122,000 square feet, \$35M building is the most technologically advanced of New-Haven's 41 school construction projects.



The **New Haven Promise** program is a scaled scholarship and support program to (1) cultivate an aspiration for a college education in New Haven public school students, (2) build community and parental engagement, and (3) foster economic development in the City of New Haven.

New Haven Promise Scholars receive full tuition to in-state public colleges and universities or up to \$2,500 annually to in-state private colleges and universities. In nine years, New Haven Promise has supported 1,600 students through college - providing a total of \$13 million in scholarships overall.

K-12 Education (Cont'd)

In the 2018-2019 academic year, New Haven Promise supported 345 scholars, with more than one third coming from households making less than \$30,000 annual income. The success of the program has been demonstrated in its growth, with \$3.7 million disbursed to promise scholars in 2018, representing a substantial increase in scholarship funding over its 2011 disbursement of \$78,000. New Haven is only the third community in the nation to have such a scholarship program for its residents.

"I'm grateful that New Haven Promise has given me the opportunity to give back to my community. It's my goal to now to re-invest in the City that I was born in because of all the wonderful possibilities it has to offer."

- Ziael Aponte, Promise Scholar

Continuing Education and Certification Programs

Both Gateway 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. Gateway's proximity to the Medical District (Yale New Haven Health and the Yale School of Medicine) has made it a primary funnel for employees, and a clear step on the healthcare career ladder. To the same end, SCSU launched a Nanotechnology Center and a 14-credit program to certify students in nanotechnology.

Other educational institutions have also developed continuing education programs to help meet the need to greater adult and workforce training opportunities. The Connecticut Center for Arts and Technology (ConnCAT), for example, has become for technical training programs, offering adult students certificates in such diverse fields as culinary arts and phlebotomy.

Additionally, 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 demand positions by offering them 50-75% salary reimbursement during the new hire's on-the-job training.

An aerial, grayscale photograph of New Haven, Connecticut. The Old State House, a prominent building with a large dome and arched windows, is the central focus in the foreground. The surrounding cityscape includes various other buildings, streets, and green spaces, extending to a hillside in the background.

***THE FUTURE OF CONNECTICUT IS
GOING TO BE DRIVEN BY THE
NEW HAVEN ENGINE.***

***- JOHN TRAYNOR
CHIEF INVESTMENT OFFICER,
PEOPLE'S BANK, DECEMBER 2018***

Annex A

Multi-Family Real Estate Projects: Completed and Underway 2018-2019

Project Name	Address	Developer	Investment	Units
Metro 303	301-5 George and 274 Crown	Metro Star Apartments	Not Disclosed	78
Parkside Crossing	22 Gold Street	RMS Companies	Not Disclosed	110
The Audubon	335 & 367 Orange, 29 Audubon Street	Spinnaker Real Estate Partners	\$75M	485
Whitney Modern	703 Whitney	703 Whitney LLC	Not Disclosed	42
Congress Street Site	216 Congress Street	RMS Companies	Not Disclosed	90
Lafayette Street Site	245 Lafayette Street	RMS Companies	Not Disclosed	104
Torrco Design Center	87 Union & 44 Olive Street	Epimoni/Adam America	Not Disclosed	299
Clock Factory Lofts	133 Hamilton	Taom Heritage New Haven LLC	\$40M	120
Olin/Munson Street	201 Munson	Eclipse Development	\$80M	395
Metro 260 Phase 2	260 Crown Street	Metro Star Apartments	Not Disclosed	6
Former YMCA Building	1455 State Street	Ocean Management	Not Disclosed	17

Multi-Family Real Estate Projects: In Planning

Project Name	Address	Developer	Units
Power Gas Site	49 Howe Street	S&S Enterprises Inc.	44
95-99 Howe Street Site	95-99 Howe Street	MOD Equities	30
104 Howe Street Site	104 Howe Street	Cambridge Realty Partners	44
Crown Court II	129 York Street	New Haven Towers	132
St. Michael's Conversion	234, 240, 250 Greene Street	Mass Development	23
Former Lehman Printing Site	191,197, 199 Foster Street	Ocean Management	30
Chapel Mid-Block Development	842-848 Chapel Street	Northside Development	120
Chapel Corner-Block Development	808-812 Chapel Street/108 Orange Street	Northside Development	46
Avi Meer Project	92-98 Olive Street	Developer	30
DSEL Properties Project	269-275 Orange Street	DSEL Properties	102
Union Phase II	85 Elm Street	Cooper Church LLC	105
Former Welch Annex School	49 Prince Street	RMS Companies	30
Tower Lane Site	9 Tower Lane	RMS Companies	223
Monson Building	742-754 Chapel Street	East River Partners	29
Acme Project	29 Crown Street	Spiritos Properties	18
Coliseum Site	275 South Orange Street	Spinnaker Real Estate Partners	450

Former Delaney's Site	882 Whalley Avenue	Lior Construction	22
Lofts at Wooster Square	630 & 673 Chapel Street	Spinnaker Real Estate Partners	232
809 Chapel Street	809 Chapel Street	Yosheph Mashbir Bapaz	11
500 Blake Street	500 Blake Street	Ocean Management	120
Cohen Project	294-302 State Street	East River Partners	60
Former Harold's Formal Wear Building	19 Elm	MOD Equities	46
Ann Taylor Office Conversion	414 Chapel Street	Carriage House LLC	87

Hotel Projects 2018-2019 and In Planning

Year	Project Name	Address	Developer	Investment	Units
2019	The Blake	9 High Street	RMS Companies	\$8M	108
2019	The Graduate	1151 Chapel Street	AJ Capital Partners	\$8M	70
2021	Hilton Garden Inn	80 Elm Street	Spinnaker Real Estate	TBD	132
TBD	CenterPlan Route 34	480 MLK Jr. Boulevard	RJ Development Partners/Cambria Choice Hotels	TBD	128
TBD	Union Phase II	85 Elm Street	Cooper Church LLC	\$35M	21
TBD	Pirelli Building	500 Sargent Drive	IKEA	TBD	165

APPENDIX C

**SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST
EMPLOYMENT BENEFITS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C
SUPPLEMENTAL INFORMATION ON PENSION AND OTHER
POST EMPLOYMENT BENEFITS

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, 2018” 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 July 1, 2018, 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.

Executive Summary

	July 1, 2018	July 1, 2016
Number of members		
Active employees	719	752
Terminated vested members	5	5
Vested in employee contributions only	19	34
Retired, disabled and beneficiaries	1,345	1,290
Total	2,088	2,081
Covered employee payroll	58,881,794	61,714,054
Average plan salary	81,894	82,067
Actuarial present value of future benefits	916,911,353	879,478,079
Actuarial accrued liability	815,058,578	775,126,009
Plan assets		
Market value of assets	318,891,692	302,717,214
Actuarial value of assets	337,062,669	339,727,866
Unfunded accrued liability	477,995,909	435,398,143
Funded ratio	41.4%	43.8%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2020	2018
ADEC	38,629,282	34,607,856
Fiscal year ending	2021	2019
ADEC	39,595,014	35,559,572

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

Executive Summary

	July 1, 2018	July 1, 2016
Number of members		
Active employees	940	943
Terminated vested members	22	20
Vested in employee contributions only	44	65
Retired, disabled and beneficiaries	1,102	1,103
Total	2,108	2,131
Covered employee payroll	51,106,803	53,237,062
Average plan salary	54,369	56,455
Actuarial present value of future benefits	498,224,758	500,786,918
Actuarial accrued liability	459,960,594	461,503,244
Plan assets		
Market value of assets	169,713,789	153,440,281
Actuarial value of assets	178,553,006	176,433,401
Unfunded accrued liability	281,407,588	285,069,843
Funded ratio	38.8%	38.2%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2020	2018
ADEC	22,221,339	21,662,916
Fiscal year ending	2021	2019
ADEC	22,665,766	22,096,174

Source: City of New Haven Department of Finance-Hooker and Holcombe reports.

Actuarial Funding Methods

Actuarial Cost Method

Basic cost method: Entry Age Actuarial Cost Method (level percentage of salary).

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). The amount is amortized over 24 years on a closed basis.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.

In addition, an annual 2.00% amortization increase rate was assumed.

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year.

Determination of Actuarial Gain/Loss

The Actuarial Gain/Loss is the difference between the expected unfunded accrued liability and the actual unfunded accrued liability, without regard to any changes in actuarial methods, actuarial assumptions or plan provisions. This can also be referred to an Experience Gain/Loss, since it reflects the difference between what was expected and what was actually experienced.

Policeman's and Fireman's Retirement Fund

Actuarial Gain / Loss	
Expected unfunded accrued liability July 1, 2018	
Expected unfunded accrued liability July 1, 2017	
Unfunded accrued liability July 1, 2016	\$435,398,143
Gross normal cost July 1, 2016	13,341,954
City and employee contributions for 2016-2017	(35,110,045)
Interest at 7.75% to July 1, 2017	<u>33,122,105</u>
Expected unfunded accrued liability July 1, 2017	446,752,157
 Expected unfunded accrued liability July 1, 2018	
Expected unfunded accrued liability July 1, 2017	446,752,157
Expected gross normal cost July 1, 2017	13,704,320
City and employee contributions for 2017-2018	(42,165,245)
Interest at 7.75% to July 1, 2018	<u>34,493,985</u>
Expected unfunded accrued liability July 1, 2018	452,785,217
 Actuarial (gain) / loss July 1, 2018	 <u>30,704,239</u>
 Actual unfunded accrued liability July 1, 2018, prior to plan provision, assumption and method changes	 483,489,456
 Sources of (gain) / loss	
Assets	19,591,501
Liabilities	<u>11,112,738</u>
Total (gain) / loss	30,704,239
 Assumption and method changes since prior valuation	 <u>(5,493,547)</u>
 Actual unfunded accrued liability July 1, 2018, after plan provision, assumption and method changes	 477,995,909

City Employees' Retirement Fund

Actuarial Gain / Loss	
Expected unfunded accrued liability July 1, 2018	
Expected unfunded accrued liability July 1, 2017	
Unfunded accrued liability July 1, 2016	\$285,069,843
Gross normal cost July 1, 2016	6,012,690
City and employee contributions for 2016-2017	(25,232,838)
Interest at 7.75% to July 1, 2017	<u>21,365,627</u>
Expected unfunded accrued liability July 1, 2017	287,215,322
Expected unfunded accrued liability July 1, 2018	
Expected unfunded accrued liability July 1, 2017	287,215,322
Expected gross normal cost July 1, 2017	6,129,644
City and employee contributions for 2017-2018	(26,687,732)
Interest at 7.75% to July 1, 2018	<u>21,999,640</u>
Expected unfunded accrued liability July 1, 2018	288,656,874
Actuarial (gain) / loss July 1, 2018	<u>(1,917,779)</u>
Actual unfunded accrued liability July 1, 2018, prior to plan provision, assumption and method changes	286,739,095
Sources of (gain) / loss	
Assets	15,480,395
Liabilities	<u>(17,398,174)</u>
Total (gain) / loss	(1,917,779)
Assumption and method changes since prior valuation	<u>(5,331,507)</u>
Actual unfunded accrued liability July 1, 2018, after plan provision, assumption and method changes	281,407,588

Rates of Return

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	10 Years
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%
2017	14.6%	4.7%	9.7%	5.3%
2018	2.2%	4.8%	7.0%	6.1%

Rate of Return on Actuarial Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
June 30	1 Year	3 Years	5 Years	10 Years
2009	1.9%	N/A	N/A	N/A
2010	0.7%	N/A	N/A	N/A
2011	3.3%	2.0%	N/A	N/A
2012	0.9%	1.6%	N/A	N/A
2013	4.9%	3.0%	2.3%	N/A
2014	13.1%	6.2%	4.5%	N/A
2015	6.8%	8.2%	5.7%	N/A
2016	4.5%	8.1%	6.0%	N/A
2017	5.1%	5.5%	6.8%	N/A
2018	4.6%	4.7%	6.8%	4.5%

Rates of Return

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	10 Years
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%
2017	8.7%	1.5%	5.1%	2.3%
2018	7.9%	4.5%	5.2%	3.3%

Rate of Return on Actuarial Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
June 30	1 Year	3 Years	5 Years	10 Years
2009	0.9%	N/A	N/A	N/A
2010	-6.9%	N/A	N/A	N/A
2011	7.4%	0.3%	N/A	N/A
2012	-1.6%	-0.5%	N/A	N/A
2013	0.3%	2.0%	-0.1%	N/A
2014	9.6%	2.7%	1.6%	N/A
2015	6.2%	5.3%	4.3%	N/A
2016	3.7%	6.4%	3.5%	N/A
2017	3.3%	4.4%	4.6%	N/A
2018	3.5%	3.5%	5.2%	2.5%

Principal Pension Fund Terms

Policeman's and Fireman's Retirement Fund. This summary describes the principal plan provisions which apply to employees covered by Police & Fire Plan No. 2. The principal plan provisions for Police and Fire Plan No. 1 which merged with Police and Fire No. 2 on March 31, 1990 have not been summarized below because they are quite similar to (but not exactly the same as) those of Police and Fire No. 2.

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 8/28/2013);
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 10/20/2012. Accumulated maximum of 15% for Fire retirees hired after 4/23/2004 and 10% for Fire hired after 8/28/2013.
5. The 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.

City Employees' Retirement Fund. 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.
Eligibility:	General Fund or Water Pollution Control Authority full time employees or full time elected or appointed officers if, <ol style="list-style-type: none">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; and3. 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF LEGAL OPINIONS OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF LEGAL OPINIONS OF BOND COUNSEL

November 19, 2019

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 November 19, 2019 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$60,700,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2019, Series A, dated November 19, 2019 (the “Series A Bonds”). The Series A Bonds shall mature on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2020 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>
2020	\$2,800,000	5.000%	2028	\$2,500,000	5.000%
2021	2,980,000	5.000	2029	2,500,000	5.000
2022	3,025,000	5.000	2030	2,750,000	5.000
2023	3,080,000	5.000	2031	2,900,000	5.000
2024	3,140,000	5.000	2032	3,050,000	5.000
2025	2,500,000	5.000	2033	3,115,000	5.000
2026	2,500,000	5.000	2039	21,360,000	5.000
2027	2,500,000	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 A 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 Series A Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Series A 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 Series A 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 Series A Bonds under authority of the Constitution and General Statutes of Connecticut and that the Series A

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 Series A Bonds in order that interest on the Series A 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 Series A 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 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. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Series A Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Series A 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 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. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Series A Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Series A 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 Series A Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Series A Bonds or adversely affect the market price of the Series A 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 Series A Bonds and the enforceability of the Series A 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

November 19, 2019

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 November 19, 2019 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$28,940,000 City of New Haven, Connecticut General Obligation Refunding Bonds, Issue of 2019, Series B, dated November 19, 2019 (the “Series B Bonds”). The Series B Bonds shall mature on February 1 in each of the years, in the principal amounts and bearing interest payable on February 1, 2020 and semiannually thereafter on February 1 and August 1 in each year until maturity at the rates per annum as follows:

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	\$2,150,000	5.000%	2026	\$2,950,000	5.000%
2022	2,445,000	5.000	2027	3,100,000	5.000
2023	2,565,000	5.000	2028	3,250,000	5.000
2024	2,685,000	5.000	2029	3,405,000	5.000
2025	2,815,000	5.000	2030	3,575,000	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 B Bonds are not subject to redemption prior to maturity.

The Series B 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 Series B Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Series B 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 Series B 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 Series B Bonds under authority of the Constitution and General Statutes of Connecticut and that the Series B 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 Series B Bonds in order that interest on the Series B 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 Series B 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 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. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Series B Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Series B 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 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. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Series B Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Series B 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 Series B Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Series B Bonds or adversely affect the market price of the Series B 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 Series B Bonds and the enforceability of the Series B Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF CONTINUING DISCLOSURE AGREEMENTS

CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut
\$60,700,000 General Obligation Bonds, Issue of 2019, Series A
dated November 19, 2019

November 19, 2019

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of \$60,700,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2019, Series A dated November 19, 2019 (the “Series A Bonds”), and to mature on the dates and in the amounts set forth in the City’s Official Statement dated November 7, 2019 describing the Series A Bonds (the “Official Statement”); and

WHEREAS, the Series A Bonds have been sold by a negotiated sale pursuant to a Bond Purchase Agreement, dated November 7, 2019 (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 Series A Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Series A 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 Series A 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 Series A Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Series A 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 Series A Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Series A 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.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“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 (EMMA) 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 Series A Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Series A Bonds is not contained in the Official Statement for the Series A 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 Series A Bonds, or other material events affecting the tax status of the Series A 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 Series A 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;

- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

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 Series A 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 Series A 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 Series A 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 Series A Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Series A 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 Series A 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

CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut
\$28,940,000 General Obligation Refunding Bonds, Issue of 2019, Series B
dated November 19, 2019

November 19, 2019

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of \$28,940,000 City of New Haven, Connecticut General Obligation Refunding Bonds, Issue of 2019, Series B, dated November 19, 2019 (the “Series B Bonds”), and to mature on the dates and in the amounts set forth in the City’s Official Statement dated November 7, 2019 describing the Series B Bonds (the “Official Statement”); and

WHEREAS, the Series B Bonds have been sold by a negotiated sale pursuant to a Bond Purchase Agreement, dated November 7, 2019 (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 Series B Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Series B 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 Series B 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 Series B Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Series B 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 Series B Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Series B 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.

“Financial Obligation” shall mean any (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). Municipal securities as to which a final official statement has been filed with the Repository, consistent with the Rule, shall not be considered a Financial Obligation.

“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 (EMMA) 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 Series B Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Series B Bonds is not contained in the Official Statement for the Series B 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 Series B Bonds, or other material events affecting the tax status of the Series B Bonds;
- (ix) modifications to rights of Bondholders, if material;
- (x) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series B 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material;
- (xv) incurrence of a Financial Obligation by any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any obligated person, any of which affect Bondholders, if material; and

- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any obligated person, any of which reflect financial difficulties.

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 Series B 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 Series B 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 Series B 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 Series B Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Series B 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 Series B 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

APPENDIX F

AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

