

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 Series A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Series A Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018. In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code. 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.



\$218,030,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2018
CONSISTING OF
\$58,030,000 GENERAL OBLIGATION BONDS, SERIES A
\$160,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES B
(FEDERALLY TAXABLE)

Dated: Date of Delivery

Due: August 1, as shown herein

The \$218,030,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2018 consisting of \$58,030,000 General Obligation Bonds, Series A (the "Series A Bonds") and \$160,000,000 General Obligation Refunding Bonds, Series B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") will be general obligations of the City of New Haven, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "AUTHORIZATION AND PURPOSE - Security and Remedies" and "Plan of Refunding" herein.

The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects as more fully described herein. The Series B Bonds are being issued to refund all or a portion of certain of the City's outstanding general obligation bonds as more fully described herein. The Bonds will bear interest payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as applicable. (See "AUTHORIZATION AND PURPOSE - Security and Remedies" and "Plan of Refunding" herein.) The Bonds will mature on the dates and in the amounts, and bear interest from the date of delivery at the rates, all as shown on the inside front cover hereof. See "AUTHORIZATION AND PURPOSE - Description of the Bonds" herein.

The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. Principal of and interest on the Bonds will be made by the City or its agent directly to DTC. See "AUTHORIZATION AND PURPOSE - Book-Entry Only System" herein.



The scheduled payment of principal and interest on the Series B Bonds maturing August 1, 2027, August 1, 2028 and August 1, 2033 (the "BAM Insured Bonds") when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the BAM Insured Bonds by Build America Mutual Assurance Company.



The scheduled payment of principal and interest on the Series B Bond maturing August 1, 2031 (the "AGM Insured Bond") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the AGM Insured Bond by Assured Guaranty Municipal Corp.

The Bonds are subject to redemption prior to maturity as more fully described herein.

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, the 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 August 9, 2018.

Loop Capital Markets
Ramirez & Co., Inc.

Stern Brothers & Co.
Raymond James

\$218,030,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2018
MATURITY SCHEDULE

\$58,030,000
GENERAL OBLIGATION BONDS, SERIES A

Dated: Date of Delivery

Due: August 1, as shown below

<u>Maturity</u>	<u>Principal</u>			<u>Interest</u>			<u>Maturity</u>	<u>Principal</u>			<u>Interest</u>		
	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Amount</u>	<u>Rate</u>		<u>Yield</u>	<u>CUSIP***</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2021	\$4,250,000	5.000%	2.780%	6450205M6	2030	\$2,400,000	5.500%	3.950% ^c	6450205W4				
2022	2,920,000	5.000	2.940	6450205N4	2031	2,400,000	5.500	4.010 ^c	6450205X2				
2023	2,920,000	5.000	3.140	6450205P9	2032	2,400,000	5.500	4.060 ^c	6450205Y0				
2024	2,920,000	5.000	3.360	6450205Q7	2033	3,505,000	5.500	4.080 ^c	6450205Z7				
2025	2,920,000	5.000	3.520	6450205R5	2034	3,505,000	5.500	4.120 ^c	6450206A1				
2026	2,920,000	5.000	3.640	6450205S3	2035	3,510,000	5.500	4.160 ^c	6450206B9				
2027	4,265,000	5.000	3.710	6450205T1	2036	3,510,000	5.500	4.200 ^c	6450206C7				
2028	4,265,000	5.000	3.780	6450205U8	2037	3,510,000	5.500	4.240 ^c	6450206D5				
2029	2,400,000	5.500	3.890 ^c	6450205V6	2038	3,510,000	5.500	4.260 ^c	6450206E3				

\$160,000,000
GENERAL OBLIGATION REFUNDING BONDS, SERIES B
(FEDERALLY TAXABLE)

Dated: Date of Delivery

Due: August 1, as shown below

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Yield</u>	<u>CUSIP***</u>
2027*	\$ 3,410,000	4.334%	4.334%	6450206F0
2028*	14,125,000	4.434	4.434	6450206G8

\$50,000,000 4.684% Term Bonds Due August 1, 2031**, Yield 4.684% CUSIP*** 6450206H6
 \$92,465,000 4.834% Term Bonds Due August 1, 2033*, Yield 4.834% CUSIP*** 6450206J2

* Insured by Build America Mutual Assurance Company.

** Insured by Assured Guaranty Municipal Corp.

^c Priced to first call date of August 1, 2028.

*** 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*

Michael Carter, *Chief Administrative Officer*

John Rose, Jr., *Corporation Counsel*

Matthew Nemerson, *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

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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.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the BAM Insured Bonds or the advisability of investing in the BAM Insured Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading “**BOND INSURANCE - BAM**” and **APPENDIX F – “BAM SPECIMEN MUNICIPAL BOND INSURANCE POLICY”**.

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 - AGM**” and **APPENDIX G – “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.

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OFFICIAL STATEMENT
CITY OF NEW HAVEN, CONNECTICUT
\$58,030,000
General Obligation Bonds, Issue of 2018, Series A
BOND ISSUE SUMMARY

The information in this Bond Issue Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	City of New Haven, Connecticut (the “City”).
Issue:	\$58,030,000 General Obligation Bonds, Issue of 2018, Series A (the “Series A Bonds”).
Dated Date:	Date of Delivery.
Interest Date:	February 1, 2019, and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as applicable.
Principal Due:	August 1, 2021 - 2038, inclusive.
Purpose and Authority:	The Series A Bonds are being issued to finance various public improvements, and school and urban renewal projects as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Description of the Bonds ” herein.
Redemption:	The Series A Bonds are subject to redemption prior to maturity as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Redemption Provisions ” herein.
Security:	The Series A Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Series A Bonds when due. See “ AUTHORIZATION AND PURPOSE - Security and Remedies ” herein.
Credit Ratings:	See “ RATINGS ” herein.
Tax Matters:	In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming 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 Series A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Series A Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018. In the opinion of Bond Counsel, based on existing statutes, interest on the Series A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See “ TAX MATTERS ” herein.
Availability of Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and certain operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of any failure by the City to provide the required information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as APPENDIX E to this Official Statement.
Bank Qualification:	The Series A Bonds shall <u>not</u> be designated by the City as qualified tax-exempt obligations under provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Series A Bonds.
Certifying Agent, Escrow Agent, Paying Agent, Registrar and Transfer Agent:	U.S. Bank National Association, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, Hartford, Connecticut is acting as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series A Bonds in book-entry only form will be made to The Depository Trust Company on or about August 9, 2018. Delivery of the Series A Bonds will be made against payment in same day funds.
Issuer Official:	Questions concerning the City and this Official Statement should be directed to Daryl H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300.

CITY OF NEW HAVEN, CONNECTICUT
\$160,000,000
General Obligation Refunding Bonds, Issue of 2018, Series B (Federally Taxable)
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:	\$160,000,000 General Obligation Refunding Bonds, Issue of 2018, Series B (Federally Taxable) (the “Series B Bonds”).
Dated Date:	Date of Delivery.
Interest Date:	February 1, 2019, and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as applicable.
Principal Due:	August 1, 2027 - 2028, August 1, 2031 and August 1, 2033.
Purpose and Authority:	The Series B Bonds are being issued to refund all or a portion of certain of the City’s outstanding general obligation bonds as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Description of the Bonds ” and “ - Plan of Refunding ” herein.
Redemption:	The Series B Bonds are subject to redemption prior to maturity as more fully described herein. See “ AUTHORIZATION AND PURPOSE - Redemption Provisions ” herein.
Security:	The Series B Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Series B Bonds when due. See “ AUTHORIZATION AND PURPOSE - Security and Remedies ” herein.
Credit Ratings:	See “ RATINGS ” herein.
Insured Bonds:	<p>The scheduled payment of principal of and interest on the Series B Bonds maturing on August 1, 2027, August 1, 2028 and August 1, 2033 (the “BAM Insured Bonds”) when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the BAM Insured Bonds by Build America Mutual Assurance Company. See “BOND INSURANCE - BAM” and APPENDIX F – “BAM SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.</p> <p>The scheduled payment of principal of and interest on the Series B Bond maturing on August 1, 2031 (the “AGM Insured Bond”) when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the AGM Insured Bond by Assured Guaranty Municipal Corp. See “BOND INSURANCE - AGM” and APPENDIX G – “AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.</p>
Tax Matters:	In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel, based on existing statutes, interest on the Series B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See “ Tax Matters ” herein.
Availability of Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and certain operating data, (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of any failure by the City to provide the required information on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as APPENDIX E to this Official Statement.
Certifying Agent, Escrow Agent, Paying Agent, Registrar and Transfer Agent:	U.S. Bank National Association, Hartford, Connecticut.
Legal Opinion:	Robinson & Cole LLP, Hartford, Connecticut is acting as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series B Bonds in book-entry only form will be made to The Depository Trust Company on or about August 9, 2018. Delivery of the Series B Bonds will be made against payment in same day funds.
Issuer Official:	Questions concerning the City and this Official Statement should be directed to Daryl H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300.

\$218,030,000
CITY OF NEW HAVEN, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2018

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 \$218,030,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2018 consisting of \$58,030,000 General Obligation Bonds, Series A (the “Series A Bonds”) and \$160,000,000 General Obligation Refunding Bonds, Series B (Federally Taxable) (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. The Connecticut General Statutes require that the Series B Bonds be approved by two-thirds 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, as amended, authorizing and approving the Bonds was adopted with the Capital Budget for fiscal year 2019 by the Board of Alders on May 29, 2018 and is expected to be approved by the Bond Sale Committee on August 2, 2018 in accordance with the Charter, the Code of Ordinances and other proceedings related thereto.

Purpose

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

The Series B Bonds are being issued to generate debt service savings of approximately \$108 million over the next seven fiscal years, including approximately \$31 million of debt service savings for fiscal year 2019. The restructuring will provide the City with relief from the loss of State aid revenue incurred over the past two fiscal years and allow the City to restore its medical self-insurance fund, general fund and provide a contingency in fiscal year 2019. The restructuring is expected to cost the City approximately \$89 million over a 16 year term. See “**AUTHORIZATION AND PURPOSE – Plan of Refunding** and “ – **Certain Considerations**” herein.

Description of the Bonds

The Bonds will bear interest from the date of delivery at the rate or rates per annum specified on the inside cover of the Official Statement. Interest on the Bonds is payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as applicable.

Interest on the Bonds will be calculated on the basis of a 360-day year, consisting of twelve thirty-day months. Interest is payable to the person who is the registered owner of such Bond on the close of business on the fifteenth day of 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 Series A Bonds

The Series A Bonds maturing on August 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on and after August 1, 2028, 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.

Optional Redemption Series B Bonds

The Series B Bonds maturing on August 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on and after August 1, 2028, 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 B Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

Mandatory Sinking Fund Redemption Series B Bonds

The Series B Bonds maturing on August 1, 2031 and on August 1, 2033 will be subject to mandatory 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 tables, in each case 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.

Series B Bonds Maturing August 1, 2031		Series B Bonds Maturing August 1, 2033	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2029	\$20,285,000	2031	\$25,150,000
2030	25,785,000	2032	33,140,000
2031*	3,930,000	2033*	34,175,000

*Final Maturity.

Optional Redemption of the Series B Bonds at Make-Whole Redemption Price

The Series B Bonds are also subject to redemption prior to maturity, at the option of the City, from their date of issuance until August 1, 2028, 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, on any date, at a redemption price equal to 100% of the principal amount of Series B Bonds to be redeemed, plus the Make-Whole Premium, if any, together with interest accrued and unpaid to the redemption date.

The “Make-Whole Premium” is the amount calculated by the Calculation Agent equal to the positive difference, if any, between:

- (a) The sum of the present values, calculated as of the date fixed for redemption of:

(1) Each interest payment that, but for the redemption, would have been payable on the Series B Bond or portion thereof being redeemed on each regularly scheduled interest payment date occurring after the date fixed for redemption through the maturity date of such Series B Bond (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled interest payment date with respect to such Series B Bond, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series B Bond to the date fixed for redemption; plus

(2) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series B Bond or portion thereof being redeemed; minus

(b) The principal amount of the Series B Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (a) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus the Spread.

For purposes of calculating the Make-Whole Premium:

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities (which may be one of the institutions that served as underwriters for the Series B Bonds) designated by the City.

“Comparable Treasury Issue” means the United States Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the Series B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series B Bond being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series B Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three business days but not more than 45 calendar days preceding the date fixed for redemption.

“Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15 (519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series B Bond being redeemed. The Comparable Treasury Yield will be determined at least three business days but not more than 45 calendar days preceding the date fixed for redemption. If the H.15 (519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury

Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15 (519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Reference Treasury Dealer” means a primary dealer of United States Government securities (which may be one of the institutions that served as underwriters for the Series B Bonds) appointed by the City and reasonably acceptable to the Calculation Agent.

“Spread” means .25%.

Notice of redemption shall be mailed not less than thirty (30) days prior to the redemption date, by registered mail, to the registered owner of such bond at such bond owner’s address as it appears on the books of registry or at such address as may have been filed with the registrar for that purpose. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC. In the event of a redemption of less than all of the Bonds of a particular maturity, the City shall notify the registered owner of the Bonds (Cede & Co.) of the amount of Bonds to be redeemed and DTC will, pursuant to its policies and regulations, select by lot the amount of Bonds held by each DTC Participant to be redeemed (see “Book-Entry Only System” herein). The selection of particular Bonds of beneficial owners to be redeemed shall be determined by each DTC Participant.

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General Obligation Bonds - Debt Service Requirements

The following table summarizes the debt service for all outstanding general obligation bonds of the City, including the Bonds.

Fiscal Year Ended June 30	Existing Debt Service ⁽¹⁾⁽²⁾⁽³⁾	Series A Bonds		Series B Bonds		Less Refunded Bonds Debt Service	Aggregate Debt Service ⁽²⁾⁽³⁾
		Principal	Interest	Principal	Interest		
2019	\$67,085,005		\$1,459,492		\$3,624,351	\$34,838,863	\$37,329,985
2020	69,776,726		3,054,750		7,585,850	26,542,638	53,874,689
2021	68,826,448		3,054,750		7,585,850	24,887,788	54,579,261
2022	65,376,360	\$4,250,000	2,948,500		7,585,850	24,780,913	55,379,798
2023	61,909,632	2,920,000	2,769,250		7,585,850	19,632,738	55,551,995
2024	57,882,636	2,920,000	2,623,250		7,585,850	15,254,588	55,757,149
2025	54,850,234	2,920,000	2,477,250		7,585,850	11,765,406	56,067,928
2026	51,743,025	2,920,000	2,331,250		7,585,850	7,167,500	57,412,625
2027	48,556,571	2,920,000	2,185,250		7,585,850	3,838,625	57,409,046
2028	40,232,445	4,265,000	2,005,625	\$ 3,410,000	7,511,955		57,425,025
2029	30,105,202	4,265,000	1,792,375	14,125,000	7,124,909		57,412,486
2030	26,765,148	2,400,000	1,619,750	20,285,000	6,336,683		57,406,581
2031	22,490,700	2,400,000	1,487,750	25,785,000	5,257,724		57,421,174
2032	20,630,166	2,400,000	1,355,750	29,080,000	3,953,923		57,419,839
2033	18,199,682	2,400,000	1,223,750	33,140,000	2,453,013		57,416,445
2034	15,691,875	3,505,000	1,061,363	34,175,000	826,010		55,259,247
2035	13,758,125	3,505,000	868,588				18,131,713
2036	10,864,625	3,510,000	675,675				15,050,300
2037	7,190,625	3,510,000	482,625				11,183,250
2038	3,367,125	3,510,000	289,575				7,166,700
2039		3,510,000	96,525				3,606,525
Total ⁽⁴⁾	<u>\$755,302,355</u>	<u>\$58,030,000</u>	<u>\$35,863,092</u>	<u>\$160,000,000</u>	<u>\$97,775,369</u>	<u>\$168,709,056</u>	<u>\$938,261,759</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 Bonds”) with a final maturity of February 1, 2030. This subsidy is subject to sequestration reductions of 6.6% in the current federal fiscal year and 6.2% for the federal fiscal year beginning October 1, 2018.

(4) Totals may not add due to rounding.

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 2019 General Fund budget totals \$547,089,954 for both revenues and expenditures. Budgeted revenue sources in fiscal year 2019 consist of \$279,265,138 for property taxes, \$148,307,929 in State aid for education, \$67,383,437 in other State aid and \$52,133,450 in City departmental fees, interest income and other revenue.

The City is reliant on the receipt of State aid revenue for a significant portion of its budget. Over the past several years, State aid revenue to the City and other Connecticut municipalities has been reduced and the State budget has been adopted late, after the start of the State's fiscal year. As a result, the City has had to rely on estimates of State aid when finalizing its budget, increasing uncertainty of, and possible variances from, the City's adopted budgeted as a result of State's fiscal issues. There is no assurance that State budgets will provide the City with comparable State aid received in the past. In the event the adopted State budget provides less revenue to the City than the amounts budgeted, the City will be required to amend its budget to account for the actual amount the City will receive pursuant to the State budget.

The ability of the City to meet its payment obligations under the Bonds will depend on the continued availability to the City of revenues from a variety of sources sufficient to meet City obligations such as operating expenses, debt service on the Bonds and other debt of the City and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the City will be affected by future events and conditions which will include the City's ability to control expenses, the City's ability to maintain or increase property tax 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 \$752 million as of June 30, 2016 (the last valuation date). The City has an unfunded other post-employment benefits ("OPEB") liability of approximately \$557 million as of July 1, 2015 (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.

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	\$58,030,000.00	\$160,000,000.00
Net Original Issue Premium	<u>5,829,842.55</u>	
Total Sources	<u>\$63,859,842.55</u>	<u>\$160,000,000.00</u>
Uses:		
Project Deposit	\$58,030,000.00	
Debt Service Fund	5,291,153.30	
Escrow Deposit		\$155,716,923.36
Costs of Issuance ⁽¹⁾	153,039.72	3,219,765.94
Underwriters' Discount	<u>385,649.53</u>	<u>1,063,310.70</u>
Total Uses	<u>\$63,859,842.55</u>	<u>\$160,000,000.00</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 following maturities and principal amounts of the Refunded Bonds as provided below. The refunding of the Refunded Bonds is contingent upon delivery of the Series B Bonds.

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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 2008						
06/11/2008	11/01/2018	5.000%	\$8,850,000			645020YK8
	11/01/2019	5.000	5,900,000	11/01/2018	100%	645020YL6
	11/01/2020	5.000	3,985,000	11/01/2018	100	645020YM4
	11/01/2022	4.000	2,975,000	11/01/2018	100	645020YN2
Issue of 2009, Series A						
03/17/2009	03/01/2019	5.250%	\$780,000			645020W38
Issue of 2011, Series A						
03/23/2011	03/01/2019	5.000%	\$1,425,000			645020B72
	03/01/2024	4.250	1,420,000	03/01/2021	100%	645020C48
Issue of 2011, Series B						
08/02/2011	08/01/2023	5.000%	\$955,000 ⁽¹⁾	08/01/2021	100%	6450206K9
	08/01/2024	4.000	2,225,000	08/01/2021	100	645020F52
Issue of 2012, Series A						
08/15/2012	11/01/2018	5.000%	\$2,435,000 ⁽¹⁾			6450206L7
	11/01/2019	3.000	200,000 ⁽¹⁾			6450206M5
	11/01/2021	3.000	255,000 ⁽¹⁾			6450206N3
	11/01/2022	4.000	4,575,000			645020J41
Issue of 2013, Series A						
09/25/2013	08/01/2019	5.000%	\$1,665,000			645020M88
	08/01/2020	5.000	1,530,000 ⁽¹⁾			6450206P8
	08/01/2021	5.000	3,350,000 ⁽¹⁾			6450206Q6
	08/01/2022	4.000	1,730,000 ⁽¹⁾			6450206R4
	08/01/2023	4.000	940,000			645020N53
	08/01/2023	5.000	1,065,000			645020N46
Issue of 2013, Series B						
10/31/2013	09/01/2019	4.000%	\$1,890,000			645020Q50
	09/01/2020	4.000	1,890,000			645020Q68
	09/01/2021	5.000	1,890,000			645020Q76
	09/01/2022	5.000	1,890,000			645020Q84
	09/01/2023	5.000	1,890,000			645020Q92
	09/01/2024	3.750	1,735,000 ⁽¹⁾	09/01/2023	100%	6450206S2
Issue of 2014, Series B						
08/28/2014	08/01/2023	5.000%	\$3,335,000 ⁽¹⁾			6450206T0
Issue of 2015						
09/09/2015	09/01/2018	5.000%	\$1,575,000			645020W95
	09/01/2019	5.000	1,655,000			645020X29
	09/01/2020	5.000	1,550,000			6450203P1
	09/01/2022	5.000	70,000			6450203R7
	09/01/2023	5.000	75,000			6450203S5

Issue of 2015, Series B						
12/22/2015	08/15/2018	5.000%	\$1,905,000		645020Z50	
	08/15/2020	5.000	4,665,000		645020Z76	
	08/15/2021	5.000	6,815,000		645020Z84	
	08/15/2022	5.000	4,440,000		645020Z92	
	08/15/2023	5.000	2,230,000		645020A5	
	08/15/2024	5.000	7,025,000		645020B3	
	08/15/2025	5.000	6,810,000 ⁽¹⁾		6450206U7	
	08/15/2026	5.000	3,745,000 ⁽¹⁾	08/15/2025	100%	6450206V5
Issue of 2016, Series A						
08/25/2016	08/15/2018	5.000%	\$11,845,000		6450205J3	
	08/15/2019	5.000	10,115,000		6450205K0	
	08/15/2020	5.000	7,185,000		6450202R8	
	08/15/2021	5.000	9,440,000		6450202S6	
	08/15/2022	5.000	1,855,000		6450202T4	
	08/15/2023	5.000	1,945,000		6450202U1	

Total \$145,725,000

⁽¹⁾Partially Refunded.

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, 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. The City may also enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of, and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds.

Verification of Mathematical Computations

Robert Thomas CPA, LLC will verify from information provided to them the mathematical accuracy as of the date of the closing of 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 anticipates issuing up to \$50,000,000 general obligation tax anticipation notes in the Fall of 2018.

BOND INSURANCE - BAM

BUILD AMERICA MUTUAL ASSURANCE COMPANY BOND INSURANCE POLICY

Concurrently with the issuance of the Series B Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “BAM Policy”) for the Series B Bonds maturing on August 1, 2027, August 1, 2028 and August 1, 2033 (collectively, the “BAM Insured Bonds”). The BAM Policy guarantees the scheduled payment of principal of and interest on the BAM Insured Bonds when due as set forth in the form of the BAM Policy included as **APPENDIX F** to this Official Statement.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds 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 BAM Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2018 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$518.3 million, \$97.4 million and \$420.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at www.buildamerica.com, is incorporated herein by

reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE - AGM

ASSURED GUARANTY MUNICIPAL CORP. POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "AGM Policy") for the Series B Bond maturing on August 1, 2031 (the “AGM Insured Bond”). The AGM Policy guarantees the scheduled payment of principal of and interest on the AGM Insured Bond when due as set forth in the form of the AGM Policy included as **APPENDIX G** to this Official Statement.

The AGM 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 June 26, 2018, 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 May 7, 2018, 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 January 23, 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, 2017.

Capitalization of AGM

At March 31, 2018:

- The policyholders’ surplus of AGM was approximately \$2,247 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately \$1,133 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.

- The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,646 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries 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, 2017 (filed by AGL with the SEC on February 23, 2018);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (filed by AGL with the SEC on August 2, 2018).

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 - AGM".

THE CITY OF NEW HAVEN

General

New Haven was founded on the Connecticut coast in 1638 and was incorporated as a city in 1784. The City is governed primarily under its Charter which provides for the election, organization, powers and duties of the legislative branch (the “Board of Alders”), the powers and duties of the executive branch and the City’s fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions. The City/Town Clerk serves a term concurrent with that of the Mayor and is elected Citywide. The Board of Alders performs all legislative duties and its President serves as Acting Mayor in the absence of the Mayor.

Elected and Appointed Officials

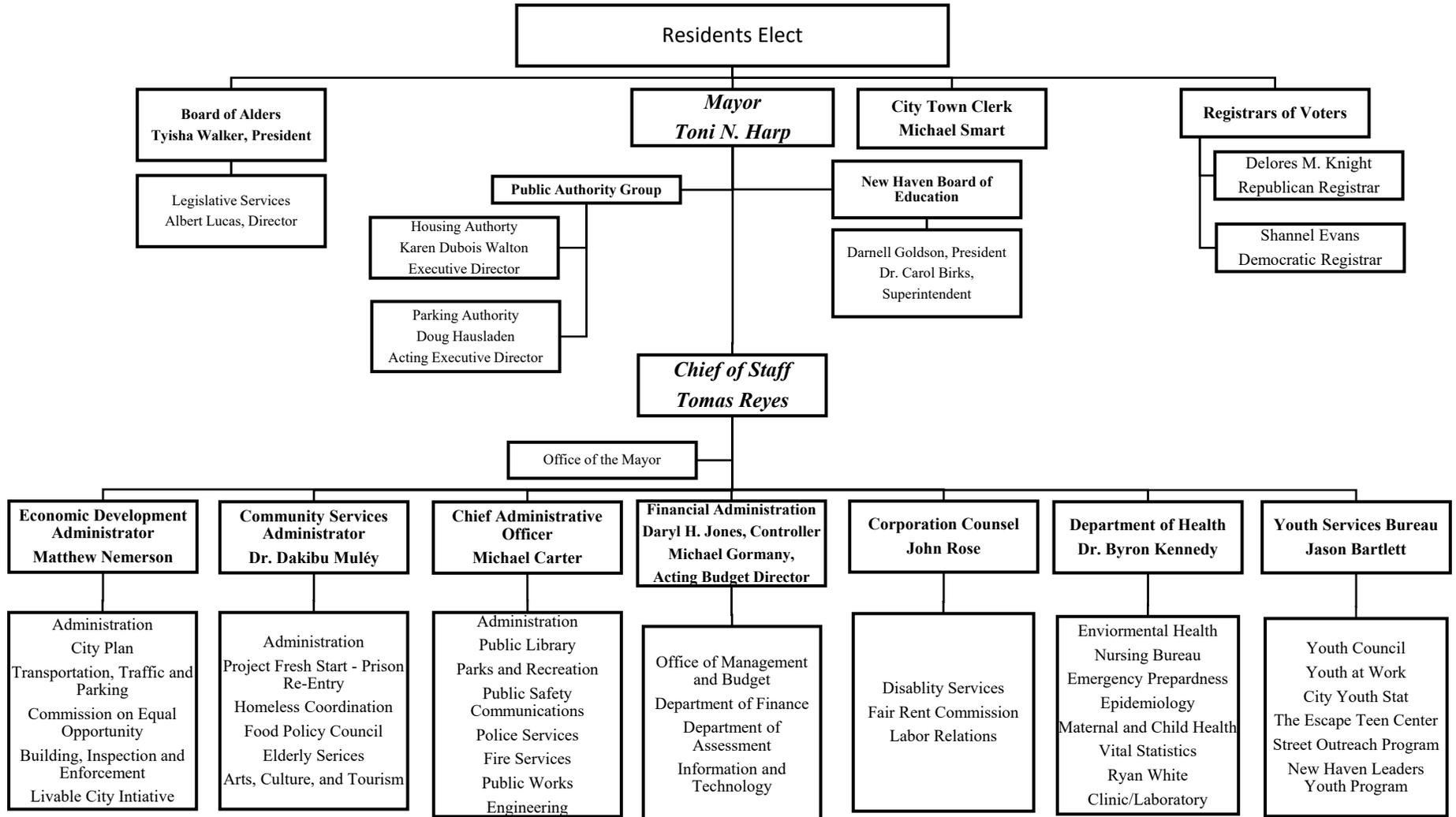
The Mayor, elected by general election for a two-year term and eligible to succeed such term of office without limitation, has the power to appoint City department heads and members of boards, commissions and agencies. All department heads shall be appointed by the Mayor for a term of four (4) years and shall serve under the direction of the Mayor as chief administrative and executive officer of the City. A department head may not be removed during the term of his or her appointment except for cause. The Mayor also may appoint, as employees of the City, up to four coordinators with professional qualifications in such areas as community development, human services, public administration and public finance. Such coordinators serve under the direction of the Mayor and may be removed at the Mayor’s pleasure. The Mayor has veto power over all or any part of any resolution or ordinance passed by the Board of Alders. Any such veto can be overridden by a two-thirds majority of the Board of Alders. The Mayor is a member of all executive commissions and boards including the Board of Education, but excluding the Financial Review and Audit Commission and the Civil Service Commission.

The legislative body of the City is the Board of Alders consisting of 30 members who are elected to two-year terms from their respective districts. The President of the Board of Alders is elected biennially from its membership to preside at all of its meetings. The Board of Alders adopts the capital and operating budgets and tax rate and exercises all powers conferred upon it by the Charter subject to the approval of the Mayor or upon an override of the Mayor’s veto.

The Mayor annually submits to the Board of Alders the operating budget, the capital budget and the municipal tax rate, which the Board of Alders may then approve, disapprove or modify in accordance with its powers. The role of reviewing the financial condition of the City during the fiscal year is performed by the nine member Financial Review and Audit Commission (“Commission”). The members of the Commission are appointed by the Mayor with the approval of the Board of Alders. Members are appointed for five year terms. No member of the Commission holds any other office or position in the government of the City, appointed or elected, except as a member of said Commission.

The following chart summarizes the organization of the City's government:

City of New Haven Organizational Structure



Biographies of City Officials

Toni N. Harp, Mayor, was 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.

Michael Carter, Chief Administrative Officer, was appointed Chief Administrative Officer ("CAO") in April 2014. As the CAO, he oversees eight departments: Police Services, Fire Services, Public Safety Communication (the 911 Center), Public Works, Parks, Recreation and Trees, Free Public Libraries, Engineering and the CAO office itself, which includes the divisions of Emergency Management and Human Resources (HR) and Benefits.

Throughout his career, Mr. Carter has held several positions at the senior management level for different municipal governments including Chief Financial Officer, Deputy Director for Mission Support, Deputy Director for Operations, Procurement Director and Assistant General Manager. While serving in these positions, Mr. Carter has used both his leadership skills and extensive expertise in performance management and activity-based cost accounting to increase productivity, improve service, and generate savings. Specific examples include: saving the City of Indianapolis \$12.5 million due to an increase in bond ratings and \$15 million in trash collection costs as a result of managed competition; saving the District of Columbia Water and Sewer Authority over \$5 million in sludge hauling contract costs; and the District of Columbia government over \$2 million in operational efficiencies by improving overall fleet maintenance turnaround time by 50%.

Mr. Carter earned a B.A. in Economics from Dartmouth College in Hanover, New Hampshire, an M.A. in Economics from Rutgers University in New Brunswick, New Jersey, and an M.B.A. in Management and Entrepreneurship from Indiana University. He has supplemented his academic education with additional training from Harvard Business School Executive Education, MIT Sloan School of Management, the University of Chicago Business School and the J.L. Kellogg Graduate School Executive Programs at Northwestern University. He is a member of the Government Finance Officers Association (GFOA), American Economic Association (AEA), American Public Works Association (APWA), and the National Forum for Black Public Administrators (NFBPA).

Matthew Nemerson, Economic Development Administrator, was appointed Economic Development Administrator for the City in January 2014, overseeing economic, downtown and neighborhood development, small business assistance, planning, transportation, traffic and parking, as well as arts and culture. Prior to this appointment, Mr. Nemerson served as President and CEO of the Connecticut Technology Council. In 1983, Mr. Nemerson was the founding Vice President of the Science Park Development Corporation, an inner city tech park and incubator complex affiliated with Yale University. He left Science Park to become the President of the Greater New Haven Chamber of Commerce and its affiliated Regional Leadership Council, a mayoral appointed position. He has served as the Chair of the New Haven Parking Authority, Vice Chair of the New Haven Veterans Coliseum Authority, and is past President of Technology Councils of North America, an association of over 50 technology councils and similar groups from almost every state and province in the United States and Canada. He holds a Bachelor's degree from Columbia College in Columbia, Missouri, and a Masters of Public and Private Management from the Yale School of Management in New Haven, Connecticut.

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 (“NHSWRA”) was created by Board of Alders vote on March 31, 2008 and is specifically responsible for the operations and management of the City’s transfer station for solid waste disposal and recycling.

CITY FINANCIAL PROCEDURES

Independent Audit

The Board of Alders is required under State law to appoint an independent certified public accounting firm to audit the financial transactions of City funds. The City hired the accounting firm of RSM, US, LLP (formerly known as McGladrey LLP) to act as auditors for fiscal years 2010 through 2018.

The audited general purpose financial statements of the City for the fiscal year ended June 30, 2017 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’s and Firemen’s Pension Fund and other funds) are accounted for on the accrual basis in which the revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

Pursuant to the Charter, encumbrances established in, and unliquidated at the end of any fiscal year, are considered in determining an operating surplus or deficit on a budgetary basis. See “**FINANCIAL INFORMATION AND OPERATING DATA – Schedule 1 “City of New Haven Audited General Purpose Financial Statements of as June 30, 2017”** 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 was recently notified by the State that Wells Fargo Bank, N.A., which has some of the City’s general fund deposits, is no longer a qualified public depository, and the City is in the process of moving such deposits to another financial institution.

The City keeps a roster of qualified banks that meet the above listed criteria. The roster is periodically reviewed and analyzed for safety of the whole financial institution. In addition, the City establishes limits of deposit investments on smaller and relatively weaker financial institutions. Each account with a specific purpose has FDIC Insurance of \$250,000. Safety is a primary criterion of investment decisions of the General Fund.

The City invests excess cash with the State of Connecticut Short Term Investment Fund (“STIF”). STIF is an investment pool of high-quality, short-term money market instruments for state and local governments managed by the State Treasurer’s Cash Management Division. The General Fund and other disbursement accounts, such as the Payroll Account, are also “swept” at an overnight market rate. The City attempts to keep its funds as liquid as possible in order to meet its operational requirements for the General Fund.

Special Revenue Funds. The City maintains numerous Special Revenue funds from many grantor sources. Where program activity is funded in advance and is permitted by the grantor, the City invests consistent with the criteria listed in the General Fund section of this report.

Capital Project Funds. The unexpended proceeds from the issuance of General Obligation debt are invested in a U.S. Treasury Money Market Fund. This investment fund is segregated into various sub-accounts associated with each debt issuance for arbitrage purposes. Where interest income activity is unrestricted, the City maintains the investment policy outlined for the General Fund.

Pension Trust Funds. The vast majority of City employees (excluding Department of Education teachers and administrators) are covered by one of two major Pension Funds, the City Employees’ Retirement Fund (“CERF”) and the Policemen and Firemen’s Pension Fund (“P&F”). The Pension Funds were each originally established by Connecticut Special Acts and thereafter were amended by subsequent Special Acts and City of New Haven Ordinances, the latter of which are found in Title II of the City’s Ordinances, Articles IX and XI. The most recent amendments to the Pension Funds are found in the various collective bargaining agreements that apply to the employees who participate in the Pension Funds and in the Executive Management and Confidential Employees Personnel and Procedures Manual. Under the terms of the Pension Funds, the responsibility for administering each Funds is assigned to a board of trustees

for the Fund, in the case of CERF, the CERF Retirement Board, and in the case of P&F, the P&F Pension Board, (together, the “Retirement Boards”). The P&F Board consists of seven members as follows: two members of the Board of Police Commissioners, two members of the Board of Fire Commissioners, two employee representatives (one from Police and one from Fire) elected by a vote of the membership of each department, and the Mayor, who is President of the P&F Pension Board. The City Controller is the Clerk of the P&F Pension Board. The CERF Retirement Board consists of: the Mayor and the City Controller, ex officio, three persons appointed by the Mayor, and two persons who are elected by members of CERF (no more than one of whom, at any time may be from the same collective bargaining unit). The Retirement Boards independently retain professional fund managers, custodial banks, legal counsel, performance monitor professionals, and actuaries to assist them in performing their fiduciary responsibilities.

Pension Systems

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

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

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

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

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

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

In the more recent collective bargaining agreements, significant changes were agreed to for the purposes of enhancing the financial soundness of the Pension Funds and amortizing their unfunded accrued actuarial liability (“UAAL”). These changes include, but are not limited to: 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, 2016, the funded ratio of CERF was 37.3% and the funded ratio of P&F was 42.7%. 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 and fiscal year 2018 ADEC were funded fully. For the fiscal year 2019, the City has budgeted to underfund its ADEC by approximately \$1,400,000.

The fiscal year 2016 ADEC payments were \$19,555,672 for CERF and \$26,306,000 for P&F. The fiscal year 2017 ADEC payments were \$20,400,121 for CERF and \$27,536,158 for P&F. The fiscal year 2018 ADEC payments were \$21,662,917 for CERF and \$34,607,857 for P&F. As of June 30, 2017, there were 1,103 retirees and beneficiaries receiving benefits from CERF with 937 active plan members and 86 members who have terminated with a contingent right to receive a deferred benefit or a return of their own contributions. As of June 30, 2017, there were 1,303 retirees and beneficiaries receiving benefits from P&F with 753 active plan members and 35 members who have terminated with a contingent right to receive a deferred benefit or a return of their own contributions.

The Funds and all public employee retirement systems are part of the City’s financial reporting entity and are included in the City’s financial reports as pension trust funds.

The table below summarizes the City’s General Fund contributions to the pension program as determined by actuarial recommendation.

**Pension Contributions as a Percent of
Total General Fund Expenditures**

Fiscal Year	General Fund Contribution	Total Expenditures	%
2010	\$29,312,906	\$459,427,337	6.38
2011	30,707,922	467,266,612	6.57
2012	39,663,624	481,622,139	8.24
2013	41,235,722	486,381,040	8.48
2014	41,285,083	490,773,183	8.41
2015	42,796,338	509,525,283	8.40
2016	45,597,493	505,948,292	9.01
2017	47,895,450	521,722,474	9.18
2018 ⁽¹⁾	56,570,774	534,670,174	10.58
2019 ⁽²⁾	61,270,774	547,089,954	11.20

⁽¹⁾ Fiscal year ended 6-30-18 is unaudited.

⁽²⁾ Fiscal year ended 6-30-19 is budgeted.

Source: Audited Financial Statements, Department of Finance.

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

City Employees' Retirement Fund

Valuation Date	Unfunded Actuarial Accrued Liability	Funded Ratio
6/30/2008	\$136,509,700	60.4%
6/30/2010	203,942,024	46.5
6/30/2012	229,024,154	42.5
6/30/2014	266,979,798	39.3
6/30/2016	296,927,053	37.3

Policemen's and Firemen's Pension Fund

Valuation Date	Unfunded Actuarial Accrued Liability	Funded Ratio
6/30/2008	\$211,848,865	58.7%
6/30/2010	266,843,043	52.1
6/30/2012	312,290,550	47.5
6/30/2014	335,949,975	50.1
6/30/2016	455,181,870	42.7

Source: Actuarial Valuation of Pension Funds.

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

Policemen and Firemen's Pension Fund	2017	2016
Total Pension Liability	\$ 793,266,199	\$ 701,102,039
Plan Fiduciary Net Position	327,394,234	302,717,214
Net Pension Liability	\$465,871,965	\$398,384,825
Plan Fiduciary Net Position as percentage of total pension liability	41.27%	43.18%

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:

Policemen and Firemen Pension Fund	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 480,136,853	\$ 465,871,965	\$ 452,173,641

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

City Employees' Retirement Fund	2017	2016
Total Pension Liability	\$473,157,311	\$459,456,387
Plan Fiduciary Net Position	161,904,465	153,440,281
Net Pension Liability	\$311,252,846	\$306,016,106
Plan Fiduciary Net Position as percentage of total pension liability	34.22%	36.44%

Sensitivity of the net pension liability to changes in the discount rate*: The following presents the net pension liability of the CERF, calculated using the discount rate of 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.

City Employees' Retirement Fund	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 319,690,845	\$ 311,252,846	\$ 303,126,523

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 2016, \$28,303,000 (audited) was paid, for fiscal year 2017, \$27,820,000 (audited) was paid, for fiscal year 2018, \$27,229,000 (unaudited) was paid and for fiscal year 2019, \$28,000,000 is projected.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2007	\$ 0	\$430,522,000	\$430,522,000	0.0%	\$272,235,306	158.1%
7/1/2009	0	413,995,000	413,995,000	0.0	284,120,415	145.7
7/1/2011	227,000	444,370,000	444,143,000	0.1	285,140,448	155.8
7/1/2013	305,830	441,057,000	440,751,170	0.1	239,239,541	184.2
7/1/2015	338,000	557,227,000	556,889,170	0.1	229,267,000	242.9

Source: Actuarial Valuation of Pension Funds.

The City is in compliance with the requirements of GASB Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their OPEB plans and include information concerning the valuation of such plans in their financial statements. The City retained an outside actuarial consulting firm to prepare the valuation of its OPEB plan. Based on the most recent valuation as of July 1, 2015, the City’s estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$556,889,170. The City established an OPEB trust in 2012 that, as of June 30, 2017, has a balance of approximately \$1,594,455. 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 fiscal year 2018. A contribution of \$405,000 is budgeted for in fiscal year 2019.

For more information regarding the City’s OPEB plans, see Note 12 to the City’s financial statements attached hereto as **Schedule 1 to APPENDIX A**.

The following tables delineate the City’s Actuarial Accrued Liability pursuant to the requirements of GASB Statement 45. Liabilities were valued as of July 1, 2015.

Actuarial Accrued Liability (AAL)

GASB 45 Unfunded Actuarial Accrued Liability (UAAL)

Actuarial Accrued Liability 7/1/2015

Actives	\$243,414,000
Retirees	<u>313,813,000</u>
Total	\$557,227,000
Assets 7/1/2015	<u>338,000</u>

Unfunded Actuarial Accrued Liability

(UAAL) 7/1/2015 **\$556,889,000**

GASB 45 Actuarially Determined Employer Contribution (ADEC)

ADEC

2016/2017 Fiscal Year

Normal Cost	\$ 18,061,000
30 Year Amortization of UAAL*	30,966,000
Interest – End of Year Payments**	<u>901,000</u>

Total ADEC 2016/2017 **\$50,008,000**

ADEC

2017/2018 Fiscal Year

Normal Cost	\$ 18,783,000
30 Year Amortization of UAAL*	30,966,000
Interest – End of Year Payments**	<u>995,000</u>

Total ADEC 2017/2018 **\$50,744,000**

* Amortization Policy – 30 Years, level dollar

** On average, mid-year payments are assumed (1/2 year interest)

For additional information on the City’s pension systems and other post-employment benefits see, **APPENDIX A – “Employee Retirement Systems”** attached hereto, **APPENDIX C – “SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST EMPLOYMENT BENEFITS”** attached hereto, and the City’s financial statements attached hereto as **Schedule 1 to APPENDIX A**. In addition, the City’s Actuarial Report for the City Employees’ Retirement Fund (“CERF”) and the Policeman’s and Fireman’s Retirement Fund (“P&F”), each dated June 30, 2016, and the City’s GASB 45 OPEB Disclosure Report as of June 30, 2015, dated February 2, 2017, may be found on the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the Municipal Securities Rulemaking Board which can be accessed at www.emma.msrb.org.

COMMITMENT TO PROVIDE CONTINUING DISCLOSURE

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In accordance with the requirements of Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission (“SEC”), the City will agree to file or cause to be filed on an annual basis on the Electronic Municipal Market Access (“EMMA”) system established by the Municipal Securities Rulemaking Board, in accordance with the Rule: (i) annual financial information and certain operating data of the City by no later than eight months after the end of each fiscal year of the City (currently June 30), (ii) timely notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide all the required annual information on or before the date specified in the Continuing Disclosure 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 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.

TAX MATTERS

Series A Bonds

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 Series A Bonds in order for interest on the Series A 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 Series A Bonds to be included in gross income retroactive to the date of issuance of the Series A Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Series A 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 Series A 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 Series A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Series A Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018.

Ownership of the Series A 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 Series A Bonds. Prospective purchasers of the Series A 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 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.

Original Issue Premium

The initial public offering price of certain maturities of the Series A Bonds may be greater than the principal amount payable on such Series A Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series A 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 Series A 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 Series A Bonds by such owner. Amortized original issue premium on the Series A 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 Series A 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 Series A Bonds.

State Taxes

In the opinion of Bond Counsel, based on existing statutes, interest on the Series A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Prospective purchasers of the Series A 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 Series A Bonds.

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

Prospective purchasers of the Series A 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 Series A 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 Series A 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. Prospective purchasers of the Series A 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 Series A Bonds.

Series B Bonds

Federal Income Taxes

In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code.

United States Tax Consequences

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series B Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of, or receipt of interest on, the Series B Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Series B Bond at its issue price, which is the first price at which a substantial amount of the Series B Bonds is sold to the public, and who hold Series B Bonds as “capital assets” within the meaning of the Code (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series B Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar. This summary is applicable only to a person (a “United States Holder”) who or that is the beneficial owner of Series B Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

United States Holders

Payments of Stated Interest. In general, for a United States Holder, interest on a Series B Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

Purchase, Sale, Exchange, and Retirement of Series B Bonds. A United States Holder's adjusted basis in a Series B Bond generally will equal its cost, increased by the amount of any original issue discount previously included in the United States Holder's income with respect to the Series B Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Series B Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series B Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's adjusted basis in the Series B Bond. Any such gain or loss recognized on the sale, exchange or retirement of a Series B Bond generally will be capital gain or loss and will be long-term capital gain or loss if the Series B Bond was held for more than one year. The defeasance or material modification of the terms of any Series B Bond may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

Backup Withholding. United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series B Bonds, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

Medicare Tax Affecting U.S. Owners. For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the U.S. owner's "net investment income" for the taxable year and (2) the excess of the U.S. owner's modified adjusted gross income for the taxable year over a certain threshold. A United States Holder's net investment income will generally include its interest income and its net gains from the disposition of the Series B Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

Information Reporting

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Series B Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series B Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed

on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series B Bonds.

Any payments of interest and original issue discount on the Series B Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Series B Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences of the purchase, ownership, and disposition of the Series B Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Taxes

In the opinion of Robinson & Cole LLP, Bond Counsel, based on existing statutes, interest on the Series B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Prospective purchasers of the Series B 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 Series B 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 Series B 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 B Bond. Prospective purchasers of the Series B 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 Series B Bonds.

LITIGATION

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

The City and certain retired police officers are defendants in two federal cases filed by formerly incarcerated persons released from prison after serving portions of their respective sentences. One case was filed by an individual, 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". The plaintiff has alleged that, in his case, a retired City police officer coerced witnesses and ignored other suspects. This case is in its early stages, and the City is insured for this matter with a retention of \$1,000,000. The second case was filed by an individual who was convicted of murder in 1995 and was recently released from prison after a federal judge determined that the conviction was unlawful and likely tainted by a combination of inadequate representation and possible police coercion. There is no insurance coverage for this matter.

The City settled Scott Lewis v. City of New Haven, et al., a case involving the improper incarceration of an individual for over 19 years with the payment of \$9.5 million in October 2017. The City financed the settlement using bond proceeds available from certain capital projects, \$8.4 million of which will be restored by the issuance of the Series A Bonds.

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 August 2, 2018. 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 Series A Bonds a rating of “BBB+” (negative outlook). S&P has assigned the Series B Bonds an underlying rating of “BBB+” (negative outlook) and the Series B Bonds insured by BAM a rating of “AA” based on the BAM Policy and the Series B Bonds insured by AGM a rating of “AA” based on the AGM Policy. Fitch Ratings (“Fitch”) has assigned the Bonds an underlying rating of “BBB” (negative 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.

OTHER DEVELOPMENTS

On July 24, 2018, S&P downgraded the City’s general obligation rating from “A-” (negative outlook) to “BBB+” (negative outlook). Such rating reflects only the view of such organization and any desired explanation of the significance of the rating should be obtained directly from S&P.

On July 26, 2018, Fitch downgraded the City’s general obligation rating from “A-” to “BBB” with (negative outlook). Such rating reflects only the view of such organization and any desired explanation of the significance of the rating should be obtained directly from Fitch.

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 form 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, the Hardwick Law Firm, LLC, Hartford, Connecticut.

UNDERWRITING

The Bonds are being purchased by a group of underwriters represented by Loop Capital Markets LLC, (collectively, the “Underwriters”), pursuant to the terms of a bond purchase agreement contract for the Bonds with the City (the “Bond Purchase Agreement”). Pursuant to the Bond Purchase Agreement, the

Underwriters have agreed to purchase the Series A Bonds at the aggregate net purchase price of \$63,474,193.02, which is equal to the par amount of the Series A Bonds plus net original issue premium of \$5,829,842.55 and less an Underwriters' discount of \$385,649.53. Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase the Series B Bonds at the aggregate net purchase price of \$158,936,689.30, which is equal to the par amount of the Series B Bonds less an Underwriters' discount of \$1,063,310.70. The City has agreed to indemnify the Underwriters against certain liabilities, including certain liabilities arising under federal and state securities laws. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof. The initial offering prices or yields may be changed from time to time by the Underwriters.

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. All such appendices are incorporated herein as an integral part of this Official Statement.

Any questions concerning the content of this Official Statement should be directed to Daryl H. Jones, Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8300. Copies of this Official Statement may be obtained from the City's Municipal Advisors, PFM Financial Advisors LLC, 10 Weybosset Street, Suite 902, Providence, Rhode Island 02903, (401) 709-5112 or TKG & Associates LLC, 350 Fifth Avenue, 59th Floor, New York, New York 10118, (212) 601-2627.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF NEW HAVEN, CONNECTICUT

By: /s/ Toni N. Harp
Toni N. Harp, Mayor

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

Dated as of August 2, 2018

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

**SCHEDULE 1 – CITY OF NEW HAVEN
AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF JUNE 30, 2017**

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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 of New Haven maintains a budget 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 2018-19 Budget

A. General Fund Budget: Fiscal Year 2018-2019 Budget approved by Board of Alders on June 4, 2018.

General Fund Budget - \$547,089,954 – Up \$8,183,001 from FY 2017-18, a 1.52% increase.

- Mill rate for real estate, personal property and motor vehicle increased to 42.98 mills, an increase of 4.30 mills or 11%.
- 2017 Net Grand List increased by 0.26%.
- State revenue for education, PILOT, and other state grants reduced by \$5.7 million over FY 2017-18 budget.
- Revenue initiative of \$18.6 million from FY 2018 budget reduced to \$6.1 million.
- Building permit revenue reduced slightly to \$11.9 million based on current and projected economic activity.
- Other adjustments to the revenue budget include increasing parking meter receipts by \$200,000, increasing parking tag revenue by \$300,000, and adding the following new revenue line items: \$200,000 from fire services for vacant building and other inspections, \$150,000 from police

services for fingerprinting services, and \$150,000 from health department for onsite permits for Health - School Based Clinics.

- Expenditure budget increased by \$8.1 million or 1.51%.
- Position count for FY 2018-19 remains the same as FY 2017-18.
- Police Department – Budget increase of \$883,000. Overtime increased by \$300,000 to \$4,342,100. The additional \$300,000 is for City events which require police overtime. Attrition, underfill and worker’s compensation cut was decreased to accommodate Police Officers moving up the starting pay salary scale to year 2 or year 3.
- Education – Flat funded for FY 2019.
- Fire Department – Overtime increased by \$300,000. Fire attrition, underfill and worker’s compensation decreased by \$5 million.
- Vacancy Savings/Employee concessions remains flat at \$1.9 million.
- Contract Reserve – Status quo at \$1.8 million for open labor contracts, salary increases or other personnel matters.
- Debt Service – Debt Service increased by \$753,000 based on FY 2018 refinancing/refunding schedule.
- Self-Insurance – City Insurance Account coverages remain flat.
- Pensions – Overall pension budget flat.
- Medical Benefits – Medical increased by \$5 million from FY 2017-18 budget. Worker’s compensation, FICA, and unemployment budget remains flat. Other Post-employment benefits (OPEB retiree medical) budget remains flat.
- Capital Budget – City Share \$58.0 million.

Selected projects included in the FY 2018-2019 Capital Budget:

- \$27.2 million for the Engineering Department for street and sidewalk reconstruction; various bridge projects, facility rehabilitation, and street light upgrades.
- \$9.7 million for Economic Development Department to support the various development projects throughout the City
- \$6.2 million for Education for other general improvements and upkeep to school buildings and equipment (including computers).
- \$13.2 million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program. Includes one-time \$10 million public works facility.
- \$2.5 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.

- \$3.0 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
- \$950,000 for the Library department for various upgrades and improvements.
- \$3.9 million for Parks and Recreation for various park improvements, vehicles and equipment.

Fiscal Year 2017-18 Projected Results

The General Fund Budget for FY 2017-18 was \$538,906,953, an increase of \$15,566,757 (2.97%) from FY 2017. The 2016 Net Grand List increased by 8.4%. The mill rate decreased to 38.68 mills, a reduction of 2.87 mills or 7% to offset the increase in the grand list and moderate the resulting increase in taxes.

The City is projecting a General Fund (primary operating fund) deficit between \$12 million and \$15 million dollars; as a result of expenditures exceeding revenues for the fiscal year. The following summarizes the city projections at this time regarding the expected results of fiscal 2018.

Projected Revenue

The revenue budget has a projected shortfall between \$18-\$19 million due primarily to reductions in State aid, shortfall in building permits receipts and parking meter receipts and an inability to realize on a revenue initiative of \$18.6M.

In Fiscal Year 2017-18, the City budgeted major state aid would remain at FY 2016-17 levels. The State of Connecticut did not adopt a budget until the end of October 2017; which was well beyond the City charter requirement of the first Monday in June. When the State passed its budget, it included decreases in various State aid categories. The largest reductions came in College and Hospital PILOT, State Property PILOT, and Education Cost Sharing. The total State aid reduction for all grants totaled \$4.9 million. Additionally, the Board of Education lost approximately \$3.9M in other state education grants.

The City included in the FY 2018 budget a Revenue initiative budget of \$18.6 million, premised on the expected receipt of additional funds from the State and other sources. The City was not able to realize this budget initiative in FY 2018.

The other major revenue variance includes:

- Building Permits projected deficit \$1.7M below budget.
- Real Estate Conveyance is projected ahead by \$1.7 million.
- New Haven Parking Authority PILOT over budget by \$2 million.
- Parking meters below budget for May by \$691K.
- Parking tag collections projected level as previous fiscal year.
- Additional PILOT Payment from Yale for \$2.5M.

Property Taxes are projected to exceed budget by \$3.0M; while maintaining an overall collection rate of over 98%.

Projected Expenditure

The expenditure budget for FY 2017-18 experienced significant variances, but is projecting to end the fiscal year \$4.2M ahead of budget.

At the end of fiscal year 2017-18, Many General Fund Departments remained within or under budget. Some City departments are projected to exceed budget which include:

- Youth services exceed budget by \$450K due State budget cuts to youth at work/Workforce Alliance program.
- Education deficit projected at \$7.3 Million.
- Fire Department:
 - Overtime projected \$2.8M over budget.
 - Fire Salaries projected between \$1.2 and \$2.2M over budget.
- Police Overtime:
 - Overtime projected \$3.1M over budget.
 - Salaries projected \$3.0M under budget.
 - Non Personnel savings reduced the deficit.
- Workers Compensation:
 - Additional worker's compensation claims that came due in FY 2017-18.
- Medical Benefits:
 - Hit the stop loss for the first time in aggregate claims of \$500K.

Capital Budget – City Share \$43.3 million

- Selected projects included in the FY 2018 Capital Budget:
 - \$33.2 million for the Engineering department for street and sidewalk reconstruction, various bridge projects, facility rehabilitation, and street light upgrades.
 - \$8 million for economic development departments to support the various development projects throughout the City.
 - \$5.8 million for Education for other general improvements and upkeep to school buildings and equipment, including computers.
 - \$6.2 million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program.
 - \$2.8 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.
 - \$2.45 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
 - \$1.5 million for the Library department for various upgrades and improvements.
 - \$450,000 for various improvements at Tweed New Haven Airport.

B. Results of Operations

Table 1
City of New Haven General Fund Summary of Operations
 Fiscal Year 2015 - Fiscal Year 2019

	2015	2016	2017	2018	2019
	(Audited)	(Audited)	(Audited)	(Budgeted)	(Budgeted)
REVENUES					
Property taxes	\$249,968,781	\$250,993,094	\$252,389,650	\$249,924,307	\$279,265,138
Licenses, permits and other charges	25,735,466	18,835,218	21,780,551	25,091,098	21,695,500
Fines, forfeitures and penalties	5,127,968	5,534,393	5,143,809	4,921,000	5,221,000
Federal and state governments	210,276,874	209,712,056	221,330,444	221,446,939	215,691,366
Investment income	(12,940)	(6,891)	385,505	25,000	25,000
Other revenue	20,133,088	21,178,028	20,726,173	37,498,609	25,191,950
Total Revenues	\$511,229,237	\$506,245,899	\$521,756,132	\$538,906,953	\$547,089,954
EXPENDITURES					
General government	\$ 28,190,582	\$ 28,557,874	\$ 28,676,079	\$29,676,598	\$ 30,236,001
Development	6,611,901	7,114,299	9,373,020	10,376,373	9,851,837
Public safety	76,868,915	72,694,421	76,501,858	75,864,192	78,626,542
Public works/Engineering	15,056,249	16,778,514	15,082,283	16,116,191	15,746,446
Health and welfare	6,512,927	7,204,439	8,176,681	8,846,246	8,847,879
Education	177,202,076	180,207,166	184,849,956	187,218,697	187,218,697
Pension and insurance	142,688,459	137,010,540	141,125,816	152,961,984	157,961,984
Other expenditures	-	-	-	-	-
Capital outlays	-	-	-	-	-
Debt service	56,394,174	56,381,040	57,936,781	57,846,672	58,600,568
Total Expenditures	\$509,525,283	\$505,948,292	\$521,722,474	\$538,906,953	\$547,089,954
Excess (deficiency) of revenues over expenditures	\$ 1,703,954	\$ 297,607	\$ (5,417,965)	\$ -	\$ -
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	-	-	-	-	-
Net other financing source (uses)	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 1,703,954	\$ 297,607	\$ (5,417,965)	\$ -	\$ -
FUND BALANCE (DEFICIT), beginning of year	\$ 22,047	\$ 1,726,001	\$ 2,023,608	\$(3,394,357)	\$(18,457,039)
RESIDUAL EQUITY TRANSFER IN	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, end of year	\$ 1,726,001	\$ 2,023,608	\$(3,394,357)	\$(3,394,357)	\$(18,457,039)

Source: City of New Haven, Department of Finance

REVENUES OF THE CITY

In FY 2017, 57.58% of New Haven’s revenues came from local sources, while 42.42% came from other governmental units. From FY 2015 through FY 2019, General Fund revenues came from or are projected to come from the following sources:

Table 2
Revenues of the City ⁽¹⁾
Fiscal Year 2015 - Fiscal Year 2019

	2015 (Audited)		2016 (Audited)		2017 (Audited)		2018 (Budgeted)		2019 (Budgeted)	
	Amount	%								
Locally Generated Other Governmental Units	\$300,952,363	58.87	\$296,533,843	58.58	\$300,425,688	57.58	\$303,129,460	58.34	\$331,398,588	60.57
	<u>210,276,874</u>	41.13	<u>209,712,056</u>	41.42	<u>221,330,444</u>	42.42	<u>216,478,032</u>	41.66	<u>215,691,366</u>	39.43
Totals	<u>\$511,229,237</u>		<u>\$506,245,899</u>		<u>\$521,756,132</u>		<u>\$519,607,492</u>		<u>\$547,089,954</u>	

⁽¹⁾ Budgetary Basis

Source: City of New Haven, Department of Finance

Locally generated revenues consist of real and personal property taxes, other taxes and assessments and non-tax revenues (licenses, permits, services and fees, fines, rents, local Payments in Lieu of Taxes (“PILOTs”), miscellaneous sources, and interest income from short-term investments). Other governmental revenues are derived from State grants, including grants for education and State PILOT payments.

Property Taxes

Real property taxes are levied pursuant to a tax levy ordinance adopted by the Board of Alders, concurrent with adoption of the City’s General Fund budget. The Charter provides that by the third Monday in April of each fiscal year, the Mayor submit a proposed tax rate for the ensuing fiscal year. The Board of Alders is required to adopt a tax rate by the first Monday in June. The Board of Alders can reduce, but not increase, the tax rate as recommended by the Mayor. There is no taxing limit established in the Charter or by State law except as to classified property such as certified forest land which is taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Under existing statutes, the State is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation upon its power to tax such dwelling houses. In computing the amount of taxes to be collected for budgetary purposes, the Charter provides that the taxable grand list, as provided by the City Assessor, be multiplied by a factor which is to be 1% less than the amount of taxes collected for the last completed fiscal year. Table 3 shows current and back property tax collections as a percent of total General Fund revenues for FY 2010 through FY 2019.

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

(Budgetary Basis)

Fiscal Year Ended	Total Revenues	Property Taxes and Fees	Property Taxes as % of Total Revenues
6/30/2010	\$459,579,265	\$206,824,921	45.00
6/30/2011	467,916,515	218,720,737	46.74
6/30/2012	473,586,315	225,440,445	47.60
6/30/2013	481,875,935	230,988,342	47.94
6/30/2014	495,516,785	243,999,342	49.24
6/30/2015	511,229,237	249,968,781	48.90
6/30/2016	506,245,899	250,993,094	49.58
6/30/2017	521,756,132	252,389,650	48.37
6/30/2018 ⁽¹⁾	519,607,492	252,700,000	46.63
6/30/2019 ⁽²⁾	547,089,954	279,265,138	51.05

⁽¹⁾Fiscal year ended 6-30-18 is budgeted

⁽²⁾Fiscal year ended 6-30-19 is budgeted.

Source: City of New Haven, Department of Finance

Upon passage of the tax levy ordinance, City taxes, except as discussed below, become due and payable in equal installments on July 1 and January 1. Taxes may be paid without penalty on or before August 1 and February 1, respectively. All property tax bills under \$100 and are billed when they are due on July 1.

Outstanding real estate tax accounts are liened 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 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 2017 audited is 98.06% which was a decrease from the prior year’s rate of 99.08%. 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, 2017**

Grand List Year	Fiscal Year Ended	Tax Rate (in Mills)	<u>Collections at End of Fiscal Year</u>			Adjusted Tax Receivable 6/30/2017 ⁽³⁾	Collections through 6/30/2017		Balance Uncollected as of 6/30/2017
			Adjusted Tax Levy ⁽¹⁾	Original Collections ⁽²⁾	%		%		
10/1/2011	6/30/2013	38.88	227,705,601	227,626,731	99.97	227,705,601	227,441,118	99.88	264,483
10/1/2012	6/30/2014	40.80	241,203,289	240,521,693	99.72	241,203,289	240,880,752	99.87	322,536
10/1/2013	6/30/2015	41.55	249,550,583	247,382,319	99.13	249,550,583	247,990,402	99.37	1,560,181
10/1/2014	6/30/2016	41.55	251,404,363	247,240,939	98.34	251,404,363	249,084,977	99.08	2,319,386
10/1/2015	6/30/2017	38.68	251,492,664	246,609,814	98.06	251,492,664	246,609,814	98.06	4,882,850

⁽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, 2017 (Audited).

Source: City of New Haven, Department of Finance

All property types are assessed as of October 1 in each year for the tax levy effective the following July 1. Personal Property and Motor Vehicles are assessed at 70% of market value each October 1. The most recent real estate property revaluation in the City was completed for the October 1, 2017 Grand List.

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 2019.

**Table 5
Analysis of Grand List**

	<u>GL 2012 FY 2014</u>	<u>GL 2013 FY 2015</u>	<u>GL 2014 FY 2016</u>	<u>GL 2015 FY 2017</u>	<u>GL 2016 FY 2018</u>	<u>GL 2017 FY 2019</u>
Real Estate	\$5,266,248,588	\$5,180,330,768	\$5,164,516,517	\$5,223,077,937	\$5,748,533,145	\$5,753,727,663
Motor Vehicle	358,091,434	381,259,530	390,045,199	380,841,488	\$410,168,319	414,539,336
Personal Property	660,638,565	701,944,410	711,254,231	727,505,775	\$757,100,350	1,033,827,953
Gross Grand List	6,284,978,587	6,263,534,708	6,265,815,947	6,331,425,200	\$6,915,801,814	7,202,094,952
Exemptions	(200,279,289)	(148,135,549)	(175,265,543)	(258,448,128)	(326,046,053)	(595,468,205)
Net Grand List	\$6,084,699,298	\$6,115,399,159	\$6,090,550,404	\$6,072,977,072	\$6,589,755,761	\$6,606,626,747

Source: Office of the Tax Assessor

The table below lists the ten largest taxpayers in the City. The total assessed value of the top ten taxpayers is 16.78% of the total October 1, 2017 Net Taxable Grand List.

**Table 6
Principal Taxpayers**

GL 2016 FY 2017		GL 2017 FY 2018	2015 Grand List 2017 Fiscal Year (Real Property & Personal Property)	2016 Grand List 2018 Fiscal Year (Real Property & Personal Property)	2017 Grand List 2018 Fiscal Year (Real Property & Personal Property)
Rank	Corporation Name	Rank			
1	United Illuminating Co	1	\$274,985,330	\$287,376,014	\$297,787,840
2	Winn-Stanley	2	156,782,489	160,445,680	160,444,220
3	Fusco	3	131,832,821	122,613,210	121,040,330
4	Yale University	4	108,318,821	116,501,510	117,375,690
5	PSEG Power Connecticut LLC	5	96,333,263	74,521,401	83,002,959
6	MEPT Chapel Street LLC	7	57,499,660	66,382,020	54,281,631
7	Carbaetta	6	61,560,080	51,966,290	51,724,790
8	New Haven Towers	9	32,535,790	46,255,440	46,320,700
9	Howe St ⁽²⁾	8	45,467,520	47,250,630	45,250,630
10	HTA-YLW New Haven LLC ⁽¹⁾	10	19,679,170	41,142,990	41,518,070

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

(2) Formerly Intercontinental

Source: Office of the Tax Assessor

In FY 2016, the City collected \$250,993,094 in current and delinquent real and personal property taxes, including interest and penalties, and supplemental motor vehicle taxes, compared to \$252,389,651 from these sources in FY 2017; \$249,924,307 was budgeted for FY 2018 and \$279,265,138 is budgeted for FY 2019.

Other Taxes and Assessments

The City collects a Real Estate Conveyance Tax on real estate transactions at a rate of \$.5000 for each \$1,000 of the purchase price of property conveyed. \$2,651,308 was collected in FY 2016, \$1,923,606 in FY 2017, \$1,700,000 was budgeted for FY 2018 and \$1,800,000 is budgeted for FY 2019.

Along with other sources, including additional payments associated with the Air Rights parking facility revenue bonds, the City collected \$2,819,523 in FY 2016 from "Other Taxes and Assessments" and \$2,784,610 in FY 2017. \$2,880,000 was budgeted for FY 2018 and \$2,975,000 is budgeted for FY 2019.

Locally Generated Non-Tax Municipal Revenues

For FY 2016, the City collected \$28,057,776 in locally generated non-tax revenue from licenses, permits, services, fines, rents, payments in lieu of taxes from other local sources, and miscellaneous sources. In FY 2017 the City collected \$30,841,378 from such sources. \$33,425,773 was budgeted for FY 2018 and \$30,330,175 is budgeted for FY 2019.

Interest income is derived from the short-term investment of idle funds in certificates of deposit, U.S. Treasury securities, repurchase agreements, and participation in the State of Connecticut Short Term Investment Fund (STIF). Over the past few years the City's interest income has been overcome by the cost of banking services, and due to this, the City had -\$6,891 net interest income during FY 2016. The

City had \$385,505 net interest income for FY 2017, \$25,000 was budgeted for FY 2018 and \$25,000 is budgeted for FY 2019.

State Assistance

The City receives grants from the State for education programs, payments made in lieu of taxes, and grants for other purposes. Nearly all State grants for education are deposited, pursuant to State law, in the General Fund. Certain categorical and restricted State grants are deposited into special revenue funds.

State Grants for Education

The Education Cost Sharing (E.C.S.) Grant authorized by State legislation in 1988, and effective beginning July 1, 1989, replaced the Guaranteed Tax Base Grant and the Education Enhancement Aid grant programs, and is the largest form of State aid to Connecticut cities and towns.

The E.C.S. Grant is based on a formula, which calculates State aid using a Minimum Expenditure Requirement, considering mastery test scores and a student poverty measure to determine student need. A State aid percentage based on the City’s wealth is also compared to the State guaranteed town wealth level.

The City received Education Cost Sharing grant funds in the amounts of \$142,681,585 in FY 2016 and \$142,450,308 in FY 2017. \$142,509,525 was budgeted for FY 2018 and \$143,395,358 is budgeted for FY 2019.

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 taxes.

The table below provides an analysis of the City’s PILOTs from FY 2016 to FY 2019.

PILOT	FY 2015-16 (Actual)	FY 2016-17 (Actual)	FY 2017-18 (Budget)	FY 2018-19 (Budget)
Colleges and Hospitals	\$41,698,019	\$40,483,204	\$40,463,189	\$36,545,385
State Property	\$6,993,359	\$6,013,572	\$6,172,271	\$5,146,251
Municipal Revenue Sharing – Additional PILOT	-	\$14,584,940	\$14,584,940	\$15,246,372
Motor Vehicle Tax Reduction PILOT	-	\$2,118,290	\$3,393,780	-
Other PILOTs (Low Income Veterans, PILOT for Disabled,	\$73,492	\$63,889	\$72,000	\$60,000
Total PILOTs	\$48,764,870	\$63,263,895	\$64,686,180	\$56,998,008

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 2019.

Other State Grants	FY 2015-16 (Actual)	FY 2016-17 (Actual)	FY 2017-18 (Budget)	FY 2018-19 (Budget)
Mashantucket Pequot	\$6,224,317	\$5,794,422	\$5,753,352	\$5,503,352
Town Aid for Roads	\$1,248,795	\$1,245,504	\$1,248,795	\$1,245,504
Telecommunications Property Tax	\$605,491	\$644,864	\$625,000	\$625,000
Off Track Betting	\$688,344	\$557,167	\$675,000	\$675,000
Grants for Municipal Projects	\$1,369,123	\$1,369,123	-	\$1,369,123
Municipal Stabilization Grant	-	-	-	\$1,675,450
Other Revenues (Distressed Cities Exemption, Tax Relief for the Elderly-Freeze, Homeowners Tax Relief-Elderly, Low Income Tax Abate. Program, Shell Fish)	\$1,633,684	\$789,564	\$895,000	\$(33,000)
Total PILOTS	\$11,769,754	\$10,400,644	\$9,197,147	\$11,060,429

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	
	<u>Audited</u>	<u>%</u>	<u>Audited</u>	<u>%</u>	<u>Budgeted</u>	<u>%</u>	<u>Budgeted</u>	<u>%</u>
General Government	\$28,557,874	5.6%	\$28,676,079	5.5%	\$23,697,839	4.42%	\$30,236,001	5.7%
Development	7,114,299	1.4%	9,373,020	1.8%	9,180,873	1.7%	9,851,837	1.8%
Public Safety	72,694,421	14.4%	76,501,858	14.7%	81,602,316	15.3%	78,626,542	14.7%
Public Works	16,778,514	3.3%	15,082,283	2.9%	15,813,144	3.0%	15,746,446	2.9%
Health and Welfare	7,204,439	1.4%	8,176,681	1.6%	18,693,313	3.5%	8,847,879	1.7%
Board of Education	180,207,166	35.6%	184,849,956	35.4%	194,105,166	36.3%	187,218,697	35.0%
Pension and Insurance	137,010,540	27.1%	141,125,816	27.0%	163,304,542	30.5%	157,961,984	29.5%
Debt Service	56,381,040	11.1%	57,936,781	11.1%	28,272,981	5.3%	58,600,568	11.0%
	<u>\$505,948,292</u>	<u>100.0%</u>	<u>\$521,722,474</u>	<u>100.0%</u>	<u>\$534,670,174</u>	<u>100.0%</u>	<u>\$547,089,954</u>	<u>102.3%</u>

Presented on Budgetary Basis
Source: City of New Haven Department of Finance

Employee Relations

Authorized full time employees of the City were 1,508 in FY 2017 and were budgeted to be 1,508 in FY 2018 and are budgeted to remain at 1,508 in FY 2019. Of this number, City department heads and certain employees of the Mayor's Office and Personnel Office are not covered by collective bargaining agreements.

Table 8 illustrates the number of budgeted full-time employees in primary areas of service delivery over the past six fiscal years.

Table 8
Full-Time General Fund Authorized Positions ^{(1) (2)}

Service	2013	2014	2015	2016	2017	2018	2019
General Government	131	131	135	135	137	137	137
Protection of Persons and Property	987	985	984	974	975	975	975
Health and Welfare	70	70	73	84	93	93	93
Culture and Recreation	95	94	93	97	101	101	101
Public Works & Engineering	125	123	122	122	122	121	121
Development	74	74	73	76	80	81	81
Total	1,482	1,477	1,480	1,488	1,508	1,508	1,508

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

⁽²⁾ Board of education positions are not authorized by the Board of Alders in conjunction with the City's annual budget. Please see Table 12 for Board of Education information.

Source: City of New Haven Office of Management and Budget

The table below summarizes the City and Board of Education bargaining units and their contract expiration dates:

Table 9
Municipal Employees Bargaining Organizations

City Group	Contract Expires
(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	6/30/2016 ⁽¹⁾
(Fire) Local 825, International Association of Firefighters, AFL-CIO	6/30/2018 ⁽¹⁾
(Nurses) Local 1303-467, AFSCME, AFL-CIO	6/30/2020
(City Attorneys) Local 1303-464, AFSCME-CIO	6/30/2016 ⁽²⁾
Crossing Guard Association of the City of New Haven	N/A
Board of Education	Contract Expires
(Paraprofessionals) Local 3429, AFSCME, AFL-CIO	6/30/2019
(Cafeteria Workers) Local 217, AFL-CIO	6/30/2020
(Teachers) Local 933, AFT, AFL-CIO	6/30/2018 ⁽¹⁾
(School Administrators) Local 18	6/30/2020
Trade Unions (Local 24, 90 & 777 Council 11)	6/30/2021
(Custodians) Local 287, AFSCME, AFL-CIO	6/30/2018 ⁽¹⁾

⁽¹⁾ In negotiation and/or arbitration.

⁽²⁾ Waiting for dismissal from Board of Alders.

Source: City of New Haven Labor Relations

Labor Relations

The City has successfully settled the following contracts: Public Works Union (Local 424), Nurses Union (Local 1303-467), and Management and Supervisory Union (Local 3144). There is a settlement pending legislative approval for the Attorneys' Union (Local 1303-464). The City's Office of

Labor Relations is currently in binding arbitration with the Police Union, whose contract expired June 30, 2016, and will begin negotiations in January 2019 with the Fire Union (Local 825).

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 balance the City's ability to provide benefits to its employees at a level commensurate with its ability to pay.

The City has successfully negotiated contracts which now contain more manageable and cost-effective health care plans. This has included the introduction of a high deductible health care plan along with a Health Savings Account (HSA). Furthermore, the City has begun to address its retiree medical benefits liability by limiting future retiree medical benefits to the employee only for new hires and, in the case of the Public Works unit, in eliminating retiree medical for new hires. Additionally, 7 unions to date have agreed to pay a percentage of their base pay towards the cost of retiree medical coverage, which represents a breakthrough in establishing a funding stream for this liability. This payment has been negotiated into the Local 71 (Blue Collar), Local 884 (Clerical), Local 424 (Public Works), Local 1303-467 (Nurses), Local 3144 (Management and Supervisory), Local 1303-464 (Attorneys), and Local 530/Elm City contracts.

The City's negotiating goal is to be aggressive in its pursuit of more cost-effective health and benefit packages with all its labor unions.

Risk and Benefits Management

The City has 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, placing 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 creating a safe work environment. The safer work environment will reduce job-related injuries and save the City on workers' compensation claims. Most importantly, the City has worked steadfastly on work zone safety including street and road construction, driver training and conducts safety meetings with all of its City agencies.

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 for police officers and firefighters hired after December 31, 1957. Police and Fire Plan No. 1 and Police and Fire Plan No.2 were merged into a single pension fund, by means of an ordinance adopted on May 29, 1990. Retirement benefits for school administrators and certified teachers are provided by the Connecticut State Teacher's Retirement System. The City does not contribute to this plan.

The CERF market value of plan assets has grown from \$84,075,100 (as of June 30, 1992) to \$163,691,240 (as of June 30, 2016) per actuarial valuation. The P&F market value of plan assets has

grown from \$115,987,200 (as of June 30, 1992) to \$324,674,234 (as of June 30, 2016) per actuarial evaluation.

The FY 2017 audited pension contribution for CERF was \$20,400,121, and the FY 2017 audited pension contribution for P&F was \$27,536,158. The ADEC (Actuarially Determined Required Contribution) for CERF and P&F for FY 2018 were \$21,662,917 and \$34,607,857, respectively. The ADEC for CERF and P&F for FY 2019 are \$21,662,917 and \$34,607,857, respectively. As of June 30, 2017, there were 1,103 retirees and beneficiaries receiving benefits from CERF with 937 active plan members and 86 members who had contingent eligibility for a deferred benefit or a return of their own contributions. As of June 30, 2017, there were 1,303 retirees and beneficiaries receiving benefits from P&F with 753 active plan members and 35 members who had contingent eligibility for a deferred benefit or a return of their own contributions.

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

The table below summarizes the City's General Fund contributions to the pension program. Fund contributions are made as determined by actuarial recommendation. Since FY 1995, the City has contributed the actuarially determined contribution for both pension funds. The City budgeted the ADEC for FY 2018, but for FY 2019 the City has budgeted underfunding the ADEC by approximately \$1.4 million.

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

<u>Fiscal Year</u>	<u>General Fund Contribution</u>	<u>Total Expenditures</u>	<u>%</u>
2010	\$ 29,312,906	\$ 459,427,337	6.38
2011	30,707,922	467,266,612	6.57
2012	39,663,624	481,622,139	8.24
2013	41,235,722	486,381,040	8.48
2014	41,285,083	490,773,183	8.41
2015	42,796,338	509,525,283	8.40
2016	45,597,493	505,948,292	9.01
2017	47,895,450	521,722,474	9.18
2018 ⁽¹⁾	56,570,774	534,670,174	10.58
2019 ⁽²⁾	61,270,774	547,089,954	11.20

⁽¹⁾ Fiscal year ended 6-30-18 is budgeted.

⁽²⁾ Fiscal year ending 6-30-19 is budgeted.

Source: Audited Financial Statements

Table 11
Schedule of Funding Progress
 (Actuarial Value of Assets/Actuarial Accrued Liability)

City Employees' Retirement Fund

<u>Valuation Date</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
6/30/2008	\$136,509,700	60.4%
6/30/2010	203,942,024	46.5%
6/30/2012	229,024,154	42.5%
6/30/2014	266,979,798	39.3%
6/30/2016	296,927,053	37.3%

Policemen's and Firemen's Pension Fund

<u>Valuation Date</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
6/30/2008	\$211,848,865	58.7%
6/30/2010	266,843,043	52.1%
6/30/2012	312,290,550	47.5%
6/30/2014	335,949,975	50.1%
6/30/2016	455,181,870	42.7%

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 2016 \$28,303,000 was paid for OPEB costs, for FY 2017 \$27,820,000 was paid, \$27,229,000 (unaudited) was made in FY 2018 and \$28,000,000 is projected for FY 2019.

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 July 1, 2015, the City’s estimated unfunded Actuarial Accrued Liability for its OPEB plan was \$556,889,000. The City established an OPEB trust in 2012 that, as of June 30, 2017, had a balance of approximately \$1,594,455. 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 and was budgeted in FY 2018. A contribution of \$405,000 is projected for FY 2019.

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 an eight-member Board of

Education. The Board consists of the Mayor and seven mayoral appointees who serve staggered four year terms. The Department is administered by a Superintendent of Schools who is appointed by the Board of Education. The Department is financed through the General Fund of the City and the State principally through the Education Cost Sharing Grant and its budget is prepared in the same manner as that of other City departments. Expenditures of the Department are audited by the City’s auditor. Financial transactions vary from those of other City departments in that subsequent to adoption of the General Fund budget, the Board of Education has control over its budget.

The City issues debt on behalf of the Department of Education, and, with the exception of certain categorical State and Federal grants, all revenues and reimbursements are accounted for in the General Fund. The State reimburses the City for certain debt service costs associated with debt for eligible Board of Education projects. The table below illustrates personnel, enrollment, General and Non-General Fund Department expenditures.

Table 12
New Haven Department of Education
Fiscal Year Ended June 30

	2013	2014	2015	2016	2017
Enrollment	21,420	21,718	21,315	21,890	22,119
Schools	47	47	47	47	47
Teaching Positions ⁽¹⁾	1,472	1,398	1,348	1,505	1,505
Administrative Positions ⁽¹⁾	112	113	112	113	108
Non-Certified Positions ⁽¹⁾	808	696	691	692	480
Total Personnel	2,392	2,207	2,151	2,310	2,093
General Fund Expenditures	\$174,774,403	\$177,199,032	\$177,202,076	\$180,207,166	\$184,849,956
Special Fund Expenditures	119,961,089	104,018,806	133,945,649	-	-
Total Expenditures	\$294,735,492	\$281,217,838	\$311,147,725	\$180,207,166	\$184,849,956

⁽¹⁾ Does not include staff paid from sources other than the General Fund.
Source: City of New Haven Board of Education

Based on audited figures for FY 2002 through 2017, 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 2018 and FY 2019.

DEBT OF THE CITY

Procedure for Debt Authorization

City bonds are customarily authorized concurrent with the City’s capital budget appropriations. The Charter provides that the authorization of bonds be specific as to the purpose of such issue and in no case shall the term of any bond issue be greater than the life of the public improvements therein provided for, as determined by the Board of Alders. In addition, State law authorizes the City to issue revenue bonds and to borrow in anticipation of the sale of bonds or the receipt of grants.

Pursuant to the City’s Code of Ordinances, a Bond Sale Committee, consisting of the Mayor, the Controller, and the President, Majority Leader, and Minority Leader of the Board of Alders (the “Bond Sale Committee”), is vested with the authority to supervise and approve all sales of bonds, notes, or other obligations of the City which such obligations have been duly authorized by the Board of Alders.

Debt Limitation

The City is limited by the Connecticut General Statutes to incurring indebtedness, in certain classes, in amounts which will not cause the aggregate indebtedness in each class to exceed the factors stated in Table 13 multiplied by total tax collections for the most recent audited fiscal year preceding the date of issuance. Total indebtedness is limited to seven (7) times such tax collections. The computation of total tax collections includes current and back taxes, interest, penalties, and certain payments made by the State to the City in lieu of taxes. Certain indebtedness is excluded in computing aggregate indebtedness as follows:

- A. Each bond, note and other evidence of indebtedness issued in anticipation of taxes or issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects for the construction of subways for cables, wire and pipes, for the construction of conduits for cables, wires and pipes for the construction and operation of a municipal antenna television system, and for two or more of such purposes;
- B. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by a public improvement;
- C. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from any State or federal grant;
- D. Each bond, note or other evidence of indebtedness issued for water pollution control projects in order to meet the requirements of an abatement order, provided the municipality has a plan for levying the system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality to repay such obligations as the same becomes due and payable; and
- E. Upon placement in escrow of the proceeds of refunding bonds, notes or other obligations in an amount sufficient to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

Table 13
Debt Margin as of June 30, 2017

Pro Forma

Total tax collections (including interest and lien fees) received for the year ended June 30, 2017 ⁽¹⁾ .	\$252,389,650
Reimbursement for revenue loss from: Tax Relief for the Elderly Base	<u>\$252,389,650</u>

	General	Schools	Sewers	Urban Renewal	Unfunded Pensions	Totals
Debt Limitation						
2-1/4 times base	\$ 567,876,713	\$ -	\$ -	\$ -	\$ -	\$ 567,876,813
4-1/2 times base	-	1,135,753,425	-	-	-	1,135,753,425
3-3/4 times base	-	-	946,461,188	-	-	946,461,188
3-1/4 times base	-	-	-	820,266,363	-	820,266,363
3 times base	-	-	-	-	757,168,950	757,168,950
Total Debt Limitation⁽²⁾	\$ -	\$ 1,766,727,550				
Indebtedness⁽³⁾						
Bonds Payable	\$ 252,935,657	\$ 197,780,465	\$ -	\$ 24,719,486	\$ -	\$ 475,435,607
Grant Anticipation Note ⁽⁴⁾	-	57,633,476	-	-	-	57,633,476
Bond Anticipation Notes	-	-	-	-	-	-
School Grants Receivable	-	(37,054,859)	-	-	-	(37,054,859)
Bonds Authorized and Unissued ⁽⁵⁾	-	216,255,187	-	-	-	216,255,187
Total Indebtedness	\$ 252,935,657	\$ 434,614,269	\$ -	\$ 24,719,486	\$ -	\$ 712,269,411
Component Unit Indebtedness⁽⁶⁾						
New Haven Parking Authority	\$ 6,180,000	\$ -	\$ -	\$ -	\$ -	\$6,180,000
New Haven Solid Waste Authority	6,535,000	-	-	-	-	6,535,000
Total Indebtedness	\$ 265,650,657	\$ 434,614,267	\$ -	\$ 24,719,486	\$ -	\$ 724,984,411
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 302,226,056	\$ 701,139,157	\$ 946,461,188	\$ 795,546,877	\$ 757,168,950	\$ 1,041,743,139

⁽¹⁾ Collections through June 30, 2017.

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

⁽³⁾ As of June 30, 2017.

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

⁽⁵⁾ Includes approximately \$216 million which will be funded by school construction grants from the State of Connecticut. The City does not intend to issue bonds for the amount of the State grants.

⁽⁶⁾ As of June 30, 2017.

Source: City of New Haven, Department of Finance

City Debt Service

The following table outlines general obligation debt payments as a percentage of general fund expenditures.

Table 14
General Fund Debt Service Report

(As a Percent of General Fund Expenditures)

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 ⁽¹⁾	534,670,174	City	28,272,981	5.29%
2019 ⁽²⁾	547,089,954	City	58,600,568	10.71%

⁽¹⁾ Fiscal year ended 6-30-18 is budgeted

⁽²⁾ Fiscal year ending 6-30-19 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 \$124.1 million FY 2013 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for \$61.4 million, and State and Federal financing provided approximately \$62.7 million.

The \$63.0 million FY 2014 Capital Budget focused on economic development, self-insurance financing, police and fire services, education, and public works. City bonding accounted for \$33.1 million, and State and Federal financing provided approximately \$29.9 million.

The \$49.5 million FY 2015 Capital Budget focused on economic development, parks, police and fire services, education, and public works. City bonding accounted for \$39.6 million and State and Federal financing provided approximately \$7.8 million.

The \$68.9 million FY 2016 Capital Budget focused on economic development, education, public works, finance initiatives, police and fire services, and parks. City bonding accounted for \$46.1 million, and State and Federal financing provided \$22.8 million.

The \$94.3 million FY 2017 Capital Budget focused on economic development, education, public works, finance initiatives, police and fire services, golf course and parks. City bonding accounted for \$46.2 million, State funding provided \$44.8 million, Federal funding provided \$1.1 million and \$2.2 million will be reimbursed by the golf course enterprise fund to the general fund for improvements made at the golf course.

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.

As described under “**CAPITAL IMPROVEMENT PROGRAM,**” the FY 2019 Capital Budget and five-year plan focuses on economic development, engineering, libraries, education, rolling stock, and information technology.

FY 2019

	<u>Amount</u>
City Bonding	\$58,030,000
State Funding - Non School Construction	15,911,086
State Funding - New School Construction	-
Federal Funding	4,650,000
Enterprise Funding	-
Total Capital Budget	\$78,591,086

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

**Table 15
Outstanding Debt 2013-2018
for Fiscal Years Ended June 30**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽¹⁾</u>
General Obligation Bonds	\$502,002,907	\$514,855,326	\$515,645,466	\$522,993,825	\$522,453,130	\$500,155,093
Short Term Debt	67,925,927	56,552,843	50,290,885	68,825,028	56,587,951	57,633,476
Other Long Term Debt	17,765,794	17,362,601	11,884,196	11,185,949	9,600,551	11,185,949
Gross Direct Debt	587,694,628	588,770,770	577,820,547	603,004,802	588,641,632	568,974,518
Gross Overall Debt	587,694,628	588,770,770	577,820,547	603,004,802	588,641,632	568,974,518
Deductions						
GNHWPCA	-	-	-	-	-	-
GNHWPCA Short Term Debt	-	-	-	-	-	-
Grants Receivable	39,494,765	34,668,231	28,387,548	24,107,993	19,191,897	-
Notes Receivable	67,925,927	56,552,843	50,290,885	68,825,028	56,587,951	57,633,476
Net Direct Debt	\$480,273,936	\$497,549,696	\$499,142,114	\$510,071,780	\$512,861,784	\$511,341,042

⁽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
as of June 30, 2018
General Obligation, Education and Sewers

<u>Year</u>	<u>Principal and Interest⁽¹⁾⁽²⁾⁽³⁾</u>
2019	\$ 67,085,005
2020	69,776,726
2021	68,826,448
2022	65,376,360
2023	61,909,632
2024	57,882,636
2025	54,850,234
2026	51,743,025
2027	48,556,571
2028	40,232,445
2029	30,105,202
2030	26,765,148
2031	22,490,700
2032	20,630,166
2033	18,199,682
2034	15,691,875
2035	13,758,125
2036	10,864,625
2037	7,190,625
2038	3,367,125
Total	\$755,302,355

⁽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 6.6% in the current federal fiscal year and 6.2% for the federal fiscal year beginning October 1, 2018.

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

⁽³⁾ Totals may not add due to rounding.

Source: City of New Haven, Department of Finance

Short Term Indebtedness

Whenever any town or city in the State has authorized the issuance of general obligation bonds under the provisions of any public or special act, it may authorize the issuance of temporary notes in anticipation of the receipt of the proceeds from the sale of such bonds. The amount of such notes may equal but not exceed the amount of such bonds and can be renewed from time to time. Should the period between the date of the original notes and the maturity of the notes exceed two years, a payment of principal is required during the third and each subsequent year during which such temporary notes remain outstanding. Notes may not be renewed beyond ten years from the date of original issue. In addition, the General Statutes of Connecticut authorizes the City to borrow in anticipation of the receipt of State grants-in-aid.

School Construction Projects

For school construction projects approved by the State Legislature prior to July 1, 1996, the State of Connecticut will reimburse the City for principal and interest on bonds issued for eligible school construction costs over the life of outstanding school bonds.

For projects approved on or after July 1, 1996, Section 10-287i of the Connecticut General Statutes provides for proportional progress payments for eligible school construction costs. The City will only be required to issue bonds for costs net of such progress payments. The City is currently reimbursed at the rate of approximately 79 percent. This percentage is recalculated by the State annually. For certain Charter and Magnet Schools the reimbursement rate is 90 percent. All of the current school projects under construction were approved after July 1, 1996 and are subject to progress payments.

School construction projects that were approved by the State on or after July 1, 1996 are subject to progress payments which reimburse the City for costs during construction. In order to facilitate cash flow, the City has issued a general obligation note in anticipation of the State grants under a tax-exempt revolving loan agreement (the "Agreement"). This general obligation note can accommodate the issuance of up to \$70,000,000 of grant anticipation notes and bond anticipation notes under the Agreement which expires on May 26, 2020. As of June 30, 2017, the City has \$56,587,951 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, 2017 the City had \$216,255,187 of authorized but unissued debt for projects in the FY 2017 capital budget and amounts remaining from previous capital budgets. This amount has been authorized solely for school construction bonds as of June 30, 2017.

Debt Statement

The table on the following page sets forth categories of outstanding debt which have been issued or guaranteed by the City, or which are supported by the City's General Fund and are the responsibility of the City to repay. General obligation debt of the City is indebtedness to which the City has pledged its full faith and credit for the repayment of principal and interest.

Contingent liabilities of the City consist of New Haven Parking Authority revenue bonds and the Shubert Performing Arts Center management lease agreement which do not constitute a pledge of the full faith and credit of the City.

The Greater New Haven Water Pollution Control Authority (the "GNHWPCA" or the "Pollution Control Authority") is a regional water pollution control authority that owns and operates a wastewater collection and treatment system over the territory of four municipalities – New Haven, East Haven, Hamden and Woodbridge. The debt of the GNHWPCA is a special limited obligation of the Pollution Control Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or any of the member municipalities is pledged to the repayment of the GNHWPCA's debt.

The New Haven Solid Waste and Recycling Authority (the “NHSWRA” or the “Waste Authority”) is a municipal resource recovery authority responsible for solid waste disposal, resource recovery and waste management in the City. The debt of the NHSWRA is a special limited obligation of the Waste Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or the City is pledged to the repayment of the NHSWRA’s debt.

**Table 17
City of New Haven
as of June 30, 2018**

GENERAL OBLIGATION DEBT		
General Purpose	\$277,655,143	
Schools	197,780,465	
Sewer	-	
Urban Renewal	24,719,486	
Subtotal General Obligation Debt	500,155,093	
Total General Obligation Debt		\$500,155,093
SHORT-TERM DEBT		
Bond Anticipation Notes	-	
Short Term Notes	-	
Grant Anticipation Notes ⁽¹⁾	57,633,476	
Total Short Term Debt		\$57,633,476
OTHER LONG-TERM DEBT		
Contractual Agreement Sewer (GNHWPCA) ⁽²⁾	7,716,244	
Operating Lease Obligations ⁽³⁾⁽⁴⁾	1,628,237	
Shubert Theater (CAPA)	249,000	
Total Other Long Term Debt		11,185,949
GROSS DIRECT DEBT		\$568,974,518
GROSS OVERALL DEBT		\$568,974,518
DEDUCTIONS		
EDUCATION		
Grants Receivable ⁽¹⁾	-	
Notes Receivable ⁽¹⁾	57,633,476	
Total Deductions		57,633,496
NET DIRECT DEBT		\$511,341,042

⁽¹⁾ School Construction Grants receivable of \$57,633,476 are to be reimbursed by the State of Connecticut.

⁽²⁾ This represents 40% of the Clean Water Fund debt previously in the City's name. On August 29, 2005 the City's Water Pollution Control Authority (WPCA) was sold to the Greater New Haven Water Pollution Control Authority (GNHWPCA). Upon the sale, GNHWPCA assumed all general fund debt of the City's WPCA. On June 14, 2008 this debt was transferred to the name of GNHWPCA. The City is contractually obligated to reimburse the Greater New Haven Water Pollution Control Authority under an agreement which requires the City to pay 40% of the Clean Water Fund debt issued for purposes of the Combined Sewer Overflow program.

⁽³⁾ The City leases office space under non-cancelable operating leases. As of June 30, 2017 the total future minimum rental payments under these leases are as follows:

Fiscal Year	Principal
2018	\$ 2,078,823
thereafter	<u>1,141,881</u>
Total	<u>\$ 3,220,705</u>

⁽⁴⁾ All operating leases contain non-appropriation clauses.
Source: City of New Haven Department of Finance

Debt Ratios

The table below sets forth certain debt ratios based upon the City's Debt Statement as of June 30, 2017.

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

	<u>Amount</u>	<u>Debt Per Capita</u> ⁽¹⁾	<u>Percentage of Debt to Net Taxable Grand List</u> ⁽²⁾	<u>Percentage of Debt to Full Value Grand List</u> ⁽³⁾
Gross Direct Debt	\$814,025,852	\$6,213	12.35%	8.65%
Gross Overall Debt	\$814,025,852	\$6,213	12.35%	8.65%
Net Direct Debt	\$756,392,376	\$5,773	11.48%	8.03%

(1) The population of the City is from the 2015 Census estimate: 130,322.

(2) The Net Taxable Grand List of the City dated October 1, 2016 is \$6,589,755,761.

(3) The full value of the taxable property of the City at October 1, 2014 is \$9,413,801

Source: City of New Haven, Department of Finance

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program of the City begins with departmental requests identifying the projects and providing an estimate of the cost and justification of the project. The departmental requests are transmitted to the Capital Projects Committee, which is composed of the Controller, two members of the Board of Alders (not from the same political party), a member of the City Plan Commission appointed by the Mayor, the Planning Director, and four citizen members appointed by the Mayor, whose terms run concurrently with the Mayor's term.

**Table 19
The Five Year Capital Plan**

	2019	2020	2021	2022	2023	Total
Finance & Information						
Technology	\$2,965,000	\$3,340,000	\$3,440,000	\$3,440,000	\$3,540,000	\$16,725,000
Library	950,000	750,000	750,000	750,000	750,000	3,950,000
Parks	3,990,000	4,450,000	4,400,000	4,400,000	4,400,000	21,640,000
Public Safety						
Communications	-	-	-	-	-	-
Police	985,000	1,150,000	1,125,000	1,125,000	1,125,000	5,510,000
Fire	1,560,000	1,975,000	4,250,000	2,050,000	2,050,000	11,885,000
Health & Welfare	405,000	320,000	320,000	310,000	310,000	1,665,000
Public Works	16,186,086	6,977,508	6,377,508	6,377,508	6,377,508	42,296,118
Engineering	27,200,000	8,900,000	6,600,000	6,550,000	6,550,000	55,800,000
Economic Development	9,725,000	14,662,892	13,715,072	13,006,322	10,906,322	62,015,608
Education	6,225,000	6,225,000	6,245,000	6,245,000	6,245,000	31,185,000
Scott Lewis Replenishment	8,400,000	-	-	-	-	8,400,000
Total Budget	\$78,591,086	\$48,750,400	\$47,222,580	\$44,253,830	\$42,253,830	\$261,076,726
City Funding	\$58,030,000	\$46,747,892	\$45,220,072	\$42,251,322	\$40,251,322	\$232,500,608
State Funding	\$15,911,086	\$1,852,508	\$1,852,508	\$1,852,508	\$1,852,508	\$23,321,118
Federal Funding	\$4,650,000	\$150,000	\$150,000	\$150,000	\$150,000	\$5,250,000
Enterprise Funding	\$-	\$-	\$-	\$-	\$-	\$-
Total City Budget	\$78,591,086	\$48,750,400	\$47,222,580	\$44,253,830	\$42,253,830	\$261,071,726

Source: City of New Haven Office of Management and Budget

The Capital Projects Committee reviews and evaluates departmental requests and recommends a Capital Improvement Program to the Mayor not later than February 15th of each year. The Mayor shall prepare and submit a capital budget to the Board of Alders as part of the annual budget submission. After a public hearing, the Board of Alders adopts an ordinance appropriating funds for capital projects. The capital budget is primarily used to finance improvements with an average life of five years or more as well as large scale permanent improvements. Regular capital improvement programs for the maintenance of City streets, sewers, parks and for purchases of major equipment are also financed through the capital budget. Capital budget funding comes from the following three primary sources: The City's general obligation bonds, State resources and Federal resources. Below is a listing of recent projects to be funded from bonds of the City presented to the Capital Projects Committee. The City's borrowing is expected to decline over the 5 years.

Selected Projects included in the FY 2018-2019 Capital Budget:

- \$27.2 million for the Engineering Department for street and sidewalk reconstruction; various bridge projects, facility rehabilitation, and street light upgrades.
- \$9.7 million for Economic Development Department to support the various development projects throughout the City.
- \$6.2 million for Education for other general improvements and upkeep to school buildings and equipment (including computers).
- \$13.2 million for Public Works for vehicles, bridge repairs, facility maintenance and the ongoing pavement management program. Includes one-time \$10 million public works facility.

- \$2.5 million for the Police and Fire departments for vehicles, equipment, and station rehabilitation.
- \$3.0 million for the Finance and Information Technology departments to upgrade software, hardware, and various technology infrastructure.
- \$950,000 for the Library department for various upgrades and improvements.
- \$3.9 million for Parks and Recreation for various park improvements, vehicles and equipment.

RELATED AUTHORITIES

The New Haven Parking Authority

The New Haven Parking Authority (the “Parking Authority”) was created and established in 1951 by the General Assembly of the State. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five members appointed by the Mayor, not more than three of whom may be members of the same political party. The term of the appointed members of the Parking Authority is five years and one member’s term expires on August 15 in each year. The term of the Traffic Engineer is indefinite. The daily operations of the Parking Authority are administered by its Executive Director.

The Parking Authority is authorized in the name of the City to acquire, construct, reconstruct, improve, operate and maintain parking facilities at such locations as shall be approved by the Board of Alders. Subject to authorization and approval by the Board of Alders, the Parking Authority has the power to acquire real property or any interest therein for parking facilities by purchase, gift, devise, lease or by exercise of the power of eminent domain. The Parking Authority owns and operates or leases (as lessor) six major multi-level, drive-in parking garages primarily serving the downtown areas of the City, comprising approximately 6,456 parking spaces. In addition, the Parking Authority owns or leases (as lessee) and operates sixteen surface parking lots serving the downtown and other areas of the City. The aggregate number of parking spaces of all of the Parking Authority’s garage and lot facilities is 8,866.

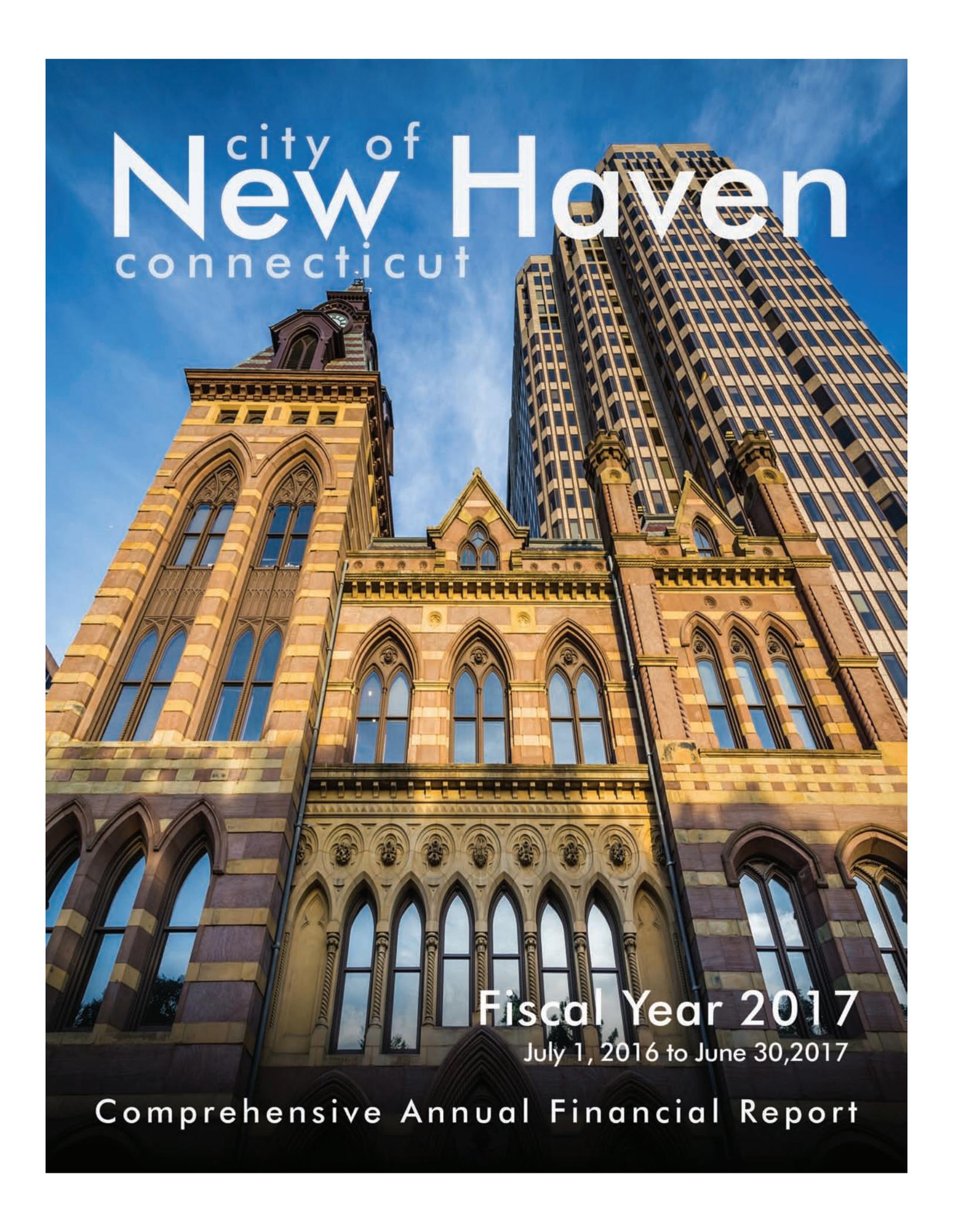
The Parking Authority is also authorized, subject to authorization and approval of the Board of Alders, to finance its various projects through the issuance of general obligation bonds of the City, revenue bonds or bond anticipation notes, which may be secured using revenues from the following sources: ad valorem tax levies; parking fees and special charges from the use of parking facilities; appropriations duly authorized from the General Fund of the City; assessment of benefits against owners of real estate specifically benefited by any parking facility; gifts; bequests; devises; grants in aid or otherwise; and on-street parking revenues. The Board of Alders, in authorizing the issuance of revenue bonds, also fixes the initial schedule of rates, rentals, fees and other charges for the use of the parking facilities to be financed.

The Parking Authority is accounted for as a component unit in accordance with generally accepted accounting principles. By ordinance, annual audits must be conducted by an independent certified public accountant chosen by the Parking Authority.

The New Haven Solid Waste and Recycling Authority

The NHSWRA was created by Board of Alders vote on March 31, 2008. The NHSWRA is a municipal resource recovery authority whose responsibility is to provide the essential public and government function of furthering the health, safety and welfare of its residents.

The NSWRA is specifically responsible for the operations and management of the City's transfer station for solid waste disposal and recycling.

A low-angle photograph of the City of New Haven buildings. On the left is the historic City Hall, a Gothic Revival style building with intricate stonework and tall, narrow windows. To its right is a modern skyscraper with a grid-like facade of windows. The sky is a clear, bright blue with a few wispy clouds. The text 'city of New Haven connecticut' is overlaid in white, with 'New Haven' in a larger font.

city of
New Haven
connecticut

Fiscal Year 2017

July 1, 2016 to June 30, 2017

Comprehensive Annual Financial Report

CITY OF NEW HAVEN, CONNECTICUT

Comprehensive Annual Financial Report



Fiscal Year 2017

July 1, 2016 – June 30, 2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF NEW HAVEN, CONNECTICUT

FOR THE FISCAL YEAR ENDED

June 30, 2017



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
Tyronne Bryan, Account Clerk I

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Introductory Section

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
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March 15, 2018

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, 2017.

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, 2017. 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 Alder's"), the powers and duties of the executive branch and the City's fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions.

The City/Town Clerk serves a term concurrent with that of the Mayor and is elected city-wide. The Board of Alder's 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 Alder's is required to adopt a budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. The annual budget serves as the foundation for the City's financial planning and control. Proposed commitments in excess of appropriations are not processed until additional appropriations are made available. The Board of Alder's 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 Alder's, 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 129,934 (2016 est.), New Haven is the economic center of a broader MSA region of 859,470 people (2015 est. <http://proximityone.com/metros/2013/cbsa35300.htm>), and is home to an evolving mixed-use urban core, strong and diverse communities and world-class institutions. While already well-established in New Haven, the so called “eds and meds” (medical, bio-science, and research/development) sector continues to grow. Yale University, Yale Medical School, and the Yale-New Haven Hospital give the City a stable and world-class participation in these sectors. With ample spin-offs from these institutions, entrepreneurship and bioscience have grown exponentially, and are growing in New Haven. Already, 39 of Connecticut’s 52 biotech firms are located in the Greater New Haven area.

In the City of New Haven proper, the median household income is \$37,192 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. And, by 2025, New Haven is set to add an additional 10,000 to 15,000 people to the city. People are attracted to New Haven's extensive cultural amenities and high quality of life. For example, 17% of New Haven is dedicated to parks and open space, a ratio on par with famously park-friendly cities such as San Francisco. In addition, New Haven contains 40 miles of bike 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 5.7%. (Connecticut Department of Labor October 2017)
- 300 new business accounts were opened in the past year (Feb 2016 to Feb 2017)
- New Haven's grand list grew by 8.4 percent from the 2016 reevaluation, signaling property value increases.
- Due to high demand, city-wide 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.

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 202-2021. The plan provides for the needs not only of the general government but also the Board of Education and addresses such issues as infrastructure, major equipment replacement, educational facilities, public safety, and economic development initiatives. This plan projects total project costs over the five-year period of approximately \$483 million. Financing, net of state and federal project grants, for these projects would require debt proceeds of approximately \$288 million. The financial impact of these initiatives is reviewed and approved by the Capital Projects Committee and then by the Board of Alder's.

Relevant Financial Policies

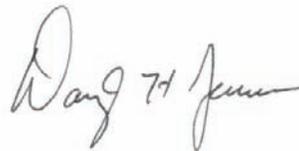
The City and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and to ensure budgetary control and compliance with approved budgets. All annual budgets are recommended by the Mayor to the Board of Alder's, which approves the final budget.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

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 cursive script, appearing to read "Daryl H. Jones".

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., Acting Corporation Counsel
Dr. Carol D. Birks, Superintendent of Schools
Michael Gormany, Acting Budget Director
Daryl H. Jones, Controller
Michael Carter, Chief Administrative Officer
Matthew Nemerson, Economic Development
Administrator Sheila Carmon, Interim Community Services

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

Ward

1. Hacibey Catabasoglu
2. Frank E. Douglas, Jr.
3. Ron C. Hurt
4. Evelyn Rodriguez
5. Dave Reyes Jr.
6. Dolores Colón
7. Abigail Roth
8. Aaron Greenberg
9. Charles Decker
10. Anna M. Festa

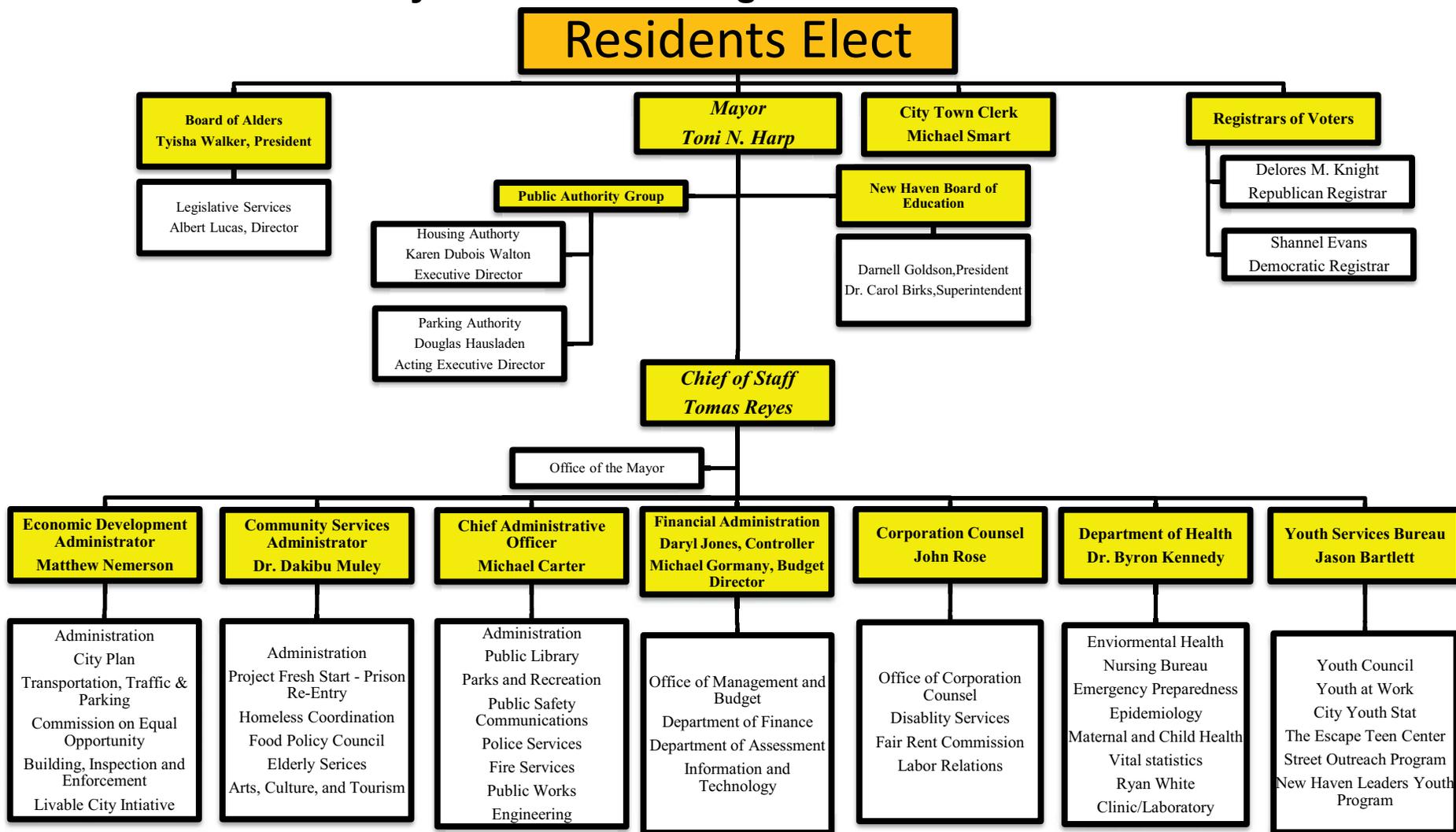
Ward

11. Renee Hayward
12. Gerald M. Antunes
13. Rosa Ferraro Santana
14. Kenneth Reveiz
15. Ernie G. Santiago
16. Jose Crespo
17. Jody Ortiz
18. Salvatore E. DeCola
19. Kimberly R. Edwards
20. Delphine Clyburn

Ward

21. Steven Winter
22. Jeanette L. Morrison
23. Tyisha Walker-Myers
24. Evette Hamilton
25. Adam J. Marchand
26. Darryl Brackeen, Jr
27. Richard Furlow
28. Jill L. Marks
29. Brian Wingate
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, 2016

Christopher P. Morill

Executive Director/CEO



Financial Section



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, 2017, 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%, 93% and 77%, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the New Haven Parking Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Haven, Connecticut, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post-employment schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2018 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 15, 2018

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**City of New Haven, Connecticut
Management's Discussion and Analysis, Unaudited
June 30, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report, as well as the City's basic financial statements that follow this section.

Financial Highlights

- The City finished FY 17 with a General Fund (primary operating fund) budgetary operating surplus of \$33,658. (See RSI 1 and RSI 2).
- As of the year-end, the General Fund had a fund deficit of (\$3,394,360) (see exhibit C). This was a decrease from a fund balance of \$2,023,605 at the close of FY 16. The main reason for the decrease was due to increased employee benefit cost and the elimination of the internal service funds.
- 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 \$5,449,670 in comparison with the prior year (see exhibit C).
- On a government-wide basis, the City's total net position was \$182,692,066 (see Table 1).
- The City's mill rate for Real Estate and Personal Property in FY 17 was 41.55 (per thousand) whereas the mill rate for motor vehicles was capped per the State of Connecticut at 37.00 (per thousand) mills. In FY16 Real Estate, Personal Property and Motor Vehicle mill rate was 41.55.
- The City's FY17, total net taxable grand list slightly increased to \$6,072,977,072 as compared to FY16 total net taxable grand list of \$6,072,477,797
- As of the year-end, the Education Grant Fund reported a fund balance of \$ 2,255,180. This is a decrease of \$517,235 from the fund balance of \$2,772,415 at the close of FY 16 (see exhibit D).
- As of the year-end, the Other Special Revenue Fund reported a fund balance (deficit) of (\$579,530). This is a decrease of \$1,155,107 from the fund balance of \$575,577 at the close of FY 16 (see exhibit D).
- As of the year-end, the Capital Projects Fund reported a fund balance of \$56,672,925 which is an increase of \$9,181,019 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 decreased from a year ago by \$32,390,396. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Approximately \$12,800,000 of the government-wide net position are restricted for capital outlay, debt service and a permanent fund.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$183,692,066 at the close of the fiscal year ended June 30, 2017. The decrease was due to an increase in intergovernmental revenues offset by an increase in expenditures.

By far the largest portion of the City's assets reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery and equipment, construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of New Haven, Connecticut
Summary Statement of Net Position
June 30, 2017 and 2016

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 219,335,228	\$ 230,489,692	\$ 916,917	\$ 907,822	\$ 220,252,145	\$ 231,397,514
Capital assets	1,587,403,008	1,536,083,510	-	-	1,587,403,008	1,536,083,510
Total assets	1,806,738,236	1,766,573,202	916,917	907,822	1,807,655,153	1,767,481,024
Deferred amounts	141,671,910	99,329,359	-	-	141,671,910	99,329,359
Total deferred outflows of resources	141,671,910	99,329,359	-	-	141,671,910	99,329,359
Other liabilities	213,985,999	224,053,232	94,329	307,977	214,080,328	224,361,209
Long-term liabilities outstanding	1,529,716,144	1,421,434,356	-	-	1,529,716,144	1,421,434,356
Total liabilities	1,743,702,143	1,645,487,588	94,329	307,977	1,743,796,472	1,645,795,565
Deferred pension items	15,383,248	-	-	-	15,383,248	-
Advanced tax collections	6,455,277	4,932,356	-	-	6,455,277	4,932,356
Total deferred inflows of resources	21,838,525	4,932,356	-	-	21,838,525	4,932,356
Net position:						
Net investment in capital assets	1,024,694,383	956,517,425	-	-	1,024,694,383	956,517,425
Restricted	12,791,744	10,763,525	-	-	12,791,744	10,763,525
Unrestricted	(854,616,649)	(751,798,333)	822,588	599,845	(853,794,061)	(751,198,488)
Total net position	\$ 182,869,478	\$ 215,482,617	\$ 822,588	\$ 599,845	\$ 183,692,066	\$ 216,082,462

The change in governmental net position is illustrated below:

City of New Haven, Connecticut
 Summary Statement of Activities
 For the Years Ended June 30, 2017 and 2016

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 34,325,195	\$ 32,702,396	\$ 890,819	\$ 1,106,538	\$ 35,216,014	\$ 33,808,934
Operating grants and contributions	382,520,519	396,220,688	-	-	382,520,519	396,220,688
Capital grants and contributions	84,762,285	75,476,816	-	-	84,762,285	75,476,816
General Revenues:						
Property taxes	252,274,961	249,774,495	-	-	252,274,961	249,774,495
Grants and contributions not restricted to specific programs	73,551,080	59,929,086	-	-	73,551,080	59,929,086
Investment earnings	411,451	(4,392)	596	577	412,047	(3,815)
Total revenues	827,845,491	814,099,089	891,415	1,107,115	828,736,906	815,206,204
Expenses:						
Program Expenses:						
General government	51,190,242	42,621,112	-	-	51,190,242	42,621,112
Education	539,165,020	551,621,913	-	-	539,165,020	551,621,913
Public Safety	156,935,928	112,584,258	-	-	156,935,928	112,584,258
Public Works	34,813,406	46,241,701	-	-	34,813,406	46,241,701
Public Services	41,830,406	32,628,293	-	-	41,830,406	32,628,293
Economic Development	14,790,863	8,673,822	-	-	14,790,863	8,673,822
Interest on long-term debt	21,732,765	19,597,972	-	-	21,732,765	19,597,972
Business type	-	-	668,672	906,629	668,672	906,629
Total expenses	860,458,630	813,969,071	668,672	906,629	861,127,302	814,875,700
Excess(deficiency) before transfers	(32,613,139)	130,018	222,743	200,486	(32,390,396)	330,504
Transfers	-	70,000	-	(70,000)	-	-
Change in net position	(32,613,139)	200,018	222,743	130,486	(32,390,396)	330,504
Net Position, beginning	215,482,617	215,282,599	599,845	469,359	216,082,462	215,751,958
Net Position, ending	\$ 182,869,478	\$ 215,482,617	\$ 822,588	\$ 599,845	\$ 183,692,066	\$ 216,082,462

Expenses and Program Revenues – Governmental Activities

Governmental activities' revenues totaled approximately \$828 million for fiscal year 2017. Operating grants and contributions are the largest revenue source for the City and represent 46% of the governmental revenues. Property taxes are the City's second largest revenue and represent 31% of the governmental revenues. Grants and contributions not restricted to specific programs represent 19%.

On an overall basis revenue increased by \$13.5 million over FY 16. Property taxes increase by \$2.5 million, Operating grants and contributions decreased by \$13.7 million while capital grants and contributions increased by \$21 million.

Expenses

Governmental expenses totaled \$860 million for the fiscal year. Of the expenditures, 63% is related to education; 18% is related to public safety; 6% to general government; and 5% to public services.

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

The year ending audited General Fund-Fund balance (deficit) is (\$3,394,360) with \$369,575 of fund balance being designated as “Non-spendable” (see Note 1 for definition). The FY 16 fund balance was \$2,023,605.

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 2017, Standard & Poor's maintained its A- rating while assuming a stable outlook. Fitch maintained its A- and stable outlook while the City did not use Moody's services during the 2017 Calendar year.

Moody's Investment Services	N/A – Did not use calendar YR 2017
Standard and Poor's	A- Stable
Fitch Investors Services	A- Stable

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 City's bonds outstanding, as of June 30, 2017 totaled \$522,453,131 compared to June 30, 2016 total of \$522,993,825

Bonds Outstanding at Year-End

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
June 30, 2008	\$ 497,007,908

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

Additional information on the City's long-term debt can be found in Note 10.

Capital Assets

At June 30, 2017 the City had \$1.587 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

	2017	2016
Land	\$ 44,140,306	\$ 44,140,306
Construction in process	33,341,648	68,426,665
Land improvements	11,209,780	8,061,529
Building and improvements	1,345,954,241	1,267,526,811
Machinery and equipment	31,273,537	27,389,911
Vehicles	11,604,786	12,589,556
Infrastructure	109,878,710	107,948,732
Total	\$ 1,587,403,008	\$ 1,536,083,510

Major projects during FY17 included commitments for Economic Development, Engineering, Parks, Technology and Education.

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

FY17 General Fund Budget

The following table summarizes the General Fund operating results for FY17:

Budget	\$523,340,196
Actual revenue =	\$521,925,232 – negative variance (\$1,584,065)
Actual expenditures =	\$521,722,474 – Positive variance \$1,617,722
Surplus =	\$33,658

	Original Budget	Final Budget	Actual	Positive (Negative) Variance
Revenues	\$ 523,340,196	\$ 523,340,196	\$ 521,756,132	\$ (1,584,064)
Expenditures	523,340,196	523,340,196	521,722,474	1,617,722
Surplus/(Deficit)	\$ -	\$ -	\$ 33,658	\$ 33,658

The budget increased by 3.05% or \$15,464,955 over the previous year, and the mill rate was 41.55 mills which was equal to the mill rate in FY 15-16. Budgeted property tax revenue decreased by \$4,679,955. The revenue budget reflected the State approved budget which maintained core Education Cost Sharing funding. There were also significant changes in State revenue have positively impacted New Haven. The State has capped the motor vehicle mill rate to 37 mills thereby reducing the taxes paid by motor vehicle owners while holding the City harmless for lost revenue. Additionally, and more significantly the State has restructured its reimbursement formula for lost tax revenue stemming from property attributable to colleges and hospitals. The State has instituted a baseline lost revenue percentage below which the State cannot not fund. This is expected to increase revenue for PILOT by \$14.6m. Total State aid is projected to increase by \$10.1m.

The revenue budget contained only two onetime revenues, recognizing the proceeds from the closure of the Grove Street Garage trust (\$371k) and proceeds from the sale of economic development assets for approximately \$500,000. Other adjustments to revenue budget included increasing meter receipts by \$200k to \$6,300,000 and Building permit revenue increased to \$16.2m based on the projected economic activity available when the budget was developed.

In terms of expenditures, the budget increased by \$15.4. The increase in the budget was concentrated in the following areas;

- Salary increases for previously settled contracts in Fire and new positions.
- Medical Benefits – increased \$5.9m
- Positions – Increase 25 (includes 2 from special and 1 from capital funds) and 5 part time \$900K contract reserve for open contracts: Supervisors, Clerical, Parks, Public Works, Executive/Confidential and Police.
- Master lease program includes \$138k in additional funding. \$628k is total appropriation
- Funding included for the sworn classes in both Police and Fire. Fire overtime budget decreased by (\$430) to \$1.9 or \$36,942 per week. Police overtime budget remains flat at \$3,022,684 plus \$100,000 for Summer Anti Violence Initiative (SAVI).
- Board of Education budget increase of for \$2m or 1.1%.
- The General Fund contribution to Medical Self Insurance Fund is \$72,668,210 an increase of \$5,875,811 which is 8.8%.
- Pension costs - Police & Fire – Budget increase is \$775,778 based on actuarial figures plus an additional \$454,380 for a total increase of \$1,230,158. Total budget is \$27,536,158. • City employees – Budget increase is \$389,920 based on actuarial figures plus an additional \$454,380 for a total increase of \$894,300. Total budget is \$19,514,922.
- Debt Service – Gross budget \$69.9m – Assumes \$5m in savings from cash flow savings arising from re-funding/premium opportunities.
- Rainy Day Replenishment - \$1,211,681 budgeted for projected contribution to the Rainy Day Fund.
- Other Post-Employment Benefits - \$405,000 budgeted for contribution to Retiree Medical Benefit Fund. Increase from \$15,000.

The City met its annual required contribution (ARC) to both its pension funds.

As the fiscal year progressed, there were many areas of change from the original budget. Some of these factors, both expenditure and revenue are highlighted below:

Expenditures

The expenditure budget experienced several significant variances and ended the year \$1,632,845 under budget.

On January 09, 2017 the Board of Alders Finance Committee approved a mid-year budget transfer of \$4,895,816, in savings arising from the Bond Sale Committee's approval on August 16, 2016 bond sale/ re-funding issue of previously issued debt that led to cash flow savings in the FY 16-17 debt service line. The mid-year transfer was to cover mid-year projected shortfalls in Police, Public Safety Communication, Fire, Parks, FICA/Social Security and Non-Public Transportation. Funds required to cover the projected shortfalls in Parks and Public Safety Communications come from other line items within their respective departments which have projected surpluses. Funds for Police, Fire, FICA/Social Security and non- public transportation.

At the end of fiscal year 2016-17, Many General Fund Departments remained within budget. The most notable exceptions being Chief Administrative Office, Finance Department, Information and Technology, Parks and Recreation, Police, Fire, FICA/Medicare, Self-Insurance, health benefits. And Board of Education.

Departments or functions which performed significantly under budget for fiscal year 2016-17 include Corporation Counsel, Registrar of Voters, City Clerk, Health Department, Community Services, Debt Service, Traffic and Parking and Public Works

Revenues

The revenue budget was short of budget by (\$1,584,065) due primarily to building permits not achieving budget by (\$2,779,745) Parking receipts not achieving budget by (\$507,606) and parking tags falling short of budget by (\$544,861). Categories which helped offset these shortfalls were property taxes which exceeded budget overall by \$2,465,344, real estate conveyance tax which exceeded budget by \$223,606, and sale of fixed assets which exceeded budget by \$428,366.

Taxes

Property Taxes exceeded budget as the overall collection rate slightly increased but remained at a very strong 98.42%. Real Estate property taxes, the largest tax roll, achieved a collection rate of 98.82% which was a slight decrease over 98.83% in FY 2016. While there was a slight decrease versus the previous year in collection rate percentage, Real Estate collections exceeded the budget in the amount of 1,578,638. Also, there were excess collections in delinquent taxes thus coming up \$1,664,245 versus budget.

Tax collections as an overall percentage of the Grand List 2015 were as follow:

Category	FY 16-17 Grand List 15	FY 15-16 Grand List 14	+/- FY 17 VS FY 16
Real Estate	98.82%	98.83%	-0.01%
Personal Property	99.24%	98.50%	0.74%
Motor Vehicle	92.86%	92.76%	0.10%
Supplemental MV	89.20%	88.29%	0.91%
Overall Collection	98.42%	98.30%	0.12%

Tax collections as overall collections versus budget were as follow;

Category	FY 16-17 Budget	FY 15-16 Collections	+/- FY 17 VS FY 16
Real Estate	\$ 204,063,532	\$ 205,642,170	\$ 1,578,638
Personal Property	26,088,948	26,413,483	324,535
Motor Vehicle	12,732,249	12,692,668	(39,581)
Supplemental MV	1,534,780	2,756,198	1,221,418
Current Interest	1,000,000	1,070,886	70,886
Tax Initiative	2,354,798	-	(2,354,798)
Delinquent RE/PP	1,550,000	2,875,525	1,325,525
Delinquent Interest and Penalties	600,000	938,720	338,720

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 2017, Capital Project Funds collectively had a fund balance of \$56,672,925 which was a decrease from the prior year fund balance of \$47,491,906.

Education Grants:

The City's Education Grant Funds reported revenues of \$135.7 million and expenses revenues and other financing sources totaling \$135.9 million for a net operating result of (\$517,235) and an ending fund balance of \$2,255,180.

Other Special Revenue Fund:

The City's Other Special Revenue Fund reported revenues of \$14.8 million and expenses revenues and other financing sources totaling \$16.0 million for a net operating result of (\$1,155,107) and an ending fund balance (deficit) of (\$579,530).

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.



**Basic Financial
Statements**

Statement of Net Position
June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total *	Parking Authority	Solid Waste Authority
Assets					
Cash and cash equivalents	\$ 67,058,334	\$ 923,702	\$ 67,982,036	\$ 4,117,858	\$ 3,990,728
Investments	9,579,848	-	9,579,848	-	-
Receivables (net of allowance for uncollectible)	80,786,489	12,461	80,798,950	1,755,282	869,248
Inventories	143,424	-	143,424	-	-
Prepaid expenses and other assets	369,575	-	369,575	113,703	-
Due from component units	247,207	-	247,207	-	-
Internal balances	19,246	(19,246)	-	-	-
Restricted cash and cash equivalents	43,888,082	-	43,888,082	20,955,574	-
Long-term intergovernmental receivables	17,243,023	-	17,243,023	-	-
Capital assets not being depreciated	77,481,954	-	77,481,954	3,833,613	2,455,000
Capital assets being depreciated, net	1,509,921,054	-	1,509,921,054	30,769,759	4,278,178
Total assets	1,806,738,236	916,917	1,807,655,153	61,545,789	11,593,154
Deferred outflows of resources:					
Deferred pension expense	130,509,425	-	130,509,425	-	-
Deferred charges on refunding	11,162,485	-	11,162,485	-	647,530
	141,671,910	-	141,671,910	-	647,530
Liabilities					
Accounts payable and accrued liabilities	74,798,288	94,329	74,892,617	4,914,955	1,532,225
Accrued interest payable	9,059,467	-	9,059,467	25,861	-
Due to fiduciary funds	926,715	-	926,715	-	-
Due to primary government	-	-	-	154,488	92,719
Unearned revenue	1,061,912	-	1,061,912	-	-
Long-term liabilities:					
Due within one year	128,139,617	-	128,139,617	992,000	570,000
Due in more than one year	1,529,716,144	-	1,529,716,144	6,180,000	6,535,000
Total liabilities	1,743,702,143	94,329	1,743,796,472	12,267,304	8,729,944
Deferred inflows of resources:					
Deferred pension expense	15,383,248	-	15,383,248	-	-
Advance tax collections	6,455,277	-	6,455,277	-	-
Total deferred inflows of resources	21,838,525	-	21,838,525	-	-
Net position:					
Net investment in capital assets	1,024,694,383	-	1,024,694,383	27,431,372	1,756,768
Restricted for:					
Expendable:					
Education	2,111,756	-	2,111,756	-	-
Public service	3,969,690	-	3,969,690	16,694,845	-
General government	4,328,978	-	4,328,978	-	-
Public works	-	-	-	-	-
Nonexpendable:					
Permanent funds	2,381,320	-	2,381,320	-	-
Unrestricted (deficit)	(854,616,649)	822,588	(853,794,061)	5,152,268	1,753,972
Total net position	\$ 182,869,478	\$ 822,588	\$ 183,692,066	\$ 49,278,485	\$ 3,510,740

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, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ (51,190,242)	\$ 15,142,740	\$ 4,236,466	\$ 900,981
Education	(539,165,020)	639,946	349,449,016	74,621,002
Public safety	(156,935,928)	2,962,640	-	-
Public works	(34,813,406)	14,528,053	407,074	5,218,987
Public services	(41,830,406)	1,051,816	28,427,963	4,021,315
Economic development	(14,790,863)	-	-	-
Interest on long-term debt	(21,732,765)	-	-	-
Total governmental activities	(860,458,630)	34,325,195	382,520,519	84,762,285
Business-type activities:				
Golf course	(558,521)	861,207	-	-
Skating rink	(2,960)	-	-	-
East Rock communications tower	(107,191)	29,612	-	-
Total business-type activities	(668,672)	890,819	-	-
Total primary government	(861,127,302)	35,216,014	382,520,519	84,762,285
Component units:				
Parking Authority	(23,338,866)	24,580,901	-	-
Solid Waste Authority	(7,164,751)	7,351,332	-	-
Total component units	(30,503,617)	31,932,233	-	-

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

Change in net position

Net position, beginning
Net position - ending

See notes to financial statements.

Exhibit B

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Parking Authority	Solid Waste Authority	
\$ (30,910,055)	\$ -	\$ (30,910,055)	\$ -	\$ -	
(114,455,056)	-	(114,455,056)	-	-	
(153,973,288)	-	(153,973,288)	-	-	
(14,659,292)	-	(14,659,292)	-	-	
(8,329,312)	-	(8,329,312)	-	-	
(14,790,863)	-	(14,790,863)	-	-	
(21,732,765)	-	(21,732,765)	-	-	
(358,850,631)	-	(358,850,631)	-	-	
-	302,686	302,686	-	-	
-	(2,960)	(2,960)	-	-	
-	(77,579)	(77,579)	-	-	
-	222,147	222,147	-	-	
(358,850,631)	222,147	(358,628,484)	-	-	
-	-	-	1,242,035	-	
-	-	-	-	186,581	
-	-	-	1,242,035	186,581	
252,274,961	-	252,274,961	-	-	
73,551,080	-	73,551,080	-	-	
411,451	596	412,047	98,664	23,559	
326,237,492	596	326,238,088	98,664	23,559	
(32,613,139)	222,743	(32,390,396)	1,340,699	210,140	
215,482,617	599,845	216,082,462	47,937,786	3,300,600	
\$ 182,869,478	\$ 822,588	\$ 183,692,066	\$ 49,278,485	\$ 3,510,740	

**Balance Sheet - Governmental Funds
June 30, 2017**

	General Fund	Education Grant Funds	Capital Project Funds	Other Special Revenue Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 26,364,846	\$ 12,635,331	\$ 1,368,460	\$ 14,332,778	\$ 12,356,919	\$ 67,058,334
Investments	3,058,805	-	-	-	6,521,043	9,579,848
Restricted cash	-	-	43,888,082	-	-	43,888,082
Receivables from other governments	19,396,984	10,906,470	38,066,248	3,514,283	3,956,630	75,840,615
Receivables, net	21,400,348	340,676	473,716	45,812	175,552	22,436,104
Due from other funds	13,671,741	-	16,927,029	-	-	30,598,770
Inventories	-	143,424	-	-	-	143,424
Prepaid Expenses	369,575	-	-	-	-	369,575
Total assets	\$ 84,262,299	\$ 24,025,901	\$ 100,723,535	\$ 17,892,873	\$ 23,010,144	\$ 249,914,752
Liabilities						
Accounts payable	\$ 36,227,285	\$ 5,766,159	\$ 6,356,323	\$ 2,039,832	\$ 2,763,494	\$ 53,153,093
Accrued liabilities	14,445,500	5,224,391	46,521	19,594	109,934	19,845,940
Due to other funds	-	10,780,171	-	16,351,377	4,374,691	31,506,239
Due to other governments	191,402	-	-	-	20,125	211,527
Unearned revenue	881,145	-	-	-	180,767	1,061,912
Other liabilities	-	-	-	-	1,587,728	1,587,728
Total liabilities	51,745,332	21,770,721	6,402,844	18,410,803	9,036,739	107,366,439
Deferred inflows of resources:						
Advance tax collections	6,455,277	-	-	-	-	6,455,277
Unavailable revenues	29,456,050	-	37,647,766	61,600	144,375	67,309,791
Total deferred inflows of resources	35,911,327	-	37,647,766	61,600	144,375	73,765,068
Fund balances (deficits):						
Nonspendable	369,575	143,424	-	-	2,381,320	2,894,319
Restricted	-	2,111,756	56,672,925	-	11,447,710	70,232,391
Unassigned	(3,763,935)	-	-	(579,530)	-	(4,343,465)
Total fund balances (deficits)	(3,394,360)	2,255,180	56,672,925	(579,530)	13,829,030	68,783,245
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 84,262,299	\$ 24,025,901	\$ 100,723,535	\$ 17,892,873	\$ 23,010,144	

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.	1,587,403,008
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(9,059,467)
Deferred outflows of resources - refunding charges	11,162,485
Deferred inflows of resources - revenues	67,309,791
Deferred outflows of resources - pension items	130,509,425
Deferred inflows of resources - pension items	(15,383,248)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,657,855,761)

Net position of governmental activities \$ 182,869,478

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds
For the Year Ended June 30, 2017**

	General Fund	Education Grant Funds	Capital Project Funds	Other Special Revenue Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 252,389,650	\$ -	\$ -	\$ -	\$ -	\$ 252,389,650
Licenses and permits	21,780,552	-	-	-	-	21,780,552
Intergovernmental	282,531,510	133,857,041	56,788,433	13,692,610	22,345,926	509,215,520
Charges for services	4,708,216	5,588	-	286,572	526,902	5,527,278
Fines	5,143,809	-	-	-	-	5,143,809
Investment earnings	385,505	42	-	1,155	23,381	410,083
Payment in lieu of taxes	1,292,074	-	-	-	-	1,292,074
Contributions and other	14,725,882	1,824,986	766,794	900,981	5,343,293	23,561,936
Total revenues	582,957,198	135,687,657	57,555,227	14,881,318	28,239,502	819,320,902
Expenditures:						
Current:						
General government	27,601,681	-	197,760	4,037,975	37,171	31,874,587
Public safety	76,450,736	-	-	-	-	76,450,736
Public works	16,883,349	-	6,152,700	-	2,418,572	25,454,621
Public services	7,782,274	-	-	-	22,806,737	30,589,011
Other departments	1,201,474	-	-	-	-	1,201,474
Employee benefits and insurance	147,029,077	-	-	-	-	147,029,077
Economic development	7,571,916	-	3,183,368	-	-	10,755,284
Education	246,051,060	135,920,978	-	-	-	381,972,038
Debt service:						
Principal	46,289,286	-	12,237,077	-	-	58,526,363
Interest	22,100,117	-	3,109,536	-	-	25,209,653
Capital outlay	-	-	72,775,614	11,998,450	-	84,774,064
Total expenditures	598,960,970	135,920,978	97,656,055	16,036,425	25,262,480	873,836,908
Revenues over (under) expenditures	(16,003,772)	(233,321)	(40,100,828)	(1,155,107)	2,977,022	(54,516,006)
Other financing sources (uses):						
Issuance of bonds	-	-	48,400,000	-	-	48,400,000
Issuance of master vehicle leases	-	-	597,933	-	-	597,933
Premium on bond issuances	19,532,886	-	-	-	-	19,532,886
Transfers in	-	-	283,914	-	381,936	665,850
Transfers out	(381,936)	(283,914)	-	-	-	(665,850)
Payment to escrow agent	(77,675,143)	-	-	-	-	(77,675,143)
Issuance of refunding bonds	69,110,000	-	-	-	-	69,110,000
Total other financing sources (uses)	10,585,807	(283,914)	49,281,847	-	381,936	59,965,676
Net change in fund balances (deficits)	(5,417,965)	(517,235)	9,181,019	(1,155,107)	3,358,958	5,449,670
Fund balances, beginning	2,023,605	2,772,415	47,491,906	575,577	10,470,072	63,333,575
Fund balances (deficits), ending	\$ (3,394,360)	\$ 2,255,180	\$ 56,672,925	\$ (579,530)	\$ 13,829,030	\$ 68,783,245

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, 2017**

Reconciliation of the balance sheet - governmental funds
to the statement of net position:

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

Net change in fund balances (deficits)-total governmental funds (Exhibit D)	\$ 5,449,670
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.	51,319,498
Changes in some revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(9,925,991)
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.	3,222,177
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.	(81,710,720)
Internal service funds had been used previously by management to charge the costs of liability and medical insurance to individual funds. The amount represents the net impact of the closure of these as of July 1, 2016.	<u>(967,773)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (32,613,139)</u>

See notes to financial statements.

City of New Haven, Connecticut

Exhibit F

Statement of Net Position - Proprietary Funds
June 30, 2017

	Business-Type Activities - Enterprise Funds
	<u>Other Enterprise Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 923,702
Accounts receivable (net allowance for uncollectible)	12,461
Due from other funds	4,652
Total assets	<u>940,815</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	94,329
Due to other funds	23,898
Total current liabilities	<u>118,227</u>
Total liabilities	<u>118,227</u>
Net position:	
Unrestricted	<u>822,588</u>
Total net position	<u>\$ 822,588</u>

See notes to financial statements.

**Statement of Activities - Proprietary Funds
For the Year Ended June 30, 2017**

	Business-Type Activities - Enterprise Funds <u>Other Enterprise Funds</u>
Operating revenues:	
Charges for sales and services:	
User fees	\$ 890,819
Total operating revenues	<u>890,819</u>
Operating expenses:	
Costs of sales and services	668,672
Total operating expenses	<u>668,672</u>
Operating income	<u>222,147</u>
Nonoperating revenues:	
Interest income	596
Total non-operating revenues	<u>596</u>
Net income	222,743
Fund net position , beginning	<u>599,845</u>
Fund net position , ending	<u>\$ 822,588</u>

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2017**

	Business-Type Activities - Enterprise Fund <u>Other Enterprise Funds</u>
Cash flows from operating activities:	
Charges for services from users	978,424
Payments to suppliers	<u>(876,571)</u>
Net cash provided by operating activities	<u>101,853</u>
Cash Flows From Investing Activities	
Interest and dividends	<u>596</u>
Increase in cash and cash equivalents	102,449
Cash and cash equivalents:	
Beginning	<u>821,253</u>
Ending	<u><u>\$ 923,702</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	222,147
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable, net	52
Decrease in accounts payable	(213,648)
Increase in due from other funds	87,553
Increase in due to other funds	5,749
Net cash provided by operating activities	<u><u>\$ 101,853</u></u>

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017

	Trust Funds	Agency Funds
Assets		
Cash and short-term investments	\$ 31,432,725	\$ 1,254,615
Interest and dividends receivable	839,540	-
Accounts receivable - investment sales	381,350	-
Accounts receivable - other	146,937	-
Due from other funds	926,715	-
	<u>33,727,267</u>	<u>1,254,615</u>
Investments:		
Government agencies	19,217,649	-
Private equity - real estate funds	2,615,651	-
Common stock	182,719,276	-
Fixed income funds	9,321,728	-
Corporate bonds	47,533,283	-
Equity mutual funds	16,085,682	-
Hedge funds	29,226,486	-
Asset-backed securities	32,973,960	-
Venture capital partnerships	59,666,795	-
Private equity - real estate funds	59,703,269	-
Total investments	<u>459,063,779</u>	<u>-</u>
Total assets	<u>492,791,046</u>	<u>1,254,615</u>
Liabilities		
Accounts payable - vendors	-	595,592
Accounts payable - investment purchases	93,419	-
Amounts held for others	-	659,023
Total liabilities	<u>93,419</u>	<u>1,254,615</u>
Net position - restricted for pension and OPEB benefits	<u>\$ 492,697,627</u>	<u>\$ -</u>

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2017**

	Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer contributions	\$ 73,680,714
Plan members	15,235,687
Total contributions	<u>88,916,401</u>
Investment income:	
Net appreciation in fair value of investments	44,605,455
Interest and dividends	7,130,695
Miscellaneous income	6,948,643
Total investment income	<u>58,684,793</u>
Less investment expenses	<u>1,673,341</u>
Net investment income	<u>57,011,452</u>
Total additions	<u>145,927,853</u>
Deductions:	
Benefits	111,478,065
Total deductions	<u>111,478,065</u>
Changes in net position	34,449,788
Net position - restricted for Pension and OPEB benefits:	
Beginning of year	<u>458,247,839</u>
End of year	<u>\$ 492,697,627</u>

See notes to financial statements.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The City of New Haven, Connecticut (the City) was incorporated as a City in 1784. The City covers an area of 21.1 square miles, and is located 75 miles east of New York City. The City operates under a Mayor-Board of Aldermen form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification 2100 have been considered, as a result, the component units discussed below are included in the City's reporting entity because of their operational significance or financial relationship with the City.

Discretely presented component units: Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. They are financially accountable to the City, or have relationships with the City such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. For each discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the City as a result of the existence of the component unit. For the discretely presented component units included in the City's financial statements, the City, generally acting through the Mayor, appoints a voting majority of the component units' governing boards.

New Haven Parking Authority: The New Haven Parking Authority (the Parking Authority) was created and established in 1951 by a special act of the General Assembly of the State for the purpose of developing, maintaining, and operating parking facilities for the City. One of the individuals who serves on the Board of Commissioners of the Authority is also an employee of the City. This individual monitors the functioning of the Authority on behalf of the City and provides input from the City on various matters. All members of the Authority's Board of Commissioners are appointed by the Mayor of New Haven. Separately issued financial statements are available.

New Haven Solid Waste and Recycling Authority: The New Haven Solid Waste Authority is a public body politic and corporate of the state and is a political subdivision of the State established and created for the performance of the essential public and governmental function of furthering health, safety and welfare of the residents of the City. The City appoints a voting majority of the Board. Separately issued financial statements are available.

Complete financial statements of the individual component units can be obtained from their respective administrative offices

The City adopted the following accounting standards in the current year: GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. See Note 12 for additional disclosures and impact the adoption of GASB 75 will have on the net OPEB liability in the next fiscal year.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes disclosure of information about nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial condition and economic condition. The implementation of this statement added disclosures to the financial statement. See Note 20.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of this statement had no impact on the City's financial statements.

Measurement focus, basis of accounting and financial statement presentation: The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for governmental accounting and financial reporting principles. These principles require that the City report government-wide and fund financial statements, which are described below.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency fund financial statements are on the accrual basis with no measurement focus.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as debt service payments and expenditures related to compensated absences, pension obligations and other post-employment obligations and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues, when eligibility requirements have been met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, primarily licenses and fees, are considered to be measurable only when cash is received.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City's government. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The **Education Grants Fund** is used to account for and report the expenditures of State and Federal grants, as well as other sources of school-based income, received for a variety of school programs.

The **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.

Permanent Funds: Used to account for and report the resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting government's programs.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary Funds:

Enterprise Funds: Used to account for operations as follows:

- a. Financed and operated in a manner similar to private business enterprises;
- b. Where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise funds are its commercial and intergovernmental transactions associated with its golf course, the skating rink, and the East Rock communication tower.

Fiduciary Funds:

Agency Funds: Agency Funds account for monies held as a custodian for outside student and senior groups. Agency Funds use the accrual basis of accounting, and have no measurement focus.

Pension Trust Funds: Pension Trust Funds consist of the City Employees', the Police and Fire, and other miscellaneous retirement funds.

Other Post Employment Benefit (OPEB) Trust Fund: Used to account for retired City employee benefits, other than pension benefits such as medical and life insurance benefits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise funds 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. 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 which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

Inventories: All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted assets: At June 30, 2017, the City had approximately \$44,000,000 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, 2017, the Parking Authority had approximately \$21,000,000 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Description	Capitalization Dollar Thresholds	Estimated Lives (Years)
Computers	\$ 5,000	5
Machinery, equipment, furniture, fixtures and other related assets	10,000	5-20
Motor vehicles	5,000	8
Land improvements	50,000	20
Buildings and other structures	50,000	50
Infrastructure	250,000	10-50

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Compensated absences: It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay and certain sick leave benefits are accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

Long-term obligations: In the government-wide financial statements and proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the unamortized bond premium or discount. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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

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 pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension 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 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 City Council has by resolution authorized the Controller or Chief Accountant to assign fund balance.

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

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

Other post-employment obligations (OPEB) accounting:

OPEB Trust: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2007, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The City makes annual contributions based on the Board of Aldermen's decisions using the actuaries' recommendation.

City of New Haven, Connecticut

Notes to Financial Statements

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

Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net position: The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

The details of this difference are as follows:

Bonds payable	\$ 522,453,130
Premium on bond issuance	47,996,523
GANs	56,587,951
Capital leases payable	4,274,420
Contractual obligation	7,723,314
Compensated absences	23,502,160
Accrued workers compensation	24,077,134
Retainage payable	4,716,368
Net pension liability	777,124,811
Net OPEB obligation	166,605,000
Landfill post-closure costs	450,000
Accrued claims and other	12,844,950
Other claims	9,500,000
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,657,855,761</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	\$ 82,921,101
Depreciation expense	(50,038,815)
Loss on disposal of capital assets	(13,368)
Contributed capital assets	<u>18,450,580</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 51,319,498</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	\$ (48,400,000)
Issuance of general obligation refunding bonds	(69,110,000)
Deferred loss on refunding	5,155,143
Premium on bond issuance	(19,274,478)
Principal repayments:	
Bond principal payment	195,725,838
Payment to escrow	(77,675,143)
Amortization of bond premium	4,561,149
Payment on GANS	12,237,077
Capital lease payments	858,196
Notes payable	410,000
GNHWPCA clean water fund notes	759,311
Amortization of deferred items	<u>(1,426,983)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,222,177</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	\$ (4,152,753)
Other claims	(9,500,000)
Accrued claims and other	(2,726,300)
Accrued workers' compensation	3,316,239
Retainage	1,018,121
Net pension liability	(72,723,880)
OPEB obligation	(19,898,000)
Landfill closure and post-closure	150,000
Deferred inflows of resources - pension items	(15,383,248)
Deferred outflows of resources - pension items	38,614,391
Accrued interest	<u>(425,290)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (81,710,720)</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

Deposits: The City's policy for deposits other than pension plan and OPEB investments is to follow the State of Connecticut statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open-end money market funds and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Connecticut General Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund.

Interest rate risk: The City's and the pension and OPEB plans' policies are to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual fund, or similar investment pools.

Concentrations of credit risk: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The bank balances of the Primary Government's cash accounts at June 30, 2017 were approximately \$152,700,000. The amount of the bank balances covered under federal depository insurance was \$3,907,000. The remaining \$149,793,000 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, 2017, approximately \$15,270,000 of uninsured deposits was collateralized under the provision.

The New Haven Parking Authority's bank balance totaled approximately \$25,100,000, of which approximately \$600,000 was covered by FDIC protection and the remaining \$24,500,000 is uninsured.

The New Haven Solid Waste Authority's bank balance totaled approximately \$512,000, of which approximately \$250,000 was insured and collateralized and \$2,612,000 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, 2017:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 141,252,663
State of Connecticut Short-Term Investment fund	3,304,795
Total cash and cash equivalents	<u>144,557,458</u>
Investments:	
General Fund:	
Corporate bonds	1,423,868
Municipal bonds	87,799
Other bond fund	289,966
Common stock	1,257,172
Total General Fund	<u>3,058,805</u>
Other nonmajor funds:	
Fixed income funds	551,709
Corporate bonds	1,717,995
Municipal bonds	105,936
Common stock	4,145,403
Total other nonmajor funds	<u>6,521,043</u>
Pension trust funds:	
Fixed income funds	9,321,728
Government agency	19,217,649
Real estate funds	2,615,651
Common stock	182,719,276
Corporate bonds	47,533,283
Mutual funds	16,085,682
Hedge funds	29,226,486
Asset-backed securities	32,973,960
Venture capital partnerships	59,666,795
Private Equity - Real estate funds	59,703,269
Total pension trust funds	<u>459,063,779</u>
Total investments	<u>468,643,627</u>
Total cash, cash equivalents and investments	<u>\$ 613,201,085</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	\$ 67,982,036
Investments	9,579,848
Restricted cash	43,888,082
	<u>121,449,966</u>
Fiduciary funds:	
Cash and cash equivalents	32,687,340
Investments	459,063,779
	<u>491,751,119</u>
Total cash, cash equivalents and investments	<u>\$ 613,201,085</u>

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

Cash and cash equivalents:	
New Haven Parking Authority	\$ 4,117,858
New Haven Solid Waste Authority	3,990,728
Total deposits	<u>\$ 8,108,586</u>

At June 30, 2017, the New Haven Parking Authority cash and cash equivalents included \$21,000,000 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
Real estate investments	\$ 2,615,651	\$ -	\$ -	\$ -	\$ 2,615,651
Corporate bonds	50,675,146	16,092,406	8,374,567	22,856,579	3,351,594
Fixed income funds	9,321,728	551,709	-	-	8,770,019
Government agencies	19,217,649	1,013,769	4,512,177	3,256,927	10,434,776
Municipal bonds	193,735	-	193,735	-	-
Other bond funds	289,966	289,966	-	-	-
Total	<u>\$ 82,313,875</u>	<u>\$ 17,947,850</u>	<u>\$ 13,080,479</u>	<u>\$ 26,113,506</u>	<u>\$ 25,172,040</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	\$ 228,942	\$ 9,254,336	\$ -	\$ -
AA	2,919,678	575,568	-	-
A	13,441,097	-	1,334,871	51,230
BBB	23,445,293	-	2,505,681	142,505
BB	5,720,086	-	2,589,576	-
B	4,411,283	-	2,143,065	-
CCC	59,097	-	494,984	-
Unrated	449,670	9,387,745	253,551	-
	<u>\$ 50,675,146</u>	<u>\$ 19,217,649</u>	<u>\$ 9,321,728</u>	<u>\$ 193,735</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, 2017:

	June 30, 2017	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	\$ 188,121,851	\$ 187,192,768	\$ 255,372	\$ 673,711
Mutual funds	16,085,682	16,085,682	-	-
Fixed income funds	9,321,728	-	-	9,321,728
Debt securities:				
Government bonds	10,962,305	115,275	10,847,030	-
Corporate bonds	47,660,854	987,026	46,582,983	90,845
U.S. Treasury	8,255,345	-	8,255,345	-
Municipal bonds	193,736	-	193,736	-
Total debt securities	67,072,240	1,102,301	65,879,094	90,845
Venture capital investments		-	-	-
Exchange traded funds	59,766,888	56,766,888	3,000,000	-
Real estate funds	2,926,117	-	-	2,926,117
Total investments by fair value level	343,294,506	261,147,639	69,134,466	3,690,673
Investments measured using net asset level (NAV):				
*Private equity funds	18,147,326			
*Hedge Funds	29,226,486			
*Venture capital investments	47,898,270			
*Partnerships	11,768,525			
*Equity hedge funds	14,826,634			
Total investments measured using NAV	121,867,241			
Total investments measured at fair value	\$ 465,161,747			

* 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	\$ 18,147,326	\$ 1,216,095	none	none
*Partnerships	11,768,525	-	none	none
*Hedge Funds	29,226,486	2,096,235	Quarterly	various
*Venture capital investments	47,898,270	6,923,994	none	none
*Equity hedge funds	14,826,634	-	none	none
Total Investments Measured at the NAV	<u>\$ 121,867,241</u>			

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

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

Note 4. Receivables

Receivables at June 30, 2017 were as follows:

	General	Education Grants	Capital Projects	Other Special Revenue	Other Nonmajor Funds	Total Governmental Funds
Property taxes and interest	\$ 26,346,560	\$ -	\$ -		\$ -	\$ 26,346,560
Amount due from component unit, Yale University and other receivables	8,511,648	340,676	473,716	45,812	175,552	9,547,404
Intergovernmental	23,554,309	10,906,470	38,066,248	3,514,283	3,956,630	79,997,940
Gross receivables	58,412,517	11,247,146	38,539,964	3,560,095	4,132,182	115,891,904
Allowance for doubtful accounts	(17,615,185)	-	-	-	-	(17,615,185)
Total receivables, net	<u>\$ 40,797,332</u>	<u>\$ 11,247,146</u>	<u>\$ 38,539,964</u>	<u>\$ 3,560,095</u>	<u>\$ 4,132,182</u>	<u>\$ 98,276,719</u>

The New Haven Parking Authority, a component unit, has accounts receivable of \$1,755,282 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 \$744,209. 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 \$869,248 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	\$ 7,600,055	\$ -
School construction receivable	19,191,897	-
Miscellaneous receivable	2,664,098	881,145
Advance tax collection	6,455,277	-
Capital Projects Fund:		
Intergovernmental grants receivable	37,647,766	-
Other Special Revenue Fund:		
Intergovernmental grants receivable	61,600	
Nonmajor Governmental Funds:		
Miscellaneous receivable	144,375	-
Intergovernmental grants receivable	-	180,767
Total	<u>\$ 73,765,068</u>	<u>\$ 1,061,912</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, 2017, interfund balances were as follows:

	Due From	Due To
Primary Government:		
General Fund	\$ 13,671,741	\$ -
Major Funds:		
Education grants	-	10,780,171
Other Special Revenue	-	16,351,377
Capital Projects Funds	16,927,029	-
	<u>16,927,029</u>	<u>27,131,548</u>
Other Nonmajor Funds:		
Community Development	-	1,842,843
Improvement	-	1,868,395
Human Resources	-	662,957
Other ETF	-	496
	<u>-</u>	<u>4,374,691</u>
Pension Trust Funds	<u>926,715</u>	<u>-</u>
Enterprise Funds	4,652	23,898
Total primary government	<u>\$ 31,530,137</u>	<u>\$ 31,530,137</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, 2017, amounts transferred between funds were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 381,936
Education Grant Funds	-	283,914
Capital Projects Funds	283,914	-
Other nonmajor governmental funds	381,936	-
	<u>\$ 665,850</u>	<u>\$ 665,850</u>

All transfers result from budgetary appropriations.

City of New Haven, Connecticut

Notes to Financial Statements

Note 7. Interfund Balances and Interfund Transfers (Continued)

Transfers from Enterprise Funds were to reimburse Capital Projects Funds for capital expenditures on behalf of Enterprise Funds. Transfers from the General Fund to the Education Grant Funds were for various education programs including a transfer to the Cafeteria Program. Transfers from the Capital Projects Fund to Other Nonmajor Funds was for various small improvement projects.

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2017 is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 44,140,306	\$ -	\$ -	\$ -	\$ 44,140,306
Construction in progress	68,426,665	74,417,094	-	(109,502,111)	33,341,648
Total capital assets, not being depreciated	112,566,971	74,417,094	-	(109,502,111)	77,481,954
Capital assets, being depreciated:					
Buildings and improvements	1,686,009,745	5,906,571	-	109,502,111	1,801,418,427
Land improvements	22,916,553	3,795,814	-	-	26,712,367
Vehicles	37,774,987	1,841,190	(107,487)	-	39,508,690
Machinery, equipment, furniture, fixtures and other related assets	49,923,495	7,877,675	-	-	57,801,170
Infrastructure	257,992,021	7,533,337	-	-	265,525,358
Total capital assets being depreciated	2,054,616,801	26,954,587	(107,487)	109,502,111	2,190,966,012
Less accumulated depreciation for:					
Buildings and improvements	418,482,934	36,981,252	-	-	455,464,186
Land improvements	14,855,024	647,563	-	-	15,502,587
Vehicles	25,185,431	2,812,592	(94,119)	-	27,903,904
Machinery, equipment, furniture, fixtures and other related assets	22,533,584	3,994,049	-	-	26,527,633
Infrastructure	150,043,289	5,603,359	-	-	155,646,648
Total accumulated depreciation	631,100,262	50,038,815	(94,119)	-	681,044,958
Total capital assets, being depreciated, net	1,423,516,539	(23,084,228)	(13,368)	109,502,111	1,509,921,054
Governmental activities capital assets, net	\$ 1,536,083,510	\$ 51,332,866	\$ (13,368)	\$ -	\$ 1,587,403,008

City of New Haven, Connecticut

Notes to Financial Statements

Note 8. Capital Assets (Continued)

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

Governmental activities:

Education	\$ 34,605,640
General government	5,860,684
Public safety	2,674,556
Public works	5,909,571
Culture and recreation	988,364
Total depreciation expense - governmental activities	<u>\$ 50,038,815</u>

Component units:	Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 2,561,000	\$ -	\$ -	\$ -	\$ 2,561,000
Construction in progress	3,587,042	3,566,169	-	(3,425,598)	3,727,613
Total capital assets, not being depreciated	<u>6,148,042</u>	<u>3,566,169</u>	<u>-</u>	<u>(3,425,598)</u>	<u>6,288,613</u>
Capital assets, being depreciated:					
Buildings and improvements	106,447,682	-	-	3,425,598	109,873,280
Equipment and motor vehicles	8,764,560	327,539	(43,063)	-	9,049,036
Total capital assets being depreciated	<u>115,212,242</u>	<u>327,539</u>	<u>(43,063)</u>	<u>3,425,598</u>	<u>118,922,316</u>
Less accumulated depreciation for:					
Buildings and improvements	73,569,142	4,062,499	-	-	77,631,641
Equipment and motor vehicles	5,013,343	1,248,873	(19,478)	-	6,242,738
Total accumulated depreciation	<u>78,582,485</u>	<u>5,311,372</u>	<u>(19,478)</u>	<u>-</u>	<u>83,874,379</u>
Total capital assets, being depreciated, net	<u>36,629,757</u>	<u>(4,983,833)</u>	<u>(23,585)</u>	<u>3,425,598</u>	<u>35,047,937</u>
Capital assets, net	<u>\$ 42,777,799</u>	<u>\$ (1,417,664)</u>	<u>\$ (23,585)</u>	<u>\$ -</u>	<u>\$ 41,336,550</u>

Construction commitments: The City has the following major active construction projects as of June 30, 2017, 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, 2017	Expected Date of Completion
ESUMS - Middle School	\$ 85,500,000	\$ 79,905,735	\$ 5,594,265	10/01/2018
Strong Elementary School K -4	45,000,000	1,544,503	43,455,497	08/01/2020
	<u>\$ 130,500,000</u>	<u>\$ 81,450,238</u>	<u>\$ 49,049,762</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, 2017 is as follows:

	Balance July 1, 2016	Issued/ Additions	Reductions	Balance June 30, 2017	Due Within One Year
Government activities:					
Long-term debt:					
General obligation bonds payable	\$ 522,993,825	\$ 117,510,000	\$ 118,050,695	\$ 522,453,130	\$ 40,347,523
Premiums/discounts on bonding, net	33,283,194	19,274,478	4,561,149	47,996,523	-
Notes payable	410,000	-	410,000	-	-
GANs	68,825,028	-	12,237,077	56,587,951	56,587,951
Capital leases	4,534,683	597,933	858,196	4,274,420	1,089,248
Other long-term liabilities:					
Clean water fund notes-GNHWPCA	8,482,625	-	759,311	7,723,314	748,527
Compensated absences	19,349,407	25,617,910	21,465,157	23,502,160	1,000,000
Accrued workers' compensation	27,393,373	4,826,406	8,142,645	24,077,134	5,000,000
Accrued claims and other	10,118,650	2,726,300	-	12,844,950	9,000,000
Claims, Other	-	9,500,000	-	9,500,000	9,500,000
Retainage	5,734,489	909,094	1,927,215	4,716,368	4,716,368
Net pension liability	704,400,931	72,723,880	-	777,124,811	-
Unfunded OPEB obligations	146,707,000	19,898,000	-	166,605,000	-
Landfill closure and post-closure	600,000	-	150,000	450,000	150,000
Total long-term liabilities	<u>\$ 1,552,833,205</u>	<u>\$ 273,584,001</u>	<u>\$ 168,561,445</u>	<u>\$ 1,657,855,761</u>	<u>\$ 128,139,617</u>
Component unit activities:					
Long-term debt:					
Revenue bonds	\$ 16,109,000	\$ 7,700,000	\$ 9,532,000	\$ 14,277,000	\$ 570,000
Total component unit	<u>\$ 16,109,000</u>	<u>\$ 7,700,000</u>	<u>\$ 9,532,000</u>	<u>\$ 14,277,000</u>	<u>\$ 570,000</u>

2016 general obligation refunding bond in-substance defeasance: On August 17, 2016, the City issued \$69,110,000 of general obligation refunding bonds with interest rates of 2% 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 \$77,675,143 was placed in an irrevocable trust under an Escrow Agreement dated August 2016 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,933,274, and a cash savings of \$3,781,479 between the old debt payments and the new debt payments. The balance of the defeased bonds was approximately \$24 million at June 30, 2017. 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, 2017, the amount of defeased debt outstanding, but removed from the City’s government-wide financial statements, is approximately \$158,240,000.

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 \$117,510,000 were issued, \$48,400,000 of which is for various capital projects and \$69,110,000 of which is refunding bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year or 20-year serial bonds, and are payable from taxes levied on all taxable property located within the City. The City has not pledged any assets as collateral for general obligation bonds. General obligation bonds currently outstanding are as follows:

Purpose/Maturity	Interest Rate	Governmental Activities
General Purpose Bonds: Maturity Dates Ranging From August 2017 to August 2031	2.00-5.7%	\$ 282,792,900
School Bonds: Maturity Dates Ranging From August 2017 to August 2031	.34-5.7%	214,940,744
Urban Renewal Bonds: Maturity Dates Ranging From August 2017 to August 2031	2.00-5.7%	24,719,486
		<u>522,453,130</u>
Less current portion		40,347,523
Long-term portion		<u><u>\$ 482,105,607</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:		
2018	\$ 40,347,523	\$ 24,073,422
2019	43,097,001	22,167,079
2020	44,555,841	20,119,067
2021	44,322,765	18,079,413
2022	42,475,000	15,996,397
2023 through 2027	170,330,000	51,875,914
2028 through 2032	93,105,000	21,204,464
2033 through 2037	44,220,000	4,413,938
	<u>\$ 522,453,130</u>	<u>\$ 177,929,694</u>

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, 2017 was approximately \$4,916,000. The City expects to receive approximately \$19,191,897 in principal payments and approximately \$1,708,000 in interest payments over the next 13 years.

Bonds authorized/unissued: At June 30, 2017, the City had approximately \$216,255,187 in bonds authorized but unissued. This amount has been authorized solely for school construction bonds as of June 30, 2017.

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, 2017, there was one series of limited obligation industrial bonds outstanding, with an aggregate principal amount of approximately \$3,580,000.

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.

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

Beginning balance, July 1, 2016	\$ -
Issuances	33,300,000
Retired/Matured	<u>(33,300,000)</u>
Ending balance, June 30, 2017	<u><u>\$ -</u></u>

On July 27, 2017, the City issued \$33,300,000 of tax anticipation notes with an interest rate of 2.50%, which was due and paid in full on May 18, 2017.

Revenue bonds—component units: On August 1, 2014 the Authority issued \$9,900,000 in Parking System Revenue Bonds, Series 2014. A portion of the proceeds were used to advance refund \$4,705,393 of Parking System Revenue Bonds, Series 2012. The remaining proceeds will be used for capital improvements throughout the unrestricted parking facilities. The Series 2014 bonds require quarterly principal payments of \$248,000 beginning November 1, 2014 with a final principal payment of \$228,000 due August 1, 2024. The interest rate on the bonds is 2.15 percent per annum paid quarterly beginning November 1, 2014 through the maturity date of August 1, 2024.

The annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2018	\$ 992,000	\$ 146,200
2019	992,000	124,872
2020	992,000	103,544
2021	992,000	82,216
2022	992,000	60,888
2023 through 2025	<u>2,212,000</u>	<u>59,018</u>
	<u><u>\$ 7,172,000</u></u>	<u><u>\$ 576,738</u></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 \$7,105,000 of outstanding revenue bond debt at June 30, 2017, with an interest rate of 2.524 percent.

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2018	\$ 570,000	\$ 179,330
2019	580,000	164,943
2020	600,000	150,304
2021	615,000	135,160
2022	630,000	119,638
2023 through 2027	3,380,000	352,478
Thereafter	730,000	18,425
	<u>\$ 7,105,000</u>	<u>\$ 1,120,278</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 approximately \$3,864,544 net of accumulated depreciation of approximately \$3,397,798 at year-end.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2017 were as follows:

	<u>General Government</u>
<u>Year ending June 30:</u>	
2018	\$ 1,217,248
2019	1,221,575
2020	1,073,008
2021	573,008
2022	498,840
Total minimum lease payments	<u>4,583,679</u>
Less: Amount representing interest	<u>309,259</u>
Present value of minimum lease payment	<u>\$ 4,274,420</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 10. Fund Deficits

The following funds had fund deficits as of June 30, 2017:

	<u>Fund Deficits</u>
General Fund	3,394,360
Special Revenue Funds:	
Other	579,530
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, 2017					
	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	\$ 9,316,352	\$ 20,064,740	\$ 1,146,136	\$ 905,497	\$ 31,432,725
Interest and dividends receivable	303,963	535,531	46	-	839,540
Accounts receivable-investment sales	293,825	87,525	-	-	381,350
Accounts receivable-other	38,441	108,495	1	-	146,937
Due from other funds	94,424	143,313	-	688,978	926,715
Investments	152,073,471	306,883,038	107,270	-	459,063,779
Total assets	<u>162,120,476</u>	<u>327,822,642</u>	<u>1,253,453</u>	<u>1,594,475</u>	<u>492,791,046</u>
Liabilities					
Accounts payable-investment purchases	70,012	428,407	-	(405,000)	93,419
Total liabilities	<u>70,012</u>	<u>428,407</u>	<u>-</u>	<u>(405,000)</u>	<u>93,419</u>
Net position:					
Restricted for pension benefits	<u>\$ 162,050,464</u>	<u>\$ 327,394,235</u>	<u>\$ 1,253,453</u>	<u>\$ 1,999,475</u>	<u>\$ 492,697,627</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, 2017					
	City Employees' Retirement Fund	Policemen's & Firemen's Retirement Fund	Other Retirement Fund	Post Employment Benefit Plan Fund	Total
Additions:					
Contributions:					
Employer contributions	\$ 20,400,121	\$ 27,536,158	\$ -	\$ 25,744,435	\$ 73,680,714
Plan members	4,832,717	7,573,887	-	2,829,083	15,235,687
Total contributions	25,232,838	35,110,045	-	28,573,518	88,916,401
Investment earnings:					
Net increase in fair value of investments	11,369,694	33,221,076	14,685	-	44,605,455
Interest and dividends	2,936,926	4,188,817	3,495	1,457	7,130,695
Miscellaneous Income	9,749	6,938,894	-	-	6,948,643
Total investment income	14,316,369	44,348,787	18,180	1,457	58,684,793
Less investment expenses:	965,505	707,836	-	-	1,673,341
Net investment earnings	13,350,864	43,640,951	18,180	1,457	57,011,452
Total additions	38,583,702	78,750,996	18,180	28,574,975	145,927,853
Deductions:					
Benefits	29,973,518	54,073,974	15,874	27,414,699	111,478,065
Total deductions	29,973,518	54,073,974	15,874	27,414,699	111,478,065
Net increase	8,610,184	24,677,022	2,306	1,160,276	34,449,788
Net position, beginning of year	153,440,280	302,717,213	1,251,147	839,199	458,247,839
Net position, end of year	\$ 162,050,464	\$ 327,394,235	\$ 1,253,453	\$ 1,999,475	\$ 492,697,627

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:

Retirees and beneficiaries receiving benefits	1,103
Terminated plan members entitled to but not yet receiving benefits	85
Active plan members	943
Total	2,131

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. In 2017, the City contributed approximately \$20,400,000 to the Plan.

Summary of significant accounting policies, plan changes and plan asset matters:

Basis of accounting: Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. See Note 3 for plan investment policies.

Plan provisions:

Effective date: January 1, 1938 and dates of subsequent amendments.

Plan year: July 1 through June 30.

Employees covered: General Fund or Water Pollution Control Authority full time employees or full time elected or appointed officers if 1) hired before age 55 (60 for some employee groups); 2) not receiving benefits from, or eligible for, participation in any other pension plan of the City or the State of Connecticut; and 3) makes employee contributions.

Coverage is automatic for such full time employees.

Credited service: Employment with the City prior to January 1, 1938; employment with the City after January 1, 1938 during which time employee contributions were made.

Form of benefit payment: Life annuity with a 50 percent survivor benefit for service pensioners and disabled pensioners.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (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, 2017.

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, 2017 were as follows:

	City Employees' Retirement Fund	2017
Total pension liability		\$ 473,157,311
Plan fiduciary net position		161,904,465
Net pension liability		<u>\$ 311,252,846</u>
Plan fiduciary net position as a percentage of total pension liability		34.22%

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.18 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, 2017:

	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, 2017 are summarized in the following table:

<u>City Employees' Retirement Plan</u> <u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
US Large Cap	19.00%	4.65%	0.88%
US Mid / Small Cap	4.00%	5.50%	0.22%
Developed International Equities	9.00%	5.50%	0.50%
Emerging Market Equity	7.00%	6.50%	0.46%
International Corporate Fixed	2.00%	2.25%	0.05%
International Government Fixed	2.00%	1.65%	0.03%
High Yield Bonds	5.00%	3.25%	0.16%
International Bonds	0.00%	2.00%	0.00%
Emerging Market Debt	5.00%	3.75%	0.19%
Money Market/ Short-Term Bonds	13.00%	0.00%	0.00%
Real Estate Core	2.00%	5.00%	0.65%
Commodities	0.00%	5.25%	0.00%
Alternatives	32.00%	5.00%	1.60%
	<u>100.00%</u>		4.74%
Long-Term Inflation Expectation			<u>2.75%</u>
Long-Term Expected Nominal Return			<u>7.49%</u>

Discount rate: The discount rate used to measure the total pension liability as of June 30, 2017 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)

Changes from prior valuation: The investment return assumption has been changed from 8.00 percent to 7.75 percent.

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	\$ 319,690,845	\$ 311,252,846	\$ 303,126,523

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 6/30/16	\$ 459,456,387	\$ 153,440,281	\$ 306,016,106
Changes for the year:			
Service cost	5,047,368	-	5,047,368
Interest	35,984,424	-	35,984,424
Change of assumptions	23,023,397	-	23,023,397
Differences between expected and actual experience	(21,080,747)	-	(21,080,747)
Contributions - employer	-	20,400,121	(20,400,121)
Contributions - members	-	4,832,717	(4,832,717)
Net investment income	-	12,697,497	(12,697,497)
Benefit payments, including refunds of employee contributions	(29,273,518)	(29,273,518)	-
Administrative expense	-	(202,382)	202,382
Other	-	9,749	(9,749)
Net changes	13,700,924	8,464,184	5,236,740
Balances at 6/30/17	\$ 473,157,311	\$ 161,904,465	\$ 311,252,846

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2017, the City recognized pension expense of \$32,801,164. As of June 30, 2017, 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	\$ 221,740	\$ (15,383,248)
Changes of assumptions	19,820,334	-
Net difference between projected and actual earnings on pension plan investments	16,161,258	-
Total	<u>\$ 36,203,332</u>	<u>\$ (15,383,248)</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 ended June 30:	
2018	\$ 8,491,142
2019	8,491,144
2020	3,960,961
2021	(123,163)
2022	-
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:

Retirees and beneficiaries receiving benefits	1,275
Terminated plan members entitled to but not yet receiving benefits	7
Active plan members	634
Total	<u>1,916</u>

Plan description: The City of New Haven is the administrator of a single employer Public Employee Retirement System (PERS) established and administered by the City to provide pension benefits for its employees. The PERS is considered to be part of the City of New Haven's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue stand-alone statements.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

The City provides retirement benefits through a single employer, contributory, defined benefit plan. Under the Plan, all policemen and firemen are eligible. Employees are 100 percent vested after 10 years of service. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions are returned without interest. Normal Retirement Age is after 20 years of continuous service, 25 years for new hires. Benefits and contributions are established by the City and may be amended by the City.

Summary of significant accounting policies, plan changes and plan asset matters:

Basis of accounting: Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed and are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan. See Note 3 for plan investment policy.

Plan provisions:

Effective date: January 1, 1958 and dates of subsequent amendments.

Plan year: July 1 through June 30.

Eligibility: Automatic for policemen and firemen hired after December 31, 1957.

Employee contributions:

11 percent for Fire after July 1, 2014.

12 percent for Police effective after December 18, 2012.

In 2017, the City contributed approximately \$27,536,000 to the plan.

Continuous service: Uninterrupted employment with the Police or Fire Departments. Also, members may purchase up to 5 years sick leave credit at retirement.

Service retirement date: 20 years of continuous service. 25 years for Police hired after 12/18/2012.

Mandatory retirement date: Age 67 with no service requirement (was 65).

Final average pay: Average total annual earnings for the 4 highest plan years of earnings (was 5 years for Police prior to July 1, 2004 and for Fire prior to July 1, 2006), or budgeted annual salary at time of retirement, whichever is greater. Total annual earnings includes 50 percent of extra duty compensation earned on and after July 1, 1994. For Police hired after November 1, 2009, and for Fire hired after August 28, 2013, earnings include only base wages for pension purposes.

Service retirement benefits: For members actively employed after June 30, 1994: 2½ percent (2 percent for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof up to 20 years plus 3 percent (2.5 percent for Police hired after 12/18/2012 and for Fire hired after 4/23/2014) of final average pay for each year of service and fraction thereof in excess of 20 years all subject to a maximum of 80 percent (effective July 1, 2004: 83 percent for Police retiring with at least 30 years of actual service, if cash in 30 sick days from the sick leave payout maximum at retirement) of final average pay, 70 percent for Police hired after 12/18/2012 and for Fire hired after 4/23/2014).

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (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, 2017 were as follows:

Policemen and Firemen Retirement Fund	2017
Total pension liability	\$ 793,266,199
Plan fiduciary net position	327,394,234
Net pension liability	<u>\$ 465,871,965</u>
Plan fiduciary net position as a percentage of total pension liability	41.27%

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.71 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, 2017:

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:

<u>Age</u>	<u>Rate*</u>
20	11.50%
25	10.50%
30	8.00%
35	3.90%
40	3.50%
45	3.45%
50	3.20%
55 and above	3.00%

* Implicit inflation assumption implicit in above table = 2.75%

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Description of Actuarial Methods

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, 2017 are summarized in the following table:

<u>Police and Firemen Retirement Plan</u>			
<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
US Large Cap	24.00%	4.65%	1.12%
US 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%	5.50%	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, 2017 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.

Changes from prior valuation: The investment return assumption has been changed from 8.00 percent to 7.75 percent.

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	\$ 480,136,853	\$ 465,871,965	\$ 452,173,641

Changes in the Net Pension Liability

	Police and Firemen Retirement Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/16	\$ 701,102,039	\$ 302,717,214	\$ 398,384,825
Changes for the year:			
Service cost	11,437,934	-	11,437,934
Interest	54,881,850	-	54,881,850
Change of assumptions	57,167,094	-	57,167,094
Differences between expected and actual experience	22,751,256	-	22,751,256
Contributions - employer	-	27,536,158	(27,536,158)
Contributions - members	-	7,573,887	(7,573,887)
Net investment income	-	36,899,484	(36,899,484)
Benefit payments, including refunds of employee contributions	(54,073,974)	(54,073,974)	-
Administrative expense	-	(197,429)	197,429
Other	-	6,938,894	(6,938,894)
Net changes	92,164,160	24,677,020	67,487,140
Balances at 6/30/17	<u>\$ 793,266,199</u>	<u>\$ 327,394,234</u>	<u>\$ 465,871,965</u>

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

For the year ended June 30, 2017, the City recognized pension expense of \$65,171,852. As of June 30, 2017, 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	\$ 26,866,973	\$ -
Changes of assumptions	48,747,810	-
Net difference between projected and actual earnings on pension plan investments	18,691,310	-
Total	<u>\$ 94,306,093</u>	<u>\$ -</u>

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

	Police and Firemen Pension Plan
Year ended June 30:	
2018	\$ 36,361,304
2019	35,561,897
2020	23,065,986
2021	(683,094)
2022	-
Thereafter	-

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

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.

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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Plans (Continued)

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. Employees are required to contribute 6.0 percent of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2016/2017 school year, \$36,338,130 in mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$154,000,000.

Employers are not required to make contributions to the Plan.

Actuarial assumptions: 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 total pension liability was determined by an actuarial valuation as of June 30, 2016, 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.

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State’s proportionate share of the net pension liability associated with the City, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
State's proportionate share of the NPL associated with the City	\$ 654,605,398	\$ 530,596,757	\$ 425,765,069

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 \$530,596,757 and 100 percent of the collective net pension liability is allocated to the State. The City has no proportionate share of the liability.

June 30, 2016 is the actuarial valuation date upon which the total pension liability is based, which is also 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, 2017, the City recognized \$57,863,484 as the amount expended by the State on behalf of the City to meet the State’s funding requirements in the Statement of Activities.

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

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 \$ 119,417 for the year ended June 30, 2017.

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, 2017 amounted to \$594,513.

Aggregate Pension Summary

Plan	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City Employees' Retirement	\$ 311,252,846	\$ 36,203,332	\$ -	\$ 32,801,164
Police and Firemen Retirement	465,871,965	94,306,093	15,383,248	64,627,852
Total	\$ 777,124,811	\$ 130,509,425	\$ 15,383,248	\$ 97,429,016

City of New Haven, Connecticut

Notes to Financial Statements

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, 2015:

	<u>Total</u>
Inactive plan members receiving benefits	2,833
Inactive plan members not yet receiving benefits	-
Active plan members	<u>3,328</u>
Total	<u><u>6,161</u></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.

Funding policy: The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rate of the employer and the members varies depending on the applicable agreement. The City currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the plan are paid by the City.

The OPEB obtained its latest actuarial valuation as of July 1, 2015 upon which the annual required contribution for the fiscal year ended June 30, 2017 was determined based on a 4.00% discount rate.

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
7/01/15	\$ 338,000	\$ 557,227,000	\$ 556,889,000	0.1%	\$ 229,267,000	242.9%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of New Haven, Connecticut

Notes to Financial Statements

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

The accrued liability is equal to the portion of the present value of future benefits that is allocated to years of service before the valuation date. The accrued liability is amortized over 30 years, as a level dollar amount open.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funding status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Annual OPEB cost and net OPEB obligation: The City's annual post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45 for employers in plans with more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

The calculation of the change in the net OPEB obligation for the year ended June 30, 2017 follows:

Actuarially Required

1. Contribution (ARC)	\$ 50,008,000
2. Interest on Net OPEB obligation	5,868,000
3. Adjustment To (ARC)	<u>(8,158,000)</u>
4. Annual OPEB Cost (AOC)	47,718,000
5. Contribution Made	<u>27,820,000</u>
6. Increase in Net OPEB obligation	19,898,000
7. Net OPEB obligation, beginning of year	<u>146,707,000</u>
8. Net OPEB obligation, end of year	<u><u>\$ 166,605,000</u></u>

Annual OPEB Cost and Net OPEB Obligation
Three-Year Trend Information

Fiscal Year Ending	Annual OPEB Cost (AOC)	Annual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/15	\$ 35,632,700	\$ 28,708,400	81%	\$ 138,999,300
6/30/16	\$ 36,011,000	\$ 28,303,000	79%	\$ 146,707,000
6/30/17	\$ 47,718,000	\$ 27,820,000	58%	\$ 166,605,000

City of New Haven, Connecticut

Notes to Financial Statements

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

City Employees' Other Post-Employment Benefit Plan:

Eligibility: Executive Management, Local 3144; classified employees, Local 884, Locals 68 and 71; trade employees; and cafeteria workers; custodians, and Local 217 are eligible for medical coverage upon meeting one of the following criteria:

1. 25 years of service or Rule of 80
2. 20 years with a service connected disability or
3. 15 years of service and meet total disability requirements of Social Security

Cafeteria workers must retire after 7/1/82 and still meet one of the eligibility requirements. Trade employees must retire after 7/1/87 and still meet one of the eligibility requirements.

School Administrators and Teachers must meet one of the following conditions: (1) age 50 with 25 years of service (2) age 55 with 20 years of service or (3) age 60 with 10 years of service.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70, except for local 884 and local 68 who are covered through age 65. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70, except for local 884 and local 68 who are covered through the date the retiree would turn age 65.

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

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

Local 884, 68: There is no retiree contribution for those who retired prior to July 1, 1998. Retirees on or after June 1, 1998 pay the same cost as an active participant at the time of retirement.

Local 71: There is no retiree contribution for those who retired prior to June 30, 1998. Retirees on or after June 30, 1998 pay a portion of the cost for medical coverage.

Trade: There is no retiree contribution for those who retired prior to June 30, 2004. Retirees on or after July 1, 2004 pay a portion of the cost for medical coverage.

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

Policemen and Firemen Other Post-Employment Benefit Plan:

Eligibility: Policemen and Firemen are eligible for post-employment medical coverage when they meet 20 years of service and are eligible for full pension or are disabled from active service.

Medical coverage is provided for the retiree and their spouse until they reach the age of 70. The retiree's spouse will be covered in the event of the retiree's death until the date the retiree would turn age 70.

City of New Haven, Connecticut

Notes to Financial Statements

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

Contributions: The cost of medical coverage for eligible retirees and their spouses is dependent on the medical plan selected and the coverage level as follows:

	Century Preferred	Blue Care 1	Blue Care 2
Police - Individual	\$50/mo.	\$45/mo.	-
Police - Employee and Spouse	\$105/mo.	\$85/mo.	-
Fire - Individual	\$55/mo.	\$45/mo.	\$40/mo.
Fire - Employee and Spouse	\$110/mo.	\$85/mo.	\$80/mo.

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.

GASB 74 Disclosures: The following disclosures are required under GASB 74. The plan is considered to be part of the City's financial reporting entity and is included in the City's report as the OPEB Trust fund. The plan does not issue a stand-alone financial report.

Investments:

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

Rate of return: For the year ended June 30, 2017, 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	0.36%

City of New Haven, Connecticut

Notes to Financial Statements

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

Net OPEB liability: The components of the net OPEB liability at June 30, 2017 were as follows:

Net OPEB Liability
as of June 30, 2017

Total OPEB liability	\$ 592,199,285
Plan fiduciary net position	1,594,455
Net OPEB liability	<u>\$ 590,604,830</u>
Plan fiduciary net position as a percentage of total OPEB liability	-0.27%
Covered payroll	242,050,000
Net OPEB liability as a % of covered payroll	244.00%

Valuation date: The July 1, 2015 actuarial valuation was used to calculate the July 1, 2015 total OPEB liability. The July 1, 2015 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, 2017. The total OPEB liability as of June 30, 2017 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Actuarial assumptions:

Valuation date:	7/1/2015
Actuarial cost method:	Entry Age Normal
Investment rate return:	4.0%, net of investment related expense
Inflation:	2.75%
Mortality:	The RP2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP - 2016. set forward one year,

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The assumed rate of return was 4.0%, using a 20-year high quality (AA/Aa or higher), tax exempt municipal bond yield or index rate as the fiduciary net position is not projected to have sufficient fiduciary net position to cover future benefit payments and administrative expenses.

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.

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 (7.75% decreasing to 4.75%) or 1 percentage point higher (8.75% decreasing to 5.75%) than the current healthcare cost trend rates.

Net OPEB Liability	Healthcare Cost Trend Rates		
	(7.75% decreasing to 4.75%)	1.0% Decrease (6.75% decreasing to 3.75%)	1.0% Increase (8.75% increasing to 5.75%)
Net OPEB liability as of June 30, 2017	\$ 590,604,830	\$ 516,850,113	\$ 678,752,292

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability, calculated using the discount rate of 4.00% 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 3.00%	4.00%	1% Increase 5.00%
OPEB Plan	\$ 657,971,959	\$ 590,604,830	\$ 532,486,299

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 \$11,535,000 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 nine years. As of June 30, 2017, total future minimum rental payments under these leases are as follows:

Year ending June 30:	
2018	\$ 486,355
2019	486,355
2020	486,355
2021	169,170
	<u>\$ 1,628,235</u>

Rent expense related to these agreements amounted to approximately \$2,980,000 for the year ended June 30, 2017.

City of New Haven, Connecticut

Notes to Financial Statements

Note 13. Commitments and Contingencies (Continued)

Component unit: The New Haven Parking Authority is a defendant in other litigation arising in the ordinary course of business. In the opinion of the Parking Authority's management, based upon the advice of legal counsel, the ultimate liability, if any, with respect to these matters will not be material. The Parking Authority intends to defend itself vigorously against these actions.

Parking authority lease agreements: The Parking Authority also leases the Granite Square Garage facility for a period of 25 years. The lease for the facility requires monthly rental payments which are based primarily upon the recovery of costs to finance the facility. This agreement was replaced by a new five-year lease agreement effective July 1, 2015. The new lease for the facility requires monthly rental payments of \$37,500 for the years ended June 30, 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, 2017 is \$37,500. The following is a schedule, as of June 30, 2017, of estimated future minimum rental payments, which are required of the Authority as lessee under this agreement:

Year ending June 30:	
2018	\$ 460,000
2019	460,000
2020	460,000
	<u>\$ 1,380,000</u>

Total Parking Authority rental expense under cancelable and non-cancelable operating leases is included in the statement of revenues, expenses and changes in fund net position and totaled approximately \$1,012,000 for the year ended June 30, 2017.

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, 2017 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 \$450,000, 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, 2017. 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, 2017. 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 \$ 27,077,134 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 \$ 7,990,450.

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 two 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
2017	\$ 3,823,000	\$ 13,889,245	\$ 3,357,745	\$ 14,354,500
2016	3,823,000	1,743,946	1,743,946	3,823,000

Fiscal Year Ended	Medical Self-Insurance			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2017	\$ 6,295,650	\$ 116,513,265	\$ 114,818,465	\$ 7,990,450
2016	5,873,865	107,240,955	106,819,170	6,295,650

Fiscal Year Ended	Workers' Compensation and Heart & Hypertension			
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2017	\$ 27,393,372	\$ 4,826,407	\$ 8,142,645	\$ 24,077,134
2016	27,663,620	7,499,186	7,769,434	27,393,372

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>2017</u>
Accounts payable and accrued expenses to the City from the Authority	<u>\$ 154,488</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>2017</u>
Under Air Rights	\$ 51,120
Residential lots	6,048
Sherman Tyler	101,952
Lots N & O	90,000
State Street surface lots	33,480
State and Trumbull	14,850
Orchard and Sherman	99,360
	<u>\$ 396,810</u>

During 2017, the City received a voluntary financial assistance payment of \$2,016,544 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.

City of New Haven, Connecticut

Notes to Financial Statements

Note 16. Related Party Transactions (Continued)

Related party activity of the Authority at June 30, 2017 is as follows:

Operating revenue received by Authority from the City for services	<u>\$ 2,778,054</u>
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Note 17. Subsequent Events

The City issued \$25,000,000 in general obligation tax anticipation notes on July 19, 2017. The notes bear interest of 2.50% and mature on May 15, 2018.

The City issued \$76,715,000 general obligation bonds on August 3, 2017 at interest rates ranging from 3.00% to 5.250%. \$43,300,000 were general obligation bonds and \$33,415,000 were general obligation refunding bonds. The general obligation bonds are payable through 2017 in annual installments ranging from \$625,000 to \$3,385,000. The refunding bonds are considered defeased and will be paid from an escrow account through 2027.

Note 18. Fund Balances (Deficits)

Below is a table of fund balance (deficits) categories and classifications at June 30, 2017 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	\$ 369,575	\$ 143,424	\$ -	\$ -	\$ -	\$ 512,999
Permanent funds	-	-	-	-	2,381,320	2,381,320
	<u>369,575</u>	<u>143,424</u>	<u>-</u>	<u>-</u>	<u>2,381,320</u>	<u>2,894,319</u>
Restricted:						
General government-parks	-	-	-	-	2,996,381	2,996,381
Education	-	2,111,756	-	-	-	2,111,756
Public works	-	-	56,672,925	-	1,473,935	58,146,860
Public services-other	-	-	-	-	1,344,841	1,344,841
Public services-human resources	-	-	-	-	3,969,690	3,969,690
Public services-community	-	-	-	-	1,662,863	1,662,863
	<u>-</u>	<u>2,111,756</u>	<u>56,672,925</u>	<u>-</u>	<u>11,447,710</u>	<u>70,232,391</u>
Unassigned (Deficit)	<u>(3,763,935)</u>	<u>-</u>	<u>-</u>	<u>(579,530)</u>	<u>-</u>	<u>(4,343,465)</u>
Total fund balances (deficits)	<u>\$ (3,394,360)</u>	<u>\$ 2,255,180</u>	<u>\$ 56,672,925</u>	<u>\$ (579,530)</u>	<u>\$ 13,829,030</u>	<u>\$ 68,783,245</u>

There were no significant encumbrances at June 30, 2017.

City of New Haven, Connecticut

Notes to Financial Statements

Note 19. Tax Abatements

The City adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017. The new 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 \$ 8,350,000.

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

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

City of New Haven, Connecticut

Notes to Financial Statements

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

- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.
- *GASB Statement No. 84, Fiduciary Activities*. 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. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.
- *GASB Statement No. 85, Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.
- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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**Required Supplementary
Information (unaudited)**

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, 2017

(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Current City taxes:				
Real estate	\$ 204,063,532	\$ 204,063,532	\$ 205,642,170	\$ 1,578,638
Personal property	26,088,948	26,088,948	26,413,483	324,535
Motor vehicle	12,732,249	12,732,249	12,692,668	(39,581)
Supplemental	1,534,780	1,534,780	2,756,198	1,221,418
Current interest	1,000,000	1,000,000	1,070,886	70,886
Collection fees	-	-	-	-
Total current City taxes	245,419,509	245,419,509	248,575,405	3,155,896
Tax collection initiatives:				
Real and personal property initiatives	2,354,798	2,354,798	-	(2,354,798)
Delinquent City taxes:				
Real and personal property	1,550,000	1,550,000	2,875,525	1,325,525
Interest and penalties	600,000	600,000	938,720	338,720
Total delinquent City taxes	2,150,000	2,150,000	3,814,245	1,664,245
Education grants:				
Education cost sharing	142,509,525	142,509,525	142,450,308	(59,217)
School construction reimbursement	5,718,083	5,718,083	5,740,371	22,288
Health services non-public schools	35,000	35,000	32,391	(2,609)
Total education grants	148,262,608	148,262,608	148,223,070	(39,538)
Other government grants:				
Distressed cities exemption	385,000	385,000	331,010	(53,990)
Homeowners tax relief - elderly circuit breaker	425,000	425,000	404,509	(20,491)
Low income tax abatement program	85,000	85,000	-	(85,000)
Pequot funds	5,794,422	5,794,422	5,794,422	-
Municipal revenue sharing	14,584,940	14,584,940	14,584,940	-
Grants for Municipal Projects	1,369,123	1,369,123	1,369,123	-
PILOT - colleges and hospitals	40,463,189	40,463,189	40,483,204	20,015
PILOT - state property	6,013,572	6,013,572	6,013,572	-
PILOT - low income	62,000	62,000	55,190	(6,810)
PILOT - disabled	10,000	10,000	8,699	(1,301)
PILOT - Motor Vehicle	2,118,290	2,118,290	2,118,290	-
Shell fish	-	-	54,047	54,047
Tax relief for the elderly freeze	-	-	-	-
Telecommunications property tax	625,000	625,000	644,864	19,864
Town aid roads	1,248,795	1,248,795	1,245,504	(3,291)
Total other government grants	73,184,331	73,184,331	73,107,374	(76,957)
Total state aid	221,446,939	221,446,939	221,330,444	(116,495)

(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, 2017
(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	\$ 6,231	\$ 1,731
Building Inspection Permits/Fees	16,200,000	16,200,000	13,420,255	(2,779,745)
Building Inspection Permits/License Ctr	65,000	65,000	39,645	(25,355)
Engineers - cost recovery	7,500	7,500	20,219	12,719
Fire service	80,000	80,000	85,081	5,081
Fire insurance recoveries	250,000	250,000	84,049	(165,951)
Health services	347,000	347,000	347,786	786
High school athletics	35,000	35,000	53,120	18,120
Map/Bid documents	2,000	2,000	1,736	(264)
Office of technology	2,000	2,000	1,758	(242)
Parks - Lighthouse carousel	2,000	2,000	1,014	(986)
Parks - Lighthouse admissions & concessions	75,000	75,000	64,273	(10,727)
Parks - other fees	60,000	60,000	66,499	6,499
Police service	125,000	125,000	83,102	(41,898)
Public works - evictions	3,000	3,000	3,565	565
Public works - public space, licenses & permits	200,000	200,000	116,844	(83,156)
Registrar of vital statistics	675,000	675,000	630,462	(44,538)
Residential parking permits	440,000	440,000	120	(439,880)
School Based Health Screenings	250,000	250,000	-	(250,000)
City Clerk	350,000	350,000	405,906	55,906
Traffic & parking meter receipts	6,800,000	6,800,000	6,292,394	(507,606)
Bulk trash permits	-	-	12,942	12,942
Other agencies	35,000	35,000	43,550	8,550
Total licenses, permits and other fees	26,008,000	26,008,000	21,780,551	(4,227,449)
Investment income:				
Interest income	25,000	25,000	385,505	360,505
Received from fines:				
Coliseum lots	240,000	240,000	180,000	(60,000)
Miscellaneous community development rent	15,000	15,000	15,060	60
LCI Fines and Ticket Collections	50,000	50,000	78,840	
Parking space rental	3,000	3,000	3,300	300
Parking tags	5,200,000	5,200,000	4,655,139	(544,861)
Parks employees rents	5,000	5,000	6,300	1,300
Fines false alarm ordinance	100,000	100,000	101,483	1,483
Public works - public space violations	3,000	3,000	6,725	3,725
Superior Court	50,000	50,000	96,962	46,962
Total received from fines	5,666,000	5,666,000	5,143,809	(522,191)

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Required Supplementary Information
Schedule of Revenues and Other Financing Sources-Budget and Actual - (Non-GAAP Budgetary Basis) -
General Fund (Continued)
For the Year Ended June 30, 2017
(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	\$ 74,412	\$ 9,412
Air Rights Garage - Yale	175,000	175,000	-	(175,000)
Eastview PILOT	29,000	29,000	30,064	1,064
Regional Water Authority	1,091,275	1,091,275	1,067,550	(23,725)
Greater NH WPCA	608,400	608,400	608,400	-
New Haven Parking Authority PILOT	2,000,000	2,000,000	2,016,544	16,544
Temple Street Arcade	-	-	-	-
Trinity Housing	75,000	75,000	75,638	638
Air Rights Garage - Temple	45,000	45,000	44,410	(590)
Total payment in lieu of taxes (PILOT)	<u>4,088,675</u>	<u>4,088,675</u>	<u>3,917,018</u>	<u>(171,657)</u>
Other taxes and assessments:				
Real estate conveyance tax	1,700,000	1,700,000	1,923,606	223,606
Yale payment for fire services	2,705,000	2,705,000	2,784,610	79,610
Total other taxes and assessments	<u>4,405,000</u>	<u>4,405,000</u>	<u>4,708,216</u>	<u>303,216</u>
Miscellaneous:				
BABS revenue	825,000	825,000	799,297	(25,703)
Controllers	750,000	750,000	888,817	138,817
Police Vehicle Extra Duty (FMLY I-95 Highway)	401,659	401,659	297,971	(103,688)
Liquidation of Grove Street Trust	371,341	371,341	373,820	
Neighborhood preservation loan payments	-	-	1,096	1,096
Off track betting	675,000	675,000	557,167	(117,833)
Personal motor vehicles reimbursements	13,000	13,000	14,214	1,214
Sale of Fixed Assets	500,000	500,000	928,366	428,366
Other contributions	8,240,275	8,240,275	8,240,191	(84)
Total miscellaneous	<u>11,776,275</u>	<u>11,776,275</u>	<u>12,100,939</u>	<u>324,664</u>
Total revenues and other financing sources	<u>\$ 523,340,196</u>	<u>\$ 523,340,196</u>	<u>\$ 521,756,132</u>	<u>\$ (1,584,064)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	57,863,484
Refunding bond proceeds	69,110,000
Premiums	19,532,886
Excess cost - student based	<u>3,337,582</u>

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

\$ 671,600,084

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, 2017
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Expenditures				
Current:				
General government:				
Assessor's office	\$ 783,808	\$ 733,808	\$ 697,932	\$ 35,876
Chief Administrators office	1,868,303	1,868,303	1,879,515	(11,212)
City/town	539,746	539,746	448,555	91,191
Corporation Counsel	2,068,136	2,177,636	2,007,468	170,168
Finance	7,100,480	7,066,980	7,392,853	(325,873)
Information and Technology	2,993,036	2,993,036	3,106,945	(113,909)
Legislative services	961,589	961,589	790,971	170,618
Library	4,169,359	4,169,359	4,113,121	56,238
Mayor's Office	1,028,979	1,028,979	1,013,018	15,961
Parks	5,294,300	5,294,300	5,329,226	(34,926)
Registrar of voters	871,565	871,565	695,001	176,564
Total general government	27,679,301	27,705,301	27,474,605	230,696
Public safety:				
Fire	30,553,662	31,293,155	31,812,773	(519,618)
Police	37,442,035	40,499,351	41,375,846	(876,495)
Public safety communications	3,389,663	3,389,663	3,313,239	76,424
Total public safety	71,385,360	75,182,169	76,501,858	(1,319,689)
Public works & engineering:				
Engineering	3,341,840	3,341,840	3,256,274	85,566
Public works	12,558,543	12,558,543	11,826,009	732,534
Total public works	15,900,383	15,900,383	15,082,283	818,100
Human services:				
Community services admin.	2,935,121	2,935,121	2,612,201	322,920
Disability services	92,224	92,224	87,360	4,864
Elderly services	746,605	746,605	732,136	14,469
Fair rent commission	73,650	73,650	90,613	(16,963)
Health	3,923,735	3,923,735	3,561,953	361,782
Youth services	1,088,170	1,088,170	1,092,418	(4,248)
Total human services	8,859,505	8,859,505	8,176,681	682,824
Economic development:				
Office of Building Inspection and Enforcement	1,070,025	1,044,025	952,551	91,474
Business Development	1,854,214	1,854,214	1,766,445	87,769
City Plan	589,013	589,013	550,731	38,282
Commission of Equal Opportunity	175,190	175,190	78,709	96,481
Development Subsidies	575,000	575,000	568,095	6,905
Livable city initiative	810,227	810,227	771,451	38,776
Transportation/traffic & parking	5,079,752	5,079,752	4,685,038	394,714
Total economic development	10,153,421	10,127,421	9,373,020	754,401

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Required Supplementary Information
Schedule of Expenditures and Other Financing Uses - Budget and Actual -
(Non-GAAP Budgetary Basis) - General Fund (Continued)
For the Year Ended June 30, 2017
(unaudited)

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Other departments:				
Contract reserve	\$ 900,000	\$ 900,000	\$ -	\$ 900,000
Non-public transportation	565,000	675,000	664,179	10,821
Various organizations	537,295	537,295	537,295	-
Vacancy Savings	(1,640,607)	(1,640,607)	-	(1,640,607)
Total other departments	<u>361,688</u>	<u>471,688</u>	<u>1,201,474</u>	<u>(729,786)</u>
Pensions/insurance/benefits:				
Employee benefits	83,051,210	83,051,210	83,305,312	(254,102)
Pensions	4,400,000	4,400,000	4,601,672	(201,672)
Self-insurance	52,595,450	52,760,450	53,218,832	(458,382)
Total insurance benefits	<u>140,046,660</u>	<u>140,211,660</u>	<u>141,125,816</u>	<u>(914,156)</u>
Education:				
Total education	<u>182,218,697</u>	<u>182,218,697</u>	<u>184,849,956</u>	<u>(2,631,259)</u>
Debt service:				
Principal	44,493,450	40,421,641	46,289,286	(5,867,645)
Interest	25,402,050	25,402,050	20,336,661	5,065,389
Tans Interest Premium	-	-	(169,100)	169,100
Tans Interest Payment	-	-	464,813	(464,813)
Other Contractual Services/Payments	-	-	15,121	(15,121)
Refunding and Bond Premium Savings	(5,000,000)	(5,000,000)	(9,500,000)	4,500,000
Master Lease	628,000	628,000	500,000	128,000
Rainy Day Replenishment	1,211,681	1,211,681	-	1,211,681
Total debt service	<u>66,735,181</u>	<u>62,663,372</u>	<u>57,936,781</u>	<u>4,726,591</u>
Total expenditures and other financing uses	<u>\$ 523,340,196</u>	<u>\$ 523,340,196</u>	<u>521,722,474</u>	<u>\$ 1,617,722</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	57,863,484
Refunding and Bond Premium Savings	9,500,000
Bond issue cost and other	1,467,743
Payment to escrow	77,675,143
Excess cost-student based	3,337,582
Self insurance expenses not recored in budget	<u>5,451,623</u>

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

\$ 677,018,049

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

Schedule of Employer Contributions - CERF

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2008	\$ 10,396,025	\$ 10,396,025	\$ -	\$ 55,510,000	18.7%
2009	10,938,000	10,938,000	-	57,368,000	19.1%
2010	11,501,900	11,501,900	-	55,394,700	20.8%
2011	11,941,035	12,015,996	(74,961)	57,998,200	20.7%
2012	16,258,723	16,332,514	(73,791)	60,152,100	27.2%
2013	16,909,072	16,977,367	(68,295)	53,572,400	31.7%
2014	16,869,954	16,927,028	(57,074)	53,572,427	31.6%
2015	17,544,752	17,592,663	(47,911)	49,260,490	35.7%
2016	19,514,619	19,555,672	(41,053)	51,230,910	38.2%
2017	19,904,911	20,400,121	(495,210)	53,237,062	38.3%

Schedule of Employer Contributions - P&F

Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered payroll
2008	\$ 15,000,000	\$ 15,000,000	\$ -	\$ 55,602,000	27.0%
2009	16,687,000	16,687,000	-	58,017,427	28.8%
2010	17,811,000	17,811,000	-	54,570,400	32.6%
2011	18,692,000	18,692,000	-	57,301,700	32.6%
2012	23,331,000	23,331,000	-	63,313,700	36.8%
2013	24,258,000	24,258,000	-	56,661,400	42.8%
2014	24,286,140	24,358,055	(71,915)	56,661,371	43.0%
2015	25,251,586	25,259,846	(8,260)	51,378,227	49.2%
2016	26,297,294	26,306,000	(8,706)	53,433,356	49.2%
2017	27,081,778	27,536,158	(454,380)	61,714,054	44.6%

Notes to schedule:

	P&F	CERF
Valuation date	07/01/2016	07/01/2016
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	28 years	26 years
Asset valuation method	Fair value	Fair value
Inflation	2.75%	2.75%
Investment rate of return	7.75%	7.75%
Mortality	RP-2014 Total Dataset Mortality Table	RP-2014 Total Dataset Mortality Table

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

Police and Firemen Retirement Plan	2017	2016	2015	2014
Changes in Net Pension Liability				
Total pension liability:				
Service cost	\$ 11,437,934	\$ 11,267,233	\$ 12,179,952	\$ 11,711,492
Interest	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	(54,073,974)	(51,639,291)	(49,650,762)	(46,025,365)
Net change in total pension liability	92,164,160	13,510,787	52,842,606	15,850,497
Total pension liability, beginning	701,102,039	687,591,252	634,748,646	618,898,149
Total pension liability, ending (a)	793,266,199	701,102,039	687,591,252	634,748,646
Fiduciary net position:				
Employer contributions	27,536,158	26,306,000	25,259,846	24,358,055
Member contributions	7,573,887	7,335,993	7,873,208	6,728,075
Net investment income	34,179,484	(5,621,654)	409,813	54,822,571
Benefit payments, including refunds of member contributions	(54,073,974)	(51,639,291)	(49,650,762)	(46,025,365)
Administrative expenses	(197,429)	(184,309)	(170,518)	(845,314)
Other	6,938,894	(2,500)	5,614,956	8,524
Net change in plan fiduciary net position	21,957,020	(23,805,761)	(10,663,457)	39,046,546
Fiduciary net position, beginning	302,717,214	326,522,975	337,186,432	298,139,886
Fiduciary net position, ending (b)	324,674,234	302,717,214	326,522,975	337,186,432
Net pension liability, ending = (a) - (b)	\$ 468,591,965	\$ 398,384,825	\$ 361,068,277	\$ 297,562,214
Fiduciary net position as a % of total pension liability	40.93%	43.18%	47.49%	53.12%
Covered payroll	\$ 61,714,054	\$ 53,433,356	\$ 51,378,227	\$ 56,661,371
Net pension liability as a % of covered payroll	759.30%	745.57%	702.77%	525.16%
Required Supplementary Information - Unaudited Schedule of Investment Returns Last Four Fiscal Years				
	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	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 Net Pension Liability and Related Ratios
Last Four Fiscal Years

City Employees' Retirement Plan	2017	2016	2015	2014
Changes in Net Pension Liability				
Total pension liability:				
Service cost	\$ 5,047,368	\$ 5,045,428	\$ 6,161,890	\$ 5,924,895
Interest	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	(29,973,518)	(30,018,207)	(29,564,933)	(29,218,925)
Net change in total pension liability	13,000,924	10,194,201	19,062,460	7,571,331
Total pension liability, beginning	459,456,387	449,262,186	430,199,726	422,628,395
Total pension liability, ending (a)	472,457,311	459,456,387	449,262,186	430,199,726
Fiduciary net position:				
Employer contributions	20,400,121	19,555,672	17,592,663	16,927,028
Member contributions	4,832,717	4,609,881	4,568,385	4,104,738
Net investment income	12,697,497	(4,249,828)	(1,977,266)	23,978,199
Benefit payments, including refunds of member contributions	(29,973,518)	(30,018,207)	(29,564,933)	(29,218,925)
Administrative expenses	(202,382)	(149,332)	(459,176)	(377,446)
Other	9,749	855	44,573	31,927
Net change in plan fiduciary net position	7,764,184	(10,250,959)	(9,795,754)	15,445,521
Fiduciary net position, beginning	153,440,281	163,691,240	173,486,994	158,041,473
Fiduciary net position, ending (b)	161,204,465	153,440,281	163,691,240	173,486,994
Net pension liability, ending = (a) - (b)	\$ 311,252,846	\$ 306,016,106	\$ 285,570,946	\$ 256,712,732
Fiduciary net position as a % of total pension liability	34.12%	33.40%	36.44%	40.33%
Covered payroll	\$ 53,237,062	\$ 51,230,910	\$ 49,260,490	\$ 53,572,427
Net pension liability as a % of covered payroll	584.65%	597.33%	579.72%	479.19%
Required Supplementary Information - Unaudited				
Schedule of Investment Returns				
Last Four Fiscal Years				
Annual money-weighted rate of return, net of investment expense	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
Schedule of Funding Progress and Employer Contributions
OPEB Plan
Last Ten Fiscal Years
(Unaudited)

Schedule of Funding Progress - OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
07/01/07	\$ -	\$ 430,522,000	\$ 430,522,000	0.0%	\$ 272,235,306	158.1%
07/01/09	-	413,995,000	413,995,000	0.0%	284,120,415	145.7%
07/01/11	227,000	444,370,000	444,143,000	0.1%	285,140,448	155.8%
07/01/13	305,830	441,057,000	440,751,170	0.1%	239,239,541	184.2%
07/01/15	338,000	557,227,000	556,889,000	0.1%	229,297,000	242.9%

Schedule of Employer Contributions - OPEB Plan

Year Ended June 30,	Actuarially Determined Contribution	Percentage Contributed	Actual Contribution
2008	\$ 42,126,000	34.10%	\$ 14,350,000
2009	42,126,000	44.90%	18,931,531
2010	42,126,000	47.10%	19,835,300
2011	37,865,000	53.00%	20,232,800
2012	38,444,000	58.00%	22,471,000
2013	38,063,000	56.00%	21,384,900
2014	38,556,000	64.00%	24,485,900
2015	37,212,000	77.00%	28,708,400
2016	37,673,000	75.13%	28,303,000
2017	50,008,000	55.63%	27,820,000

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

	2017	2016	2015
City's proportion of the net pension liability	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
State's proportionate share of the net pension liability associated with the City	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
Total	\$ 530,596,757	\$ 381,425,862	\$ 352,155,770
City's covered-employee payroll	\$ 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%
System fiduciary net position as a percentage of the total pension liability	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.

**Note to Required Supplementary Information - Unaudited
June 30, 2017**

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, 2017**

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, 2017, the following line items over expended their appropriations:

Department	Amount
Chief Administrators office	\$ (11,212)
Finance	(325,873)
Information and Technology	(113,909)
Parks	(34,926)
Fire	(519,618)
Police	(876,495)
Fair rent commission	(16,963)
Youth services	(4,248)
Vacancy Savings	(1,640,607)
Employee benefits	(254,102)
Pensions	(201,672)
Self-insurance	(458,382)
Principal	(5,867,645)
Other Contractual Services/Payments	(15,121)



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



**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.

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City of New Haven

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Assets				
Cash and cash equivalents	\$ 4,966,832	\$ 2,946,158	\$ 2,695,919	\$ 19,562
Investments	-	-	-	-
Receivables, net	69,651	45,068	9,376	2,426
Receivables from other governments	2,604,627	755,756	596,247	-
Total assets	\$ 7,641,110	\$ 3,746,982	\$ 3,301,542	\$ 21,988
Liabilities				
Accounts payable	\$ 1,635,653	\$ 196,921	\$ 921,176	\$ 9,744
Accrued liabilities	48,209	7,179	54,546	-
Due to other funds	1,842,843	1,868,395	662,957	-
Due to other governments	340	19,785	-	-
Unearned revenue	-	180,767	-	-
Other liabilities	-	-	-	-
Total liabilities	3,527,045	2,273,047	1,638,679	9,744
Deferred inflows of resources:				
Unavailable revenue	144,375	-	-	-
Total deferred inflow of resources	144,375	-	-	-
Fund balances :				
Nonspendable	-	-	-	-
Restricted	3,969,690	1,473,935	1,662,863	12,244
Total fund balances	3,969,690	1,473,935	1,662,863	12,244
Total liabilities, deferred inflows of resources and fund balances	\$ 7,641,110	\$ 3,746,982	\$ 3,301,542	\$ 21,988

Schedule 1

Other ETF	Permanent Funds	Total Nonmajor Governmental Funds (See Exhibit C)
\$ 819,590	\$ 908,858	\$ 12,356,919
2,883,712	3,637,331	6,521,043
49,031	-	175,552
-	-	3,956,630
<u>\$ 3,752,333</u>	<u>\$ 4,546,189</u>	<u>\$ 23,010,144</u>
\$ -	\$ -	\$ 2,763,494
-	-	109,934
496	-	4,374,691
-	-	20,125
-	-	180,767
755,456	832,272	1,587,728
<u>755,952</u>	<u>832,272</u>	<u>9,036,739</u>
-	-	144,375
-	-	144,375
-	2,381,320	2,381,320
2,996,381	1,332,597	11,447,710
<u>2,996,381</u>	<u>3,713,917</u>	<u>13,829,030</u>
<u>\$ 3,752,333</u>	<u>\$ 4,546,189</u>	<u>\$ 23,010,144</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, 2017

	Special Revenue Funds			
	Community Development	Improvement	Human Resources	Redevelopment Agency
Revenues:				
Intergovernmental	\$ 10,666,829	\$ 2,908,718	\$ 8,770,379	\$ -
Investment earnings	22,004	-	135	10
Charges for services	423,014	-	103,888	-
Other contributions	2,065,077	407,074	1,956,238	-
Total revenues	13,176,924	3,315,792	10,830,640	10
Expenditures:				
Current:				
General government	37,171	-	-	-
Public works	-	2,418,572	-	-
Public services	11,418,962	-	11,387,775	-
Total expenditures	11,456,133	2,418,572	11,387,775	-
Excess (deficiency) of revenues over expenditures	1,720,791	897,220	(557,135)	10
Other financing sources (uses):				
Transfer in	-	-	381,936	-
Total other financing sources (uses)	-	-	381,936	-
Net change in fund balances	1,720,791	897,220	(175,199)	10
Fund balances, beginning	2,248,899	576,715	1,838,062	12,234
Fund balances, ending	\$ 3,969,690	\$ 1,473,935	\$ 1,662,863	\$ 12,244

Schedule 2

Other ETF	Permanent Funds	Total Nonmajor Governmental Funds (See Exhibit D)
\$ -	\$ -	\$ 22,345,926
1,232	-	23,381
-	-	526,902
595,601	319,303	5,343,293
<u>596,833</u>	<u>319,303</u>	<u>28,239,502</u>
-	-	37,171
-	-	2,418,572
-	-	22,806,737
<u>-</u>	<u>-</u>	<u>25,262,480</u>
596,833	319,303	2,977,022
-	-	381,936
-	-	381,936
596,833	319,303	3,358,958
<u>2,399,548</u>	<u>3,394,614</u>	<u>10,470,072</u>
<u>\$ 2,996,381</u>	<u>\$ 3,713,917</u>	<u>\$ 13,829,030</u>

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Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for ongoing organizations and activities which are similar to those found in the private sector.

Golf Course – is used to account for revenues and expenditures related to the City Golf Course.

Skating Rink – is used to account for revenues and expenditures related to the City Skating Rink.

East Rock Communications Tower – is used to account for revenues and expenditures related to the communication tower at East Rock.

**Combining Statement of Net Position (Deficit) - Nonmajor Enterprise Funds
June 30, 2017**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 602,326	\$ 18,352	\$ 303,024	\$ 923,702
Accounts receivable	12,461	-	-	12,461
Due from other funds	-	-	4,652	4,652
Total assets	614,787	18,352	307,676	940,815
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	86,928	-	7,401	94,329
Due to other funds	-	23,898	-	23,898
Total current liabilities	86,928	23,898	7,401	118,227
Net position (deficit):				
Unrestricted	527,859	(5,546)	300,275	822,588
Total net position (deficit)	\$ 527,859	\$ (5,546)	\$ 300,275	\$ 822,588

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) -
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Operating revenues:				
Charges for services	\$ 861,207	\$ -	\$ 29,612	\$ 890,819
Total operating revenues	861,207	-	29,612	890,819
Operating expenses:				
Cost of service	558,521	2,960	107,191	668,672
Total operating expenses	558,521	2,960	107,191	668,672
Operating (loss) income	302,686	(2,960)	(77,579)	222,147
Nonoperating revenues:				
Interest income	-	-	596	596
Total nonoperating revenues	-	-	596	596
Change in net position	302,686	(2,960)	(76,983)	222,743
Fund net position (deficit), beginning	225,173	(2,586)	377,258	599,845
Fund net position (deficit), ending	\$ 527,859	\$ (5,546)	\$ 300,275	\$ 822,588

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2017**

	Business-Type Activities - Enterprise Funds			
	Golf Course	Skating Rink	East Rock Communications Tower	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 861,259	\$ 87,553	\$ 29,612	\$ 978,424
Payments to suppliers and personnel	(667,047)	(91,050)	(118,474)	(876,571)
Net cash provided by (used in) operating activities	194,212	(3,497)	(88,862)	101,853
Cash flows from investing activities:				
Interest income	-	-	596	596
Net increase (decrease) in cash and cash equivalents	194,212	(3,497)	(88,266)	102,449
Cash and cash equivalents:				
Beginning	408,114	21,849	391,290	821,253
Ending	\$ 602,326	\$ 18,352	\$ 303,024	\$ 923,702
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 302,686	\$ (2,960)	\$ (77,579)	\$ 222,147
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Decrease (increase) in other receivables	52	-	-	52
Decrease (increase) in due from other funds	-	87,553	-	87,553
Increase (decrease) in accounts payable	(108,526)	(111,090)	5,968	(213,648)
Increase (decrease) in due to other funds	-	23,000	(17,251)	5,749
net cash provided by (used in) operating activities	\$ 194,212	\$ (3,497)	\$ (88,862)	\$ 101,853

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Fiduciary Funds

**Combining Statement of Trust Fund Net Position
Fiduciary Funds
June 30, 2017**

	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	\$ 9,316,352	\$ 20,064,740	\$ 1,146,136	\$ 905,497	\$ 31,432,725
Interest and dividends receivable	303,963	535,531	46	-	839,540
Accounts receivable-investment sales	293,825	87,525	-	-	381,350
Accounts receivable- other	38,441	108,495	1	-	146,937
Due from other funds	94,424	143,313	-	688,978	926,715
	<u>10,047,005</u>	<u>20,939,604</u>	<u>1,146,183</u>	<u>1,594,475</u>	<u>33,727,267</u>
Investments:					
Government agencies	-	19,217,649	-	-	19,217,649
Real estate	327,269	2,288,382	-	-	2,615,651
Common stock	53,210,046	129,401,960	107,270	-	182,719,276
Fixed income funds	9,321,728	-	-	-	9,321,728
Corporate bonds	11,365,536	36,167,747	-	-	47,533,283
Mutual funds	16,085,682	-	-	-	16,085,682
Hedge Fund	-	29,226,486	-	-	29,226,486
Hedge Fund - equity	14,826,634	18,147,326	-	-	32,973,960
Venture capital partnerships	11,768,525	47,898,270	-	-	59,666,795
Exchange traded funds	35,168,051	24,535,218	-	-	59,703,269
Total investments	<u>152,073,471</u>	<u>306,883,038</u>	<u>107,270</u>	<u>-</u>	<u>459,063,779</u>
Total assets	<u>162,120,476</u>	<u>327,822,642</u>	<u>1,253,453</u>	<u>1,594,475</u>	<u>492,791,046</u>
Liabilities					
Accounts payable-investment purchases	70,012	428,407	-	(405,000)	93,419
Total liabilities	<u>70,012</u>	<u>428,407</u>	<u>-</u>	<u>(405,000)</u>	<u>93,419</u>
Net position:					
Restricted for pension and opeb benefits	<u>\$ 162,050,464</u>	<u>\$ 327,394,235</u>	<u>\$ 1,253,453</u>	<u>\$ 1,999,475</u>	<u>\$ 492,697,627</u>

**Combining Statement of Changes in Trust Fund Net Position
Fiduciary Funds
For the Year Ended June 30, 2017**

	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	\$ 20,400,121	\$ 27,536,158	\$ -	\$ 25,744,435	\$ 73,680,714
Plan members	4,832,717	7,573,887	-	2,829,083	15,235,687
Total contributions	25,232,838	35,110,045	-	28,573,518	88,916,401
Investment earnings:					
Net appreciation in fair value of investments	11,369,694	33,221,076	14,685	-	44,605,455
Interest and dividends	2,936,926	4,188,817	3,495	1,457	7,130,695
Miscellaneous Income	9,749	6,938,894	-	-	6,948,643
Total investment income	14,316,369	44,348,787	18,180	1,457	58,684,793
Less investment expense	965,505	707,836	-	-	1,673,341
Net investment income	13,350,864	43,640,951	18,180	1,457	57,011,452
Total additions	38,583,702	78,750,996	18,180	28,574,975	145,927,853
Deductions:					
Benefits	29,973,518	54,073,974	15,874	27,414,699	111,478,065
Total deductions	29,973,518	54,073,974	15,874	27,414,699	111,478,065
Net increase	8,610,184	24,677,022	2,306	1,160,276	34,449,788
Restricted for pension and opeb benefits:					
Fund net position, beginning of year	153,440,280	302,717,213	1,251,147	839,199	458,247,839
Fund net position, end of year	\$ 162,050,464	\$ 327,394,235	\$ 1,253,453	\$ 1,999,475	\$ 492,697,627

Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 642,761	\$ 1,133,441	\$ (1,180,610)	\$ 595,592
Total assets	\$ 642,761	\$ 1,133,441	\$ (1,180,610)	\$ 595,592
Liabilities:				
Due to student groups	\$ 642,761	\$ 1,133,441	\$ (1,180,610)	\$ 595,592
Total liabilities	\$ 642,761	\$ 1,133,441	\$ (1,180,610)	\$ 595,592
Performance Bond				
Assets:				
Cash and cash equivalents	\$ 669,563	\$ 46,407	\$ (56,947)	\$ 659,023
Total assets	\$ 669,563	\$ 46,407	\$ (56,947)	\$ 659,023
Liabilities:				
Amounts held for others	\$ 669,563	\$ 46,407	\$ (56,947)	\$ 659,023
Total liabilities	\$ 669,563	\$ 46,407	\$ (56,947)	\$ 659,023
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 1,312,324	\$ 1,179,848	\$ (1,237,557)	\$ 1,254,615
Total assets	\$ 1,312,324	\$ 1,179,848	\$ (1,237,557)	\$ 1,254,615
Liabilities:				
Due to student groups	\$ 642,761	\$ 1,133,441	\$ (1,180,610)	\$ 595,592
Amounts held for others	669,563	46,407	(56,947)	659,023
Total liabilities	\$ 1,312,324	\$ 1,179,848	\$ (1,237,557)	\$ 1,254,615

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Other Schedules

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City of New Haven, Connecticut

Balance Sheet - by Account - General Fund
June 30, 2017

	General Fund	Medical Self- Insurance	Self- Insurance
Assets			
Cash and cash equivalents	\$ 26,189,944	\$ 66,942	\$ 83,901
Investments	3,058,805		
Receivables:			
Receivables,net	17,243,023	3,813,972	-
Intergovernmental	19,396,984	-	-
Prepays	369,575	-	-
Due from other funds	21,726,713	-	-
Total assets	\$ 87,985,044	\$ 3,880,914	\$ 83,901
Liabilities			
Accounts payable	\$ 34,506,071	\$ 1,683,295	\$ 37,919
Accrued liabilities	14,437,836		7,664
Due to other governments	191,402	-	-
Unearned revenue	881,145	-	-
Due to other funds	-	7,750,202	79,006
Total liabilities	50,016,454	9,433,497	124,589
Deferred Inflows of Resources			
Unavailable revenue	29,456,050	-	-
Advanced tax collections	6,455,277	-	-
Total deferred inflows of resources	35,911,327	-	-
Fund Balances			
Nonspendable	369,575	-	-
Unassigned	1,687,651	(5,552,583)	(40,688)
Total fund balances	2,057,263	(5,552,583)	(40,688)
Total liabilities, deferred inflows of resources and fund balances	\$ 87,985,044	\$ 3,880,914	\$ 83,901

Schedule 9

Workers' Compensation	Eliminate Interfund Receivables	Totals
\$ 24,059	\$ -	\$ 26,364,846
		3,058,805
343,353	-	21,400,348
-	-	19,396,984
-	-	369,575
	(8,054,972)	13,671,741
\$ 367,412	\$ (8,054,972)	\$ 84,262,299
\$ -	\$ -	\$ 36,227,285
-	-	14,445,500
-	-	191,402
-	-	881,145
225,764	(8,054,972)	-
225,764	(8,054,972)	51,745,332
-	-	29,456,050
-	-	6,455,277
-	-	35,911,327
-	-	369,575
141,648	-	(3,763,972)
141,648	-	(3,394,360)
\$ 367,412	\$ (8,054,972)	\$ 84,262,299

City of New Haven, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - by Account - General Fund
June 30, 2017

	General Fund	Medical Self- Insurance	Self- Insurance
Revenues:			
Property taxes	\$ 252,389,650	\$ -	\$ -
Licenses and permits	21,780,552	-	-
Intergovernmental	282,531,510	-	-
Charges for services	4,708,216	-	-
Fines	5,143,809	-	-
Investment earnings	385,505	-	-
Payment in lieu of taxes	1,292,074	-	-
Contributions and other	14,725,882	-	-
	<u>582,957,198</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
General government	27,560,993	-	40,688
Public safety	76,450,736	-	-
Public works	16,883,349	-	-
Health and welfare	7,782,274	-	-
Culture and recreation	1,201,474	-	-
Benefit and insurance	141,618,142	5,552,583	-
Education	7,571,916	-	-
Other	246,051,060	-	-
Principal retirements	46,289,286	-	-
Interest	22,100,117	-	-
Total expenditures	<u>593,509,347</u>	<u>5,552,583</u>	<u>40,688</u>
Excess (deficiency) of revenues over expenditures	<u>(10,552,149)</u>	<u>(5,552,583)</u>	<u>(40,688)</u>
Other financing sources (uses):			
Premium on bond issuances	19,532,886	-	-
Transfers out	(381,936)	-	-
Payment to escrow agent	(77,675,143)	-	-
Issuance of refunding bonds	69,110,000	-	-
Total other financing sources (uses)	<u>10,585,807</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>33,658</u>	<u>(5,552,583)</u>	<u>(40,688)</u>
Fund balances, beginning of year	<u>2,023,605</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 2,057,263</u>	<u>\$ (5,552,583)</u>	<u>\$ (40,688)</u>

Schedule 10

Workers' Compensation	Eliminate Interfund Receivables	Totals
\$ -	\$ -	\$ 252,389,650
-	-	21,780,552
-	-	282,531,510
-	-	4,708,216
-	-	5,143,809
-	-	385,505
-	-	1,292,074
-	-	14,725,882
-	-	582,957,198
-	-	27,601,681
-	-	76,450,736
-	-	16,883,349
-	-	7,782,274
-	-	1,201,474
(141,648)	-	147,029,077
-	-	7,571,916
-	-	246,051,060
-	-	46,289,286
-	-	22,100,117
(141,648)	-	598,960,970
141,648	-	(16,003,772)
-	-	19,532,886
-	-	(381,936)
-	-	(77,675,143)
-	-	69,110,000
-	-	10,585,807
141,648	-	(5,417,965)
-	-	2,023,605
\$ 141,648	\$ -	\$ (3,394,360)

City of New Haven, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2017

Grand List	Uncollected Taxes July 1, 2016	Current Levy	Lawful Corrections Additions/ Deductions	Transfers to Suspense	Net Amount Collectible
1999	\$ 68,866	\$ -	\$ (1,349)	\$ -	\$ 67,517
2002	82,346		809	-	83,155
2003	91,470		(1,450)	-	90,020
2004	96,274		(1,538)	-	94,736
2005	148,470		(3,912)	-	144,558
2006	167,242		(5,411)	-	161,831
2007	(172,015)		(7,220)	-	(179,235)
2008	177,009		(7,220)	-	169,789
2009	185,944		(6,972)	-	178,972
2010	213,637		(6,212)	-	207,425
2011	262,345		(100,608)	-	161,737
2012	1,225,902	-	(132,834)	(864,274)	228,794
2013	1,585,920	-	(227,588)	-	1,358,332
2014	4,501,198	-	(337,774)	-	4,163,424
Prior Years' Total	8,634,608	-	(839,279)	(864,274)	6,931,055
2015	-	252,853,911	(1,361,247)	-	251,492,664
	<u>\$ 8,634,608</u>	<u>\$ 252,853,911</u>	<u>\$ (2,200,526)</u>	<u>\$ (864,274)</u>	<u>\$ 258,423,719</u>

Schedule 11

Collections						Uncollected Taxes June 30, 2017
Taxes	Overpayments	Interest and Lien Fees	Lien Fees	Total		
\$ -	\$ -	\$ 11,863	\$ -	\$ 11,863	\$ 67,517	
2,222	-	10,965	-	13,187	80,933	
50	-	8,420	108	8,578	89,970	
124	-	6,944	201	7,269	94,612	
107	-	12,994	193	13,294	144,451	
95	(8,634)	17,234	122	8,817	170,370	
1,729	(380,738)	23,249	419	(355,341)	199,774	
4,760	(30,263)	16,907	4,014	(4,582)	195,292	
17,616	(14,985)	15,363	13,295	31,289	176,341	
29,276	(37,475)	18,297	22,004	32,102	215,624	
30,679	(133,425)	27,051	36,776	(38,919)	264,483	
(15,747)	(77,995)	41,954	58,134	6,346	322,536	
(16,101)	(185,749)	-	165,945	(35,905)	1,560,182	
2,103,374	(259,336)	-	448,166	2,292,204	2,319,386	
2,158,184	(1,128,600)	211,241	749,377	1,990,202	5,901,471	
247,155,821	(546,007)	-	950,066	247,559,880	4,882,850	
<u>\$ 249,314,005</u>	<u>\$ (1,674,607)</u>	<u>\$ 211,241</u>	<u>\$ 1,699,443</u>	<u>\$ 249,550,082</u>	<u>\$ 10,784,321</u>	

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**Statistical Section
(Unaudited)**

Statistical Section - Unaudited

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).

Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the financial reports for the relevant year.

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City of New Haven, Connecticut

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

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities:				
Net investment in capital assets	\$ 690,783,952	\$ 795,545,245	\$ 790,216,721	\$ 889,013,623
Restricted	15,289,232	12,887,497	12,550,193	16,979,104
Unrestricted	(108,981,890)	(148,878,781)	(37,143,425)	(97,426,220)
Total governmental activities	597,091,294	659,553,961	765,623,489	808,566,507
Business-type activities:				
Unrestricted	1,785,564	1,647,934	652,000	520,387
Total business-type activities	1,785,564	1,647,934	652,000	520,387
City net position:				
Net Invested in capital assets,	690,783,952	795,545,245	790,216,721	889,013,623
Restricted	15,289,232	12,887,497	12,550,193	16,979,104
Unrestricted (deficit)	(107,196,326)	(147,230,847)	(36,491,425)	(96,905,833)
Total governmental activities	\$ 598,876,858	\$ 661,201,895	\$ 766,275,489	\$ 809,086,894

Source: Department of Finance

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 933,256,161	\$ 950,575,226	\$ 952,587,372	\$ 918,930,231	\$ 956,517,425	\$ 1,024,694,383
13,770,223	16,333,526	20,765,758	13,528,982	10,763,525	12,791,744
(136,664,640)	(154,091,504)	(190,023,485)	(717,176,614)	(751,798,333)	(854,616,649)
810,361,744	812,817,248	783,329,645	215,282,599	215,482,617	182,869,478
552,158	453,546	611,147	469,359	599,845	822,588
552,158	453,546	611,147	469,359	599,845	822,588
933,256,161	950,575,226	952,587,372	918,930,231	956,517,425	1,024,694,383
13,770,223	16,333,526	20,765,758	13,528,982	10,763,525	12,791,744
(136,112,482)	(153,637,958)	(189,412,338)	(716,707,255)	(751,198,488)	(853,794,061)
\$ 810,913,902	\$ 813,270,794	\$ 783,940,792	\$ 215,751,958	\$ 216,082,462	\$ 183,692,066

City of New Haven, Connecticut

Statement of Activities
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government	\$ 37,693,461	\$ 33,128,676	\$ 38,324,187	\$ 38,378,265
Education	345,341,470	281,171,745	369,049,226	387,620,341
Public Safety	68,514,288	70,113,405	95,866,212	100,362,361
Public Works	24,673,176	25,800,652	46,150,257	43,462,757
Public Services	42,186,718	41,512,155	36,094,387	34,963,806
Employee benefits and insurance	114,344,620	115,508,082	-	-
Culture and Recreation	9,927,948	9,665,487	12,194,921	11,008,820
Economic Development	21,962,659	39,221,060	8,599,509	7,778,651
Interest on long-term debt	24,529,443	21,900,866	22,380,844	22,625,151
Total governmental expenses	689,173,783	638,022,128	628,659,543	646,200,152
Business-type activities:				
Recreation	1,772,097	1,255,002	883,496	1,269,621
Total business-type expenses	1,772,097	1,255,002	883,496	1,269,621
Total expenses	690,945,880	639,277,130	629,543,039	647,469,773
Program revenues:				
Governmental activities:				
Charges for services	65,209,673	48,839,095	32,703,214	23,694,252
Operating grants and contributions	310,303,937	273,622,190	304,571,883	290,018,680
Capital grants and contributions	108,404,390	110,706,951	69,966,267	94,495,718
Total governmental activities	483,918,000	433,168,236	407,241,364	408,208,650
Business-type activities:				
Recreation	(278,188)	1,117,372	1,353,464	1,137,624
Total business-type activities	(278,188)	1,117,372	1,353,464	1,137,624
Total program revenues	483,639,812	434,285,608	408,594,828	409,346,274
Net (expense)/revenue				
Governmental activities	(205,255,783)	(204,853,892)	(221,418,179)	(237,991,502)
Business-type activities	(2,050,285)	(137,630)	469,968	(131,997)
Total net expenses	(207,306,068)	(204,991,522)	(220,948,211)	(238,123,499)

Source: Department of Finance

		Fiscal Year									
		2012	2013	2014	2015	2016	2017				
\$	42,912,415	\$	44,273,863	\$	42,374,815	\$	45,019,352	\$	42,621,112	\$	51,190,242
	398,188,801		422,504,443		441,022,674		471,239,560		551,621,913		539,165,020
	100,752,656		100,514,476		103,204,821		118,802,515		112,584,258		156,935,928
	29,571,591		28,086,703		36,849,330		36,357,486		46,241,701		34,813,406
	35,226,515		34,109,046		37,089,015		35,959,603		32,628,293		41,830,406
	-		-		-		-		-		-
	-		-		-		-		-		-
	7,748,513		16,022,738		20,216,634		14,227,659		8,673,822		14,790,863
	24,802,662		26,153,935		25,334,747		25,948,757		19,597,972		21,732,765
	639,203,153		671,665,204		706,092,036		747,554,932		813,969,071		860,458,630
	1,086,086		1,178,023		811,193		1,206,943		906,629		668,672
	1,086,086		1,178,023		811,193		1,206,943		906,629		668,672
	640,289,239		672,843,227		706,903,229		748,761,875		814,875,700		861,127,302
	25,775,734		36,907,521		35,291,621		40,886,610		32,702,396		34,325,195
	281,391,602		299,280,981		309,425,898		327,560,388		396,220,688		382,520,519
	43,861,614		49,720,146		30,467,436		38,134,971		75,476,816		84,762,285
	351,028,950		385,908,648		375,184,955		406,581,969		504,399,900		501,607,999
	1,227,809		1,189,355		1,078,769		1,175,155		1,106,538		890,819
	1,227,809		1,189,355		1,078,769		1,175,155		1,106,538		890,819
	352,256,759		387,098,003		376,263,724		407,757,124		505,506,438		502,498,818
	(288,174,203)		(285,756,556)		(330,907,081)		(340,972,963)		(309,569,171)		(358,850,631)
	141,723		11,332		267,576		(31,788)		199,909		222,147
	(288,032,480)		(285,745,224)		(330,639,505)		(341,004,751)		(309,369,262)		(358,628,484)

(Continued)

City of New Haven, Connecticut

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

	Fiscal Year			
	2008	2009	2010	2011
General revenues and other:				
Changes in net position:				
Governmental activities:				
Property taxes	\$ 189,489,128	\$ 205,341,992	\$ 213,331,992	\$ 223,589,061
Grants and contributions not restricted to specific purposes	56,177,412	53,565,509	54,721,798	53,781,158
Investment income	3,068,272	823,478	192,676	114,301
Miscellaneous	-	7,475,580	3,775,000	3,450,000
Transfers	6,110,000	110,000	1,466,241	-
Total governmental activities	254,844,812	267,316,559	273,487,707	280,934,520
Business-type activities:				
Investment income	-	1,818	339	384
Transfers	-	(110,000)	(1,466,241)	-
Total business-type activities	-	(108,182)	(1,465,902)	384
Total general revenues	254,844,812	267,208,377	272,021,805	280,934,904
Change in net position:				
Governmental activities	49,589,029	62,462,667	52,069,528	42,943,018
Business-type activities	(2,050,285)	(245,812)	(995,934)	(131,613)
Change in net position	\$ 47,538,744	\$ 62,216,855	\$ 51,073,594	\$ 42,811,405

Source: Department of Finance

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 229,270,651	\$ 232,021,388	\$ 245,329,193	\$ 251,874,699	\$ 249,774,495	\$ 252,274,961
60,472,827	55,960,782	55,924,054	61,506,528	59,929,086	73,551,080
115,962	119,890	56,231	(7,977)	(4,392)	411,451
-	-	-	-	-	-
110,000	110,000	110,000	110,000	70,000	-
289,969,440	288,212,060	301,419,478	313,483,250	309,769,189	326,237,492
48	56	25	-	577	596
(110,000)	(110,000)	(110,000)	(110,000)	(70,000)	-
(109,952)	(109,944)	(109,975)	(110,000)	(69,423)	596
289,859,488	288,102,116	301,309,503	313,373,250	309,699,766	326,238,088
1,795,237	2,455,504	(29,487,603)	(27,489,713)	200,018	(32,613,139)
31,771	(98,612)	157,601	(141,788)	130,486	222,743
\$ 1,827,008	\$ 2,356,892	\$ (29,330,002)	\$ (27,631,501)	\$ 330,504	\$ (32,390,396)

City of New Haven, Connecticut

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

	Fiscal Year			
	2008	2009	2010	2011*
General fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ 7,000,000
Unassigned	-	-	-	9,827,620
Reserved	-	-	7,000,000	-
Unreserved	15,508,258	16,025,789	9,177,717	-
Total general fund	\$ 15,508,258	\$ 16,025,789	\$ 16,177,717	\$ 16,827,620
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ 2,495,040
Restricted	-	-	-	13,149,999
Committed	-	-	-	2,480,268
Assigned	-	-	-	858,106
Unassigned	-	-	-	(42,124,903)
Reserved	162,569,834	119,254,075	74,673,938	-
Unreserved, reported in:				
Special revenue funds	(1,030,960)	(4,394,417)	(10,990,440)	-
Capital projects funds	(194,775,989)	(166,587,369)	(107,306,164)	-
Permanent funds	2,992,757	2,447,525	2,536,873	-
Total all other governmental funds	\$ (30,244,358)	\$ (49,280,186)	\$ (41,085,793)	\$ (23,141,490)

* 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						
		2012		2013		2014		2015		2016		2017	
\$	5,000,000	\$	4,000,000	\$	-	\$	-	\$	-	\$	369,575		
	3,791,796		(8,721,555)		22,047		1,726,001		2,023,605		(3,763,935)		
	-		-		-		-		-		-		
	-		-		-		-		-		-		
\$	8,791,796	\$	(4,721,555)	\$	22,047	\$	1,726,001	\$	2,023,605	\$	(3,394,360)		
<hr/>													
\$	2,415,247	\$	2,501,388	\$	2,501,388	\$	2,449,526	\$	2,433,271	\$	2,524,744		
	12,577,203		13,952,206		56,816,595		53,526,263		58,876,699		70,232,391		
	2,480,268		-		-		-		-		-		
	696,429		783,844		-		-		-		-		
	(41,238,667)		(48,281,991)		(9,853,003)		(4,821,965)		-		(579,530)		
	-		-		-		-		-		-		
	-		-		-		-		-		-		
	-		-		-		-		-		-		
	-		-		-		-		-		-		
\$	(23,069,520)	\$	(31,044,553)	\$	49,464,980	\$	51,153,824	\$	61,309,970	\$	72,177,605		

City of New Haven, Connecticut

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

	Fiscal Year			
	2008	2009	2010	2011
Revenues:				
Property taxes	\$ 186,365,020	\$ 203,404,742	\$ 206,824,921	\$ 218,720,737
Licenses and permits	15,747,687	17,319,960	18,844,871	13,195,587
Intergovernmental	493,274,346	434,232,125	413,032,296	405,712,082
Charges for services	2,331,720	4,575,057	7,249,401	7,816,539
Fines	5,316,063	5,351,710	5,077,231	5,709,988
Investment income	3,068,272	823,478	192,676	114,301
Payments in lieu of taxes	2,596,308	2,435,344	5,364,603	1,820,138
Other	26,342,819	25,035,449	19,212,240	28,910,176
Total revenues	735,042,235	693,177,865	675,798,239	681,999,548
Expenditures:				
Current:				
General government	33,766,223	32,908,251	32,228,453	30,704,867
Public safety	67,413,221	68,810,405	70,769,960	73,739,649
Public works	18,283,955	19,439,170	29,061,135	27,581,215
Public services	42,186,718	41,512,155	33,753,120	31,895,908
Other departments	-	-	-	677,539
Culture and recreation	9,367,840	9,110,439	8,700,514	106,160,244
Employee benefits and insurance	84,643,661	91,498,136	97,698,274	8,576,710
Economic development	-	-	8,599,509	7,778,651
Education	331,066,638	265,877,829	273,173,543	276,049,421
Other expenditures	21,962,659	39,221,060	-	-
Debt service:				
Principal	40,587,130	42,147,976	41,333,551	41,618,348
Interest	22,116,729	21,669,413	22,380,844	23,333,353
Capital outlay	127,803,979	132,086,908	115,394,256	69,472,533
Bond issuance costs	-	-	-	-
Total expenditures	799,198,753	764,281,742	733,093,159	697,588,438
Excess (deficiency) of revenues over expenditures	(64,156,518)	(71,103,877)	(57,294,920)	(15,588,890)
Other financing sources (uses):				
Capital related debt	45,000,000	45,000,000	50,400,000	-
Bond proceeds	-	-	-	-
Issuance of grant anticipation notes	-	-	-	-
Bond proceeds	-	-	-	44,265,000
Proceeds from sale of capital assets	-	7,475,580	3,775,000	3,450,000
Payment to escrow	(35,074,324)	-	-	(16,569,312)
Premium on bonds issued	-	-	-	3,037,408
Transfers in	6,110,000	110,000	3,813,094	6,218,541
Transfers out	-	-	(2,346,853)	(6,218,541)
Issuance of capital leases	-	-	-	-
Bond premium on refunding	-	-	-	-
Refunding bonds proceeds	32,250,000	-	-	-
Refunding bonds issued	-	-	-	-
Bond issue premium	2,824,324	-	-	-
Total other financing sources (uses)	51,110,000	52,585,580	55,641,241	34,183,096
Net change in fund balances	(13,046,518)	(18,518,297)	(1,653,679)	18,594,206
Fund balance at beginning of year	(1,689,582)	(14,736,100)	(23,254,397)	(24,908,076)
Fund balance at end of year	\$ (14,736,100)	\$ (33,254,397)	\$ (24,908,076)	\$ (6,313,870)
Debt service as a percentage of noncapital expenditures	10.30%	11.23%	11.50%	11.53%
Source: Department of Finance				
Total debt service	\$ 62,703,859	\$ 63,817,389	\$ 63,714,395	\$ 64,951,701
Noncapital Expenditures	608,690,915	568,377,445	553,984,508	563,164,204

Fiscal Year						
	2012	2013	2014	2015	2016	2017
\$	226,146,445	\$ 230,988,343	\$ 243,999,342	\$ 249,968,781	\$ 250,993,094	\$ 252,389,650
	12,562,691	16,207,851	15,715,800	25,735,463	18,835,219	21,780,552
	375,716,436	368,505,030	395,251,811	427,556,702	507,395,162	509,215,520
	7,900,287	11,658,305	8,868,596	7,377,689	7,627,709	5,527,278
	5,312,756	4,502,154	4,713,752	5,127,968	5,534,394	5,143,809
	115,962	119,890	56,231	(7,977)	(4,309)	410,083
	2,018,863	1,943,383	1,975,822	1,436,103	1,427,020	1,292,074
	18,346,222	19,833,644	23,187,286	21,118,723	19,488,380	23,561,936
	648,119,662	653,758,600	693,768,640	738,313,452	811,296,669	819,320,902
	33,414,390	34,051,946	31,933,933	32,497,009	31,941,350	31,874,587
	72,617,616	72,103,165	72,312,347	76,868,915	72,663,255	76,450,736
	16,076,971	21,643,596	27,151,726	28,269,005	21,582,317	25,454,621
	29,207,328	28,020,430	27,256,339	28,071,550	28,241,064	30,589,011
	1,825,846	1,437,285	797,221	1,085,037	1,210,771	1,201,474
	-	-	-	-	-	-
	120,102,608	128,736,336	124,811,581	143,188,467	137,510,540	147,029,077
	7,748,513	16,022,738	20,216,234	14,227,659	8,673,822	10,755,284
	276,988,897	299,236,689	311,955,067	336,796,430	384,845,337	381,972,038
	-	-	-	-	-	-
	40,676,028	42,855,066	41,858,092	38,753,682	38,160,503	58,526,363
	24,482,136	22,955,367	20,423,668	26,059,727	24,327,972	25,209,653
	83,765,276	57,765,250	42,297,623	53,956,863	122,802,205	84,774,064
	-	-	-	-	-	-
	706,905,609	724,827,868	721,013,831	779,774,344	871,959,136	873,836,908
	(58,785,947)	(71,069,268)	(27,245,191)	(41,460,892)	(60,662,467)	(54,516,006)
	-	-	-	-	-	-
	44,500,000	43,000,000	53,870,000	96,150,000	100,100,000	117,510,000
	-	-	56,552,893	-	-	-
	-	-	24,235,000	-	-	-
	3,663,000	4,500,000	-	-	-	-
	-	(51,372,532)	(25,602,585)	(68,191,150)	(60,666,022)	(77,675,143)
	2,549,093	1,538,351	1,749,713	14,424,001	13,078,096	19,532,886
	2,465,303	9,118,246	2,584,489	1,554,742	2,832,464	665,850
	(2,355,303)	(9,008,246)	(2,474,489)	(1,444,742)	(2,762,464)	(665,850)
	-	-	-	2,360,839	-	597,933
	-	4,105,065	1,583,305	-	-	-
	-	47,700,000	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	50,822,093	49,580,884	112,498,326	44,853,690	52,582,074	59,965,676
	(7,963,854)	(21,488,384)	85,253,135	3,392,798	(8,080,393)	5,449,670
	(6,313,870)	(14,277,724)	(35,766,108)	49,487,027	52,879,825	63,333,575
\$	(14,277,724)	\$ (35,766,108)	\$ 49,487,027	\$ 52,879,825	\$ 44,799,432	\$ 68,783,245
	11.68%	10.95%	10.10%	9.69%	9.10%	11.84%
\$	65,158,164	\$ 65,810,433	\$ 62,281,760	\$ 64,813,409	\$ 62,488,475	\$ 83,736,016
	557,982,169	601,252,185	616,434,448	661,004,072	686,668,456	707,179,791

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
2008	\$ 3,411,397,150	\$ 2,260,828,080	\$ 313,342,830	\$ 404,019,919
2009	3,428,850,340	2,310,515,125	321,996,973	396,358,880
2010	3,437,114,420	2,208,958,215	315,393,301	407,674,964
2011	3,973,614,568	1,840,721,855	321,478,498	409,367,741
2012	3,571,992,829	2,395,227,050	343,992,459	509,570,687
2013	2,772,894,791	2,496,147,879	361,250,916	605,119,213
2014	2,777,322,135	2,482,446,816	358,091,434	659,574,253
2015	2,734,178,958	2,430,337,559	390,045,199	711,254,231
2016	2,938,127,710	2,810,405,435	410,168,319	757,100,350
2017	2,930,573,686	2,823,153,977	414,539,336	1,033,827,953

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
\$ 1,983,059,263	\$ 4,406,528,716	42.21	\$ 9,127,982,827	70%
1,512,930,290	4,944,791,028	42.21	9,225,316,169	70%
1,019,742,733	5,349,398,167	42.21	9,098,772,714	70%
1,095,687,099	5,449,495,563	43.90	9,350,260,946	70%
1,669,479,635	5,151,303,390	43.90	9,743,975,750	70%
240,681,083	5,994,731,716	38.88	8,907,732,570	70%
148,748,005	6,128,686,633	40.80	8,967,763,769	70%
175,265,543	6,090,550,404	41.55	8,951,165,639	70%
326,046,053	6,589,755,761	41.55	9,879,716,877	70%
595,468,205	6,606,626,747	38.68	10,288,707,074	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	\$ 274,985,330	1	4.34%	\$ 76,148,512	2	1.82%
Winn-Stanley	156,782,489	2	2.47%	-	-	-
Fusco	131,832,821	3	2.08%	66,241,341	5	1.58%
Yale University	108,318,565	4	1.71%	79,776,677	1	1.58%
PSEG Power Connecticut LLC	96,333,263	5	1.52%	-	4	-
Carabetta	61,560,080	6	0.97%	-	-	-
MEPT Chapel Street LLC	57,499,660	7	0.91%	-	8	-
Howe St. Landlord LLC	45,467,520	8	0.72%	-	-	-
New Haven Towers	39,228,264	9	0.62%	-	-	-
HTA-YLW New Haven LLC	37,308,888	10	0.59%	-	-	-
	<u>\$ 1,009,316,880</u>		<u>15.92% %</u>	<u>\$ 222,166,530</u>		<u>4.98%</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
2008	\$ 185,890,697	\$ 182,089,417	97.96	\$ 2,164,401	\$ 184,253,818	99.12
2009	204,055,698	199,464,168	97.75	2,088,418	201,552,586	98.77
2010	206,066,188	201,314,351	97.69	2,104,984	203,419,335	98.72
2011	219,290,220	213,902,372	97.54	2,789,029	216,691,401	98.81
2012	226,835,431	220,502,270	97.21	3,465,572	223,967,842	98.74
2013	233,426,979	227,626,731	97.52	(185,613)	227,441,118	97.44
2014	245,563,608	240,521,693	97.95	359,060	240,880,753	98.09
2015	252,620,573	247,382,319	97.93	608,083	247,990,402	98.17
2016	252,312,223	247,240,939	97.99	1,844,038	249,084,977	98.72
2017	251,492,664	246,609,814	98.06	-	246,609,814	98.06

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
2008	\$ 497,008	5.44%	3,994	19.12%
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%

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
2008	\$ 497,008	\$ 2,258	\$ 83,154	\$ 499,266	5.47%	\$ 4,013
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

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, 2017
(Unaudited)**

Total tax collections (including interest and lien fees) received for the year ended June 30, 2017 \$ 249,339,000

Reimbursement for revenue loss from:
Elderly tax relief 404,000

Base \$ 249,743,000

	General Purpose	Schools	Sewer	Urban Renewal	Pension Bonding	Total
Debt limitation:						
2-1/4 times base	\$ 561,921,750	\$ -	\$ -	\$ -	\$ -	\$ 561,921,750
4-1/2 times base	-	1,123,843,500	-	-	-	1,123,843,500
3-3/4 times base	-	-	936,536,250	-	-	936,536,250
3-1/4 times base	-	-	-	811,664,750	-	811,664,750
3 times base	-	-	-	-	749,229,000	749,229,000
Total debt limitation	<u>561,921,750</u>	<u>1,123,843,500</u>	<u>936,536,250</u>	<u>811,664,750</u>	<u>749,229,000</u>	<u>4,183,195,250</u>
Indebtedness:						
Bonds payable	282,793,000	214,941,000	-	24,719,000	-	522,453,000
Grant anticipation note	-	56,588,000	-	-	-	56,588,000
School grants receivable	-	(19,192,000)	-	-	-	(19,192,000)
Bonds authorized and unissued	2,000,000	214,255,000	-	-	-	216,255,000
Total indebtedness of the City	<u>284,793,000</u>	<u>466,592,000</u>	<u>-</u>	<u>24,719,000</u>	<u>-</u>	<u>776,104,000</u>
Component unit indebtedness:						
New Haven Parking Authority	7,172,000	-	-	-	-	7,172,000
New Haven Solid Waste Authority	7,105,000	-	-	-	-	7,105,000
Total indebtedness	<u>299,070,000</u>	<u>466,592,000</u>	<u>-</u>	<u>24,719,000</u>	<u>-</u>	<u>790,381,000</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 262,851,750</u>	<u>\$ 657,251,500</u>	<u>\$ 936,536,250</u>	<u>\$ 786,945,750</u>	<u>\$ 749,229,000</u>	<u>\$ 3,392,814,250</u>

Source: Department of Finance

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City of New Haven, Connecticut

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

	2008	2009	2010	2011
Debt limit	\$ 1,304,875,551	\$ 1,424,007,039	\$ 2,984,366,075	\$ 3,650,066,669
Total net debt applicable to limit	688,741,505	692,566,863	770,266,215	743,923,424
Legal debt margin	\$ 616,134,046	\$ 731,440,176	\$ 2,214,099,860	\$ 2,906,143,245
Total net debt applicable to the limit as a percentage of debt limit	52.78%	48.64%	25.81%	20.38%

Source: Department of Finance

2012	2013	2014	2015	2016	2017
\$ 3,760,220,716	\$ 3,886,957,715	\$ 4,093,343,175	\$ 4,182,734,307	\$ 4,157,468,305	\$ 4,183,195,250
723,700,313	793,344,746	776,296,792	774,789,991	800,040,047	790,381,000
\$ 3,036,520,403	\$ 3,093,612,969	\$ 3,317,046,383	\$ 3,407,944,316	\$ 3,357,428,258	\$ 3,392,814,250
19.25%	20.41%	18.96%	18.52%	19.24%	18.89%

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 Enro	Unemployment Rate
					% of 25+ adults with a high school degree or higher	% of 25+ adults with a bachelor's degree or higher		
2008	124,447	2,599,076	20,885	29.4	88.30%	32.70%	19,846	5.8%
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	2,827,754	21,789	30.1	89.80%	33.50%	20,474	9.80%
2015	130,282	2,982,194	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%

Note: Information for years prior to 2005 is not available.

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>

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.
Yale-New Haven Hospital	New Haven	Hospitals	10,000 or more employees
Yale University	New Haven	Schools-Universities & Colleges Academic	5,000 - 9,999 employees
Yale New Haven Health System	New Haven	Clinics	5,000 - 9,999 employees
Alexion Pharmaceuticals Inc	New Haven	Laboratories-Pharmaceutical (Mfrs)	1,000 - 4,999 employees
General Counselors Office	New Haven	Business Services Nec	1,000 - 4,999 employees
Southern Connecticut State Univ	New Haven	Schools-Universities & Colleges Academic	1,000 - 4,999 employees
Temple Medical Ctr	New Haven	Surgical Centers	1,000 - 4,999 employees
Yale School of Medicine	New Haven	Schools-Medical	1,000 - 4,999 employees
American Medical Response	New Haven	Ambulance Service	500 - 999 employees
Assa Abloy Americas	New Haven	Hardware-Manufacturers	500 - 999 employees
Assa Abloy Door Security Sltns	New Haven	Door & Window Components Manufacturing	500 - 999 employees
AT&T	New Haven	Telephone Companies	500 - 999 employees
Elm City Newspapers	New Haven	Newspapers (Publishers/Mfrs)	500 - 999 employees
Knights of Columbus	New Haven	Clubs	500 - 999 employees
Knights of Columbus Insurance	New Haven	Insurance	500 - 999 employees
New Haven Police Dept	New Haven	Police Departments	500 - 999 employees
New Haven Register	New Haven	Newspapers (Publishers/Mfrs)	500 - 999 employees
Pwc	New Haven	Accountants	500 - 999 employees
Sargent Manufacturing CO	New Haven	Hardware-Manufacturers	500 - 999 employees
United Illuminating CO	New Haven	Utilities	500 - 999 employees
US Post Office	New Haven	Post Offices	500 - 999 employees
Yale University Library	New Haven	Libraries-Institutional	500 - 999 employees
Yale School of Med Psychiatry	New Haven	Psychiatric Hospitals	500 - 999 employees
1-3 Long Wharf Drive Ownership	New Haven	Real Estate Management	250 - 499 employees
Advanced Nursing & Rehab Ctr	New Haven	Nursing & Convalescent Homes	250 - 499 employees
Avangrid Inc	New Haven	Electrical Companies	250 - 499 employees
Connecticut Mental Health Ctr	New Haven	Mental Health Services	250 - 499 employees
Cornell Scott Hill Health Corp	New Haven	Clinics	250 - 499 employees
Corrections Dept	New Haven	Government Offices-State	250 - 499 employees
Department of Anesthesiology	New Haven	Schools-Medical	250 - 499 employees
Ikea	New Haven	Furniture-Dealers-Retail	250 - 499 employees
Mental Health Ctr	New Haven	Government Offices-State	250 - 499 employees
New Haven City Offices	New Haven	Counseling Services	250 - 499 employees
New Haven Fire Dept	New Haven	Fire Departments	250 - 499 employees
New Haven Police Dept	New Haven	Police Departments	250 - 499 employees
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, 2016 (Top 100 Employers in New Haven County)

City of New Haven, Connecticut

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL GOVERNMENT												
Mayor's Office	12	11	12	10	11	11	12	10	11	13	12	11
Legislative Services	10	10	10	10	10	10	10	10	10	10	10	10
Human Resources	0	0	0	0	0	0	7	7	7	7	6	5
Labor Relations	0	0	0	0	0	0	2	2	2	2	2	2
ECONOMIC DEVELOPMENT												
Economic Development	16	16	13	13	13	13	15	13	14	10	10	11
Transportation, Traffic and Parking	35	35	33	33	33	30	31	31	33	33	32	33
City Plan	9	8	8	8	8	8	9	9	11	11	11	10
Building Inspection and Enforcement	19	17	16	16	16	16	17	17	16	0	15	14
Livable City Initiative	49	40	40	40	40	40	43	44	54	72	66	59
Commission on Equal Opportunity	4	6	7	9	9	10	12	6	13	11	10	11
ADMINISTRATIVE SERVICES												
Chief Administrator's Office	17	11	11	11	12	12	6	5	7	7	9	6
Finance Department & IT	66	65	65	67	69	70	75	73	80	79	63	64
Assessor's Office	12	12	12	12	12	12	13	13	7	7	7	7
Corporation Counsel	18	18	18	17	17	17	18	18	22	22	22	22
Town Clerk	6	6	6	5	5	5	5	5	5	5	5	5
Registrar of Voters	6	6	6	6	6	6	6	6	6	6	6	6
Fair Rent	1	1	1	1	1	1	1	1	1	1	1	1
Disability Services	1	1	1	1	1	1	2	2	2	2	2	2
PUBLIC SAFETY												
Police	554	553	553	554	554	551	577	613	617	619	606	551
Fire	366	366	376	376	376	376	382	415	419	420	418	420
Public Safety Communications	60	60	75	77	79	79	71	0	0	0	0	0
PHYSICAL SERVICES												
Public Works	114	114	114	115	118	116	120	119	136	134	133	135
Engineering	14	14	14	14	9	8	8	8	9	9	9	8
HUMAN SERVICES												
Youth & Family Services	7	6	6	5	5	5	7	6	7	7	18	17
Senior & Community Services	30	25	19	13	16	13	12	17	28	32	23	24
Public Health	104	96	90	86	88	88	95	96	103	105	104	103
LEISURE/CULTURE												
Public Library	47	42	39	39	41	43	47	47	51	50	50	47
Parks & Recreation	62	59	59	59	59	59	63	63	73	73	72	73
EDUCATION**	3430	3388	3293	3177	3185	3228	3324	3323	3319	3307	3236	3344
TOTAL TOWN & EDUCATION	5069	4986	4897	4774	4793	4828	4990	4979	5063	5054	4958	5001

* 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.

Note: Information prior to 2006 is not available.

**Estimated employee count based on first two weeks of November Payroll

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

Performance Indicator: Corporation Counsel	FY 2017	FY 2016
A. Lawsuits:		
i. Total New Cases Received During Year	409	279
ii. Total New Cases Closed During Year	239	357
a. Settlement	61	61
b. Withdrawal	63	93
v. Not Applicable -Tax Appeals, Bankruptcy & Workers Compensation Matters	80	137
d. Dispositive Motion	3	16
e. Dismissal/Win after Hearing	33	50
iii. Pending Active Cases (as of 11/01/16)	846	725
a. AVG: JRJ-52, CMN-117, CGP-8, MAW-36, ACK-125, RRW-73, BLC-85, KMF-22, ALM-143, AT-64	85	73
B. Notices Of Intent To Sue:		
i. Notices Received	106	90
C. Contracts:		
i. Number of New Contracts Received	630	731
ii. Number of Contracts Completed	635	670
iii. Contracts Not Executed	-	61
D. Legal Opinions:		
i. Legal Opinions Formally Delivered	10	16
E. Freedom of Information Requests:		
i. Freedom of Information Requests Received	265	237
F. Subrogation Claims:		
i. Claims Brought Against the City	28	23
ii. Amount Claimed	\$ 102,503	55,910
iii. Amount Paid by the City	\$ 13,771	4,485
G. Property Damage Claims:		
i. Claims Brought Against the City	94	92
ii. Amount Claimed	\$ 372,559	\$ 243,344
iii. Amount Paid By the City	\$ 22,816	\$ 27,557

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

Performance Indicator: Department of Finance	FY 2017	FY 2016
A. Accounts Payable:		
i. No. of Checks Issued	23,732	23,451
ii. No. of 1099's Issued	1,309	1,313
B. Internal Audit:		
i. Operational Reviews	12	10
ii. Other Special Projects	41	42
C. Accounting:		
i. Total Bank Reconciliations	190	190
ii. Completion Date of Audit	1/31/17	1/31/17
iii. Journal Entries	22,267	22,861
D. Tax Collector's Office		
i. Collection Rate	98.42%	98.30%
ii. Delinquent Property Values	\$ 1,000,000	\$ 1,000,000
E. Payroll:		
i. Payroll Checks Processed	221,401	217,986
ii. Employee Verifications	2,400	2,500
F. Treasury:		
i. Total Deposits Received	5,250	4,598
ii. Bond Issuance Debt	\$ 44,990,000	\$ 46,700,000
G. Accounts Receivable:		
i. Parking Tickets Paid	\$ 4,655,139	\$ 4,958,925
ii. Residential Permits Paid	\$ -	\$ 36,720
iii. Police Private Duty Payments	\$ 6,974,464	\$ 8,090,510
H. Purchasing:		
i. Purchase Orders Processed	10,186	11,609
ii. Solicitations	255	185
I. Labor Relations:		
i. Contract Negotiations - To begin 01/01/17	-	7
ii. Grievances Filed	132	184
iii. MPPs Filed	60	58
K. Workers Compensation:		
i. Number of Cases Filed	1,120	1,123
ii. Number of Cases Resolved	635	635
L. Management & Budget:		
i. Number of Grant Applications Processed	76	81
ii. Monthly/Annual Financial Reports	16	16

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

Performance Indicator: Department of Assessments	FY 2017	FY 2016
A. Real Estate Corrections	1,507	1,188
B. Motor Vehicle Corrections	7,552	7,133
C. Supp Motor Vehicle Corrections	1,632	1,172
D. Personal Property Corrections	271	143
E. City Elderly Applications	386	333
F. State Elderly Applications	436	327
G. City Veterans Applications	162	98
H. State Veterans Applications	148	95
I. Change Mailing Address Apps	383	583
J. Number of Field Inspections	1,302	872
K. Personal Property Declarations	3,882	4,027
L. Income and Expense Reports	2,620	2,641
Performance Indicator: Library		
A. Hours/Weel open to Public	202	178
B. Number of visits (Total)		590,586
i. Main	291,064	345,265
ii. Branches	256,239	245,321
C. New Card Registrations	10,326	9,402
D. Circulation	393,289	422,865
E. Reference Activity	58,915	67,168
F. Database Usage	309,008	358,215
G. Library Programs	2,742	2,640
H. Attendance	52,415	49,998
I. Computer Usage (session log-ins)	204,189	185,804
J. Website Sessions (active engagement)	253,660	292,046
Performance Indicator: Parks, Recreation, and Trees		
A. Parks System Profile:		
i. Parks	142	142
ii. Playgrounds	65	65
iii. Acres per 1,000 Persons	15.4	15.4
B. Park Services & Programs:		
i. # of Park Visits	690,000	675,000
ii. # of Playground Inspections Performed	360	360
iii. # of Trees Trimmed	1,463	903
iv. # of Trees Removed	355	415
v. # of Stumps Removed	250	330
vi. # of Trees Planted	548	560

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

	FY 2017	FY 2016
C. Recreation Programs:		
i. Athletic Field Permits Issued	4,144	6,377
ii. # of Participants in Summer Day Camp (average per day)	2,318	1,650
iii. # of Participants in Youth Basketball	475	350
iv. # of Youth Programs	60	60
v. # of Adult Programs	17	15
vi. Total # of Participants	352,000	352,000
vii. # of Summer Day Camps	18	19
viii. # of Volleyball Participants (ages 12-15)	217	225
ix. Youth Basketball	475	350
x. Youth Baseball Little Leagues	8	7
D. Revenue:		
i. Skating Rinks	\$ -	\$ 50,964
ii. Golf Course	\$ 872,000	\$ 934,310
iii. Lighthouse	\$ 64,273	\$ 87,451
E. Other Park Services:		
i. # of participations/Visitors Ranger Programs (non-school)	79,300	72,000
ii. # of Ranger Programs offered to the Public	810	610
iii. # of Park Permits	6,607	6,767
iv. # of School Groups Visit to Lighthouse Park	224	225
v. # of Lighthouse Park Permits Issued for Parking	9,800	5,200
vi. # of Permits Issued for Carousel Facility	82	72
vii. # of Volunteers in Park Programs/Services	3,000	2,800
viii. # of Organized Park Friends Groups	16	-
Performance Indicator: City/Town Clerk		
i. # of deeds Recorded	11,910	13,241
ii.# of recording fees	347,249	316,782
iii. Conveyance fees	\$ 1,696,864	\$ 2,300,774
iv. City Land Preservation	\$ 17,484	\$ 9,862
v.Capital Projects Land Preservation	\$ 30,402	\$ 39,448
vi. Trade Name Certificates	4,480	2,685
vii. Liquor Permits	596	502
viii. Notary Fees	3,215	2,214
ix. Copies	52,460	38,947
x. Maps	580	650
xi. Dog Licenses	7,276	4,475
xii. Legal Documents - Scanned/Indexed	740	535
xiii. Absentee Ballots Issued	1,544	3,400
xiv. Aldermanic Committee Minutes	75% bound	40% bound
xv. Dog Licenses Issued	1,195	774
Performance Indicator: Department of Public Safety		
i. Number of 911 Calls Received	132,777	124,000
ii. Number of Dispatchers Crossed Trained	16	11
iii. Number of Complaints Received	8	N/A
iv. Percentage of 911 Calls Answered in less than 10 seconds	98.7	93.5%

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

Performance Indicator: Public Health	FY 2017	FY 2016
A. Health Program Division		
i. Syringes Distributed Through Needle Exchange	N/A	100,000
ii. Average # of Clients Served Through Needle Exchange	N/A	300
iii. HIV Tests Performed	N/A	129
iv. Child Home Safety Assessments	N/A	121
v. Child Passenger Safety Presentations	6	8
B. Bureau of Nursing:		
i. Schools Served	53	52
ii. Students Served	22,090	22,237
iii. Students With Health Problems	8,378	8,611
iv. Nurse/Student Ratio	1:526	1:529
Information Services:		
C. Epidemiology		
i. Average # of Reportable Disease and Lab Findings Reviewed Per Month	327	361
ii. Interviews Conducted for Enteric Pathogens, Hepatitis, TB and Legionella	61	36
iii. Data Requests for program planning & grant applications	N/A	2
iv. Presentations to City officials, community organizations & the public	7	4
v. Major documents (author or significant contributor)	N/A	1
vi. Infectious disease surveillance reports	7	12
D. Infectious Disease Control Measures		
i. Outbreak & contact investigations	4	22
ii. Foodborne disease patient interviews	42	60
E. Vital Statistics		
i. Birth Certificates (Full Size)	11,252	16,443
ii. Death Certificates	8,141	10,192
iii. Burial, Cremation, Disinternment	2,085	2,617
iv. Marriage Licenses	1,121	1,316
v. Marriage Certificates	2,017	2,464
vi. State Copies Processed	2,435	2,669
vii. Resident Town Copies Processed	1,951	3,040
F. Maternal & Child Health Division:		
i. Pregnant/Postpartum Women Enrolled in HUSKY	376	445
ii. Children Enrolled in HUSKY	474	539
iii. Pregnant/Postpartum Women Screened for Depression & Appropriately Educated/Referred	351	340
iv. Woman Served Through Intensive Care Management	120	155
v. Children Served Through Intensive Care Management	38	155
vi. Home Visits Through CT Healthy Start		300
vii. Outreach Sessions Conducted Each Month Through Federal Healthy Start	50	106
viii. Families Served Through Nurturing Families Program	38	34
ix. Home Visits Through Nurturing Families	1,081	1,039

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

	FY 2017	FY 2016
G. Bureau of Environmental Health:		
i. Food Service Inspections & Re-Inspections	1,848	1,712
ii. Food Service Licenses	1,108	1,114
iii. Temporary Food Service Inspections & Licenses	1,554/210	1558/224
iv. Child Daycare Inspections	26	26
v. Group Home Inspections	8	5
vi. Swimming Pool Inspections	90	90
vii. Bathing Area Inspections	229	229
viii. Lead Inspections of Housing Units- EBL	116	78
ix. New Cases of Lead Housing Units- EBL	223	150
x. Re-Inspections Performed During Lead Abatement	594	566
xi. Cases of Lead Poisoning Closed	243	167
xii. Housing Units Abated for Lead	90	93
xiii. Nuisance Complaints Investigated & Resolved	75	110
xiv. Food Service Complaints Investigated and Resolved	49	56
H. HUD Lead Hazard Control Grant Activities:		
i. Housing Units Inspected for Lead	149	73
ii. Housing Units Lead Abated	51	75
iii. Individuals Trained in Lead Abatement Field	116	88
iv. Education Outreach Events	28	22
v. Individuals Reached	15,300	10,300
I. Office of Emergency Preparedness:		
i. Flu Vaccinations Provided	2,000	800
ii. Number of Mass Vaccination Tabletop Exercises	-	1
iii. Number of Activation EOC Events	3	2
Performance Indicator: Fair Rent		
i. Number of Inquiries	*1266	945
ii. Number of Complaints	49	34
iii. Number of Inspections	*60	67
iv. Number of Preliminary Hearings	63	43
v. Number of Public Hearings	33	23
vi. Walk-in Counsultations	*321	200
* Indicates Approximate Numbers		
Performance Indicator: Elderly Services		
A. Estimated Service Population		
i. 55 and Up	21,902	19,000
ii. 65 and Up	14,078	1,200
iii. 85 and Up	1,579	1,700
B. Senior Centers:		
i. Average Weekly Attendance	700	677
ii. Calls, case management and referrals weekly average - centers, outreach and City Hall	425	389
C. Energy Assistance:		
i. Seniors Served	90	66
ii. Number of Centers Providing Services	3	3
iii. Outreach Staff	3	3

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

	FY 2017	FY 2016
D. Rental Rebate		
Rental Rebate Applicants	5,133	5,286
i. Seniors Approved Total	4,866	5021 + pen ext
ii. Centers Providing Service	3	3
iii. Seniors over 65 approved	2,331	4,892
iv. Seniors 65 and under approved	2,535	129
v. Seniors 65 and under disallowed	38	16
vi. Seniors 65 and up disallowed	17	0
vii. Senior 65 and up not payable	53	0
viii. Seniors 65 and under not payable	159	0
viiii. Outreach staff at libraries	3	3
E. Share Program		
i. Centers Providing Service	3	3
F. Transportation Services:		
i. Seniors Transported to Centers	220	105
ii. Trips	14,041	13,895
G. Property Tax Credit/Tax Freeze		
	135	93

Performance Indicators: Youth Services Department

A. Youth Commission:		
i. Youth Commission Number of Meetings		5
B. Youth @ Work		
i. Jobs Funding	690,000	650,000
ii. Number of School Year Employers	36	75
iii. Number of Summer Employers	615	616
iv. Number of Applicants Processed	865	808
v. Number of Students Employed School Year/ Summer	651	691
vi. % of Participants Job Ready: Pre Program	65%	60%
vii. % of Participants Job Ready: Post Program	90%	90%
C. CDBG Programs:		
i. CDBG Monitoring Number of Programs Monitored	13	13
D. Open Schools:		
iv. Programs offered	13	15
E. Summer Busing:		
i. Number of Organizations served	45	50
F. Street Outreach Workers:		
i. # of outreach workers	5	4
ii. # of youth served (undup)	141	150
iii. Ratio (Workers to Youth)	1:28	1:37
iv. Percentage of youth engaged in a program who have not recommitted a crime or acts of violence	85%	0:85%
v. % Employment of program participants	45%	70%
vi. % of Participants Enrolled in School	70%	70%

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

	FY 2017	FY 2016
G. Leadership Council		
i. # of youth engaged/enrolled	0	0
ii. % attendance	0	0
H. Youth Map:		
i. # of organizational partners registered	N/A	n/a
ii. # of website hits	N/A	n/a
I. Youth Texting:		
i. # of teens signed up	N/A	n/a
J. Youth Guide		
i. # of guides distributed	5,000	5000
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)	18	15
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	2
iii. Upon request or complaint assist other department with various aspects of ADA compliance.	3	0
iv. Represent residents with disabilities at various local and statewide events, committees and conferences.	12	15
v. Advocate for legislative initiatives that will benefit New Haven residents with disabilities	1	0
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.	5	8
Performance Indicator: Community Service Administration		
i. Persons receiving SAGA Medical/ Medical LIA (SS)*	N/A	2,276
ii. Persons receiving SNAP's - Food Stamps (S)*		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	298
x. Number of Client Assessments Completed (S)	N/A	N/A
xi. Number of Client Service Plans Created (SS)	N/A	298
xii. Number of Clients receiving transportation assistance	N/A	388
xiii. Instances of Clients receiving CT Drivers' License services	N/A	25
xiv. Number of Clients receiving CT Non-Drivers' Photo Identification	N/A	31
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	83%
xvii. % Clients in Program seeking employment that obtain employment (SS)*	N/A	1%
xviii. Amt (\$) collected on liens and assignments of interest (Welfare)	N/A	0%
xix. Number of Clients Assisted with Gasoline Vouchers	N/A	3%
xx. Number of Clients assisted in obtaining Rx eyeglasses via Lens Crafters collaborative	N/A	0
xxi. Instances of clients receiving Justice of the Peace services	N/A	2
xxii. Number of clients assisted in obtaining under garments/toiletries - new service	N/A	44

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

	FY 2017	FY 2016
Homeless :		
- Columbus House	326	357
- Continuum of Care	135	128
- Emergency Shelter Management Services	1,303	1,098
- New Reach	336	275
- Youth Continuum	309	225
<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.	1,157	
Case management services were extended to.	246	
Intake services completed	190	
Transportation assistance	190	
Referrals to outside agencies	568	
Clothing assistance	19	
Assisted with certified Birth Certificates	10	
State of Connecticut DMV Identifications	9	
Weekly "Careers" jobs & resource publications produced	3,360	
Social Services / 165 Church Street Office – rendered the following services from that locale:		
Addressed requests for services	124	
Emergency transportation (via Project Fresh Start)	284	
Gasoline vouchers issued	7	
State of Connecticut Identification provided	3	
Notorized documents	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	314	
Number of logged sessions of tracked site use	2,451	
Mayor's Financial Empowerment Commission – New Haven Financial Empowerment Center		
Number of commission meetings convened	4	
City staff trained and certified as financial counselors	3	
Individuals screened for Money Management International Credit Repair Services	23	
Individuals establishing Money Management International Credit Repair case management	7	
Attendees Money Management International live interactive webinars	12	
CT Money School financial workshops offered	18	
Participants in CT Money School financial workshops	55	
www.Newhavenfinancialempowerment.com - web-based resource and self-help tool		
Number of residents provided training on use of site	314	
Number of logged sessions of tracked site use	731	
CSA - Health In Your Hands - Fair Haven & Hill Neighborhood improving health attitudes initiative		
Number of residents served	1,500	
Positive health engagement activities held, i.e. exerscise, cooking classes, dance classes	123	
Healthy eating participants reporting a change in healthy eating habits	75%	

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

	FY 2017	FY 2016
Mental Health First Aid training		
Number of adults receiving training	142	
Number of youths receiving training	23	
Volunteer Income Tax Assistance (VITA) campaign - New Haven VITA Coalition		
Number of free tax clinics across New Haven	16	
Marketing flyers printed	35,000	
Targeted mailing to New Haven households	3600	
Outreach canvassing to New Haven households - NHHA	500	
New Haven tax payers utilizing VITA free tax clinics	4,415	
Refund dollars inclusive of EITC, Education & Child Tax Credits	\$7,012,055	
Recoupment on past City Welfare Department property lien debt	\$1,600.19	
Performance Indicator: Public Works		
A. Administration		
i. Solid Waste and Recycling Authority Surplus/(Deficit)	\$ 210,141	\$ 285,254
B. Bridges (24 hour operation of three bridges):		
i. Maintenance cost: Ferry Street	\$ 65,693	\$ 50,382
ii. Maintenance cost: Chapel Street	\$ 12,549	\$ 10,532
iii. Maintenance cost: Grand Avenue	\$ 45,909	\$ 116,916
vi. Total number of closures	17	19
C. Solid Waste/Refuse Management:		
i. Tons of residential solid waste	30,541	31,438
ii. Tons of residential recycling	6,585	6,486
iii. Recycling per household	1.12 lbs/day	1.11lbs/day
iv. Percent Recycling	17.74%	16.82%
v. Number of litter barrels		400
vi. Number of residential transfer station customers served		1,832
vii. Number of commercial transfer station customers served	16,668	13,726
viii. Total tons of municipal solid waste	78,393	76,700
D. Street Division:		
i. Tons of pothole patching	1,151	4,147
ii. Pavement conditions rating	61	65
iii. Number of storms	12	17
iv. Overtime expenses	\$ 348,744	\$ 275,040
v. Cost of bulk trash pickup	\$ 325	\$ 250
E. Storage and disposal of the possessions of evicted individuals:		
i. Total labor hours	1,200	1,200
ii. Number of right of way warnings issued	100	150
iii. Number of right of way citations issued	650	800

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

Performance Indicator: Engineering	FY 2017	FY 2016
A. Sewer Separation:		
i. Pollution Overflow	28.2	17.0
ii. Miles of Combined Sewer	52	52
iii. Miles of New Storm Sewers Installed	0	0
iv. Projects Under Design or Construction	5	5
B. City Bridges		
i. City Bridges	51	51
ii. Bridges in Poor Condition	1	1
iii. Projects Under Design or Construction	1	3
iv. Bridges Completed and Open	2	3
C. Drainage:		
i. Drainage Complaints	200	200
ii. Catch Basin Backlog	50	50
D. Road Improvements:		
i. Miles of Local Roads	226.48	224.8
ii. Road Design		2.0
iii. Road Reconstructed	0.5	0.6
E. Support Service:		
i. Department Support Service Project	85	105
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	287	207
iii. Agenda Items	89	192
B. City Plan Commission:		
i. CAL	2	2
ii. Meetings	8	12
iii. Total Number of Agenda Items	206	186
iv. Ordinance Text & Map Admendments	3	6
v. Items Associated with Planned Development	6	1
vi. Items Associated with Inland Wetlands Reviews	4	4
vii. Items Associated with Land Disposition	18	12
viii. Items Associated with Coastal Site Plans	23	11
ix. Items Associated with Site Plan Review	60	69
x. Items Referred by Zoning Board of Appeals	32	18
xi. Items Associated with Livable City Initiative	24	N/A
xii. Items Associated with Special Permits	11	7
xiii. Other Items referred to by the Board of Alderman	47	56

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

	FY 2017	FY 2016
C. Walk-In Applicants Assistance:		
i. Zoning & City Plan Inquiries	more than 500	more than 640
D. Project Management:		
i. Development Projects	7	6
ii. Dollar Value of Development Projects Managed	\$25.8m	\$72.5m
F. Neighborhood Plans:		
i. Zoning Ordinance Amendments/Sections	0	0
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	0	7
Performance Indicator: Transportation, Traffic and Parking		
A. Traffic Signals:		
i. Signalized Intersections	331	331
ii. Intersections Rebuilt	10	8
iii. Repair Visits	1750	1643
iv. % of Requests for Emergency Service on Traffic Control Equipment within 1 hour	100	70
	550	
B. Signs and Markings:		
i. Inventory of Street Signs	111,000	110,000
ii. Signs Replaced	1,925	4,200
iii. Cost of Contact Service (Painting)	358,495	150,000
C. Enforcement & Collection:		
i. Tickets Written	139,730	145,070
ii. Revenue Collected	\$ 4,540,531	\$5,074,074
iii. Appeals Adjudicated	10,832	10,818
D. Meters:		
i. Total Collections	\$ 6,348,996.00	\$ 7,244,583
ii. Repair Visits	5,350	4,850
iii. Total Replacements	59	370
E. Other:		
i. % of Plans Reviews within 30 days	100%	100%
ii. Zoning Changes	100%	100%
iii. Building Permits	100%	100%
iv. Planned Unit Development	100%	100%
v. Streetscape Projects	100%	100%
vi. Reported Crashes per 1000 population	100%	58%

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

Performance Indicator: Office of Building Inspection and Enforcement	FY 2017	FY 2016
A. Number of Permits Issued:		
i. Building	1665	1905
ii. Electrical	1318	1602
iii. HVAC	693	825
iv. Plumbing	682	873
v. Demolition	33	50
vi. Total	4391	5255
B. Building Permits Issued By Category:		
i. Residential (new)	10	23
ii. Non-Residential (new)	12	22
iii. Mixed Use (new)	6	7
iv. Residential (Rehab)	1026	1217
v. Non-Residential (Rehab)	562	547
vi. Mixed Use(Rehab)	49	89
C. Demolition		
i. Residential	11	19
ii. Non-Residential	21	29
iii. Revenue from Permits & Fees	\$13,536,601.30	\$ 10,202,343.93
iv. Routine Building Inspections	9520	9,560
v. Building & Zoning Code Violations Cited	380	383
vi. Auction	0	1
vii. Broker	12	18
viii. One Day Food Vendor	21	13
xi. Food Vendor	213	207
x. Parking Lot		13
xi. Peddler	35	41
xii. One Day Peddler	28	39
xiii. Rooming House	24	27
xiv. Excavation Permit	509	743
xv. Obstruction	289	393
xvi. Sidewalk License	50	57
xvii. Sandwich Board	9	13
xviii. Special Event	140	184
xix. Outdoor Seating	14	22

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

Performance Indicator: Livable City Initiative	FY 2017	FY 2016
i.# of Complaints	9,957	23987
ii. # of Letters	190	76
iii. # of Citations	24	16
iv. # of Foreclosures	10	3
v. # of Community Meetings Attended	201	235
vi. # of Complaints Addressed	9,854	2358
vii. # of Vacant Homes Monitored	515	519
viii. # of Foreclosed Properties Registered	510	235
ix. # of Tons of Trash Removed	239	251
x. # of Properties Maintained	190	203
xi. # of Liens Placed as it relates to Property Maintenance	81	69
xii. # of Structures to be Demolished	Building Dept	0
xiii. # of Properties Demolished	Building Dept	0
xiv. # of Liens Placed as it Relates to Demolition of Private & City Owned Property	Building Dept	0
xv. # of Properties for Sale	190	203
xvi. # of Properties Sold	15	12
xvii. # of Properties Condemned due to Fire	8	7
xvii. # of Properties Condemned due to Code	11	13
xviii. # of Persons Temp Relocated Fire	13	21
xviii. # of Persons Temp Relocated Code	25	39
xix. # of Persons Permanently Relocated	56	67
xx. # of Liens Placed as it Relates to Relocation	7	8
xxi. # of For Profit Community Partners	7	6
xxii. # of Not-For-Profit Community Partners	17	17
xxiii. # of Projects in Development	29	24
xxiv. # of Units in Development	421	594
xxv. # of Rental Units Completed	66	45
xxvi. # of Homeownership Units Completed	7	41
xxvii. # of Individuals Completing Post Purchase/Homeownership/Counseling	22	19
xxviii. # of Down Payment Loans	22	19
xxix. # of Energy Improvement Loans	17	23
xxx. # of Elderly/Disabled Emergency Repair Loans	7	7
xxxi. # of Complaints as it Relates to Code Enforcement	1050	1486
xxxii. # of Cases Resolved	553	897
xxxiii. # of Units Inspected.	5147	5180

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

Performance Indicator: Economic Development Administration	FY 2017	FY 2016
A. Citywide Indicators		
i. Employment Base-Total number of jobs in New Haven.	82,121	81,419
ii. Unemployment Rate-% of city residents who are unemployed.	6.5%	7.2%
iii. Business Start-Ups-Total number of business start-ups in the city.	45	71
iv. Downtown Retail Occupancy-% of downtown retail storefronts that are occupied.	93.0%	92.1%
v. Commercial Vacancy Rate-% of vacant citywide commercial office space.	14.0%	13.0%
B. Department Indicators		
i. Technical Assistance to Small- and MBE-Contractors-Number of contractors served in-person by	249	391
ii. Registered Small- and MBE-Contractors-Number of contractors registered in SCD program.	142	142
iii. Contractor Participation Rate-% of City contracts awarded to non-women-owned MBEs.	19.8%	7.1%
iv. Contractor Workshops-Number of contractor workshops conducted by ED.	4	6
v. Arts, Culture and Tourism Events-Number of people served.	400,000	322,329
vi. Project Storefronts Activity-Number of participating businesses.	120	80

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APPENDIX B

SOCIOECONOMIC INFORMATION

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New Haven Economic Development Official Statement



July 2018

Toni N. Harp
Mayor

Matthew Nemerson
Economic Development Administrator

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INTRODUCTION TO NEW HAVEN

New Haven is an old city made new. Founded in 1638, New Haven was the first planned city in America,¹ a key port city and center of innovation during the country's first industrial revolution, a central driver of the Northeast's rise in manufacturing and railroad shipping prominence, and the poster child for the federal government's revolutionary urban renewal program in the 1960s². For centuries New Haven produced Winchester rifles, Corsair Aircrafts, Yale-educated men and women whose leadership and charisma have forever changed the country.

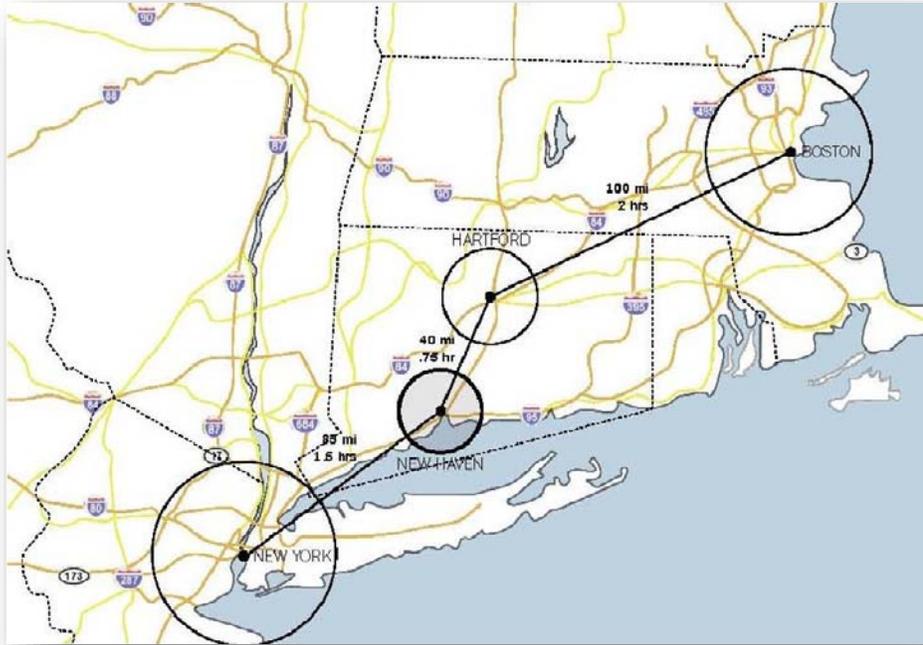
Today, New Haven continues to champion its reputation as a city of makers. Its entrepreneurs, innovators, and leaders are at the forefront of progress in everything from biomedical technology to public private partnerships. At a glance, New Haven is quickly establishing itself as a city of the future: in terms of medical advancements, New Haven's 50+ biotech companies³ develop cutting edge technology and treatments; and in 2017 it was reported that venture capital firms and large pharmaceutical companies had invested more than \$700M in New Haven startups.⁴ Private real estate developers, seeing the value of New Haven's rise in popularity and unbeatable location, have invested hundreds of millions of dollars in New Haven real estate and built nearly 1,500 new market rate apartments since 2010.⁵

In less than a decade, New Haven has been reborn as an exemplar of a vibrant, diverse, human-scaled city. Its renaissance has attracted new residents from all over Connecticut and the United States at large. Between 2000 and 2014, New Haven attracted 6,900 new residents,⁶ and according to the most recent US Census Report, New Haven had the highest growth rate (5.0%) among major New England cities.⁷ This influx of increasingly diverse, international, and well-educated residents has helped New Haven become the most demographically representative city of the United States as a whole according to popular political blog Five Thirty Eight.⁸

With an attractive mix of housing, transportation, public amenities, educational opportunities, and world-class arts and cultural offerings, and with major cities like Boston and New York less than a few hours away, New Haven has all the comforts of a small town with the panache of a big city. As it continues to become home to more young professionals, innovators, community leaders, startup companies, and biotech and digital tech ventures, New Haven will inch closer and closer to becoming the #Greatest Small City in America.

REGIONAL CONTEXT

New Haven is located on Long Island Sound between New York City (75 miles), Boston (140 miles), and Hartford (40 miles). It is directly connected 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.



New Haven is just as dynamic a city as New York or Boston only 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 cost of housing, for example, is more than 100% less expensive in New Haven than in New York City and approximately 96% less expensive than in Boston.

Average Rent, 1-BR Apartment in New York City	\$3,180
Average Rent, 1-BR Apartment in Boston	\$2,535
Average Rent, 1-BR Apartment in New Haven	\$1,121

Source: RentJungle Comparison Tool as of July 2018

DEMOGRAPHICS

New Haven is the densest, most populous, and most economically significant city in the Greater New Haven region.⁹ It is also one of Connecticut's most diverse¹⁰ and fastest growing city¹¹. With the median age at 31 years old¹², New Haven's current population has the capacity to impact and drive the regional economy for many years to come.

POPULATION¹³

	New Haven City	New Haven MSA	Connecticut
Total Population	131,014	860,435	3,588,184

AGE¹⁴

	New Haven City	New Haven MSA	Connecticut
Population below age 18	22%	20%	21%
Population ages 18-64	68%	63%	62%
Population 65 and older	10%	17%	17%

RACE & ETHNICITY¹⁵

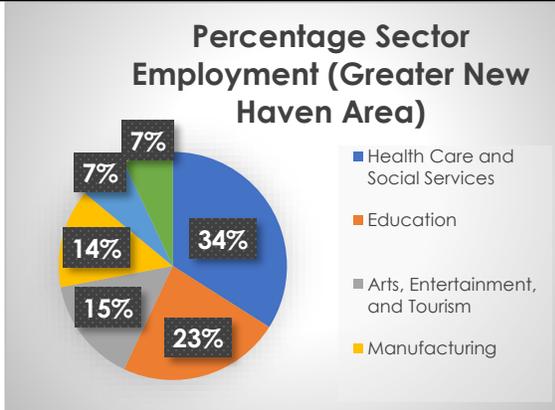
	New Haven City	New Haven MSA	Connecticut
White	31%	63%	67%
Black	34%	15%	12%
Hispanic	29%	18%	16%
Asian	5%	4%	5%
Two or More Races	2%	2%	2%

ECONOMIC SNAPSHOT

New Haven is a city with . . .

A diverse economic base

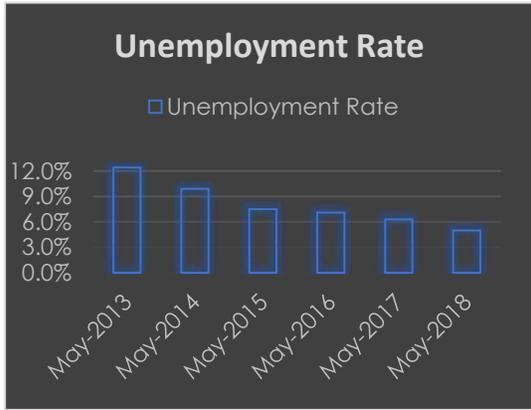
- **2nd largest** bioscience cluster in New England.¹⁶
- 50+ biotech firms employing 5,000 employees.¹⁷
- **554 new businesses** openings in 2017.¹⁸



REX Development, 2017 Southern Connecticut Comprehensive Economic Development Update

A declining unemployment rate

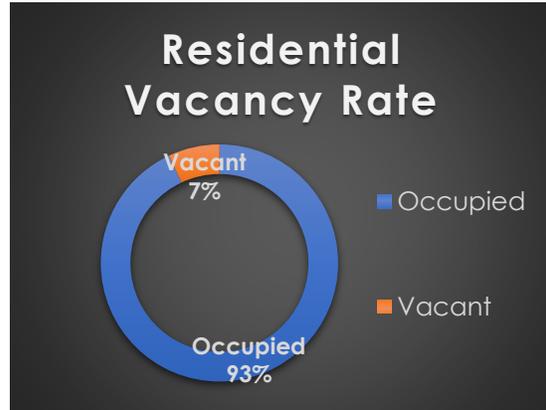
- As of June 2018, the unemployment rate was 5.0%, down from a high of 12.4% in 2013.



Connecticut Department of Labor

A low residential vacancy rate

- Despite a sharp increase in rental housing stock in recent years, the city's residential vacancy is still low at 7.7%.



Department of Numbers

Department of Numbers

Strong Anchor Institutions

- **Yale University** employs 14,000 people, 4,000 of which reside in New Haven. The university has committed to hiring 1,000 more NH residents by April 2019.
- **Yale-New Haven Hospital** is the 9th largest hospital by bed-count in the country.
- **Seven Colleges in the New Haven Area** enroll nearly 54,000¹⁹ students, employ more than 30,000 people, and contribute over \$2B to the local economy each year²⁰.

SECTION I

**ATTRACTING AND RETAINING QUALITY
INVESTMENT**

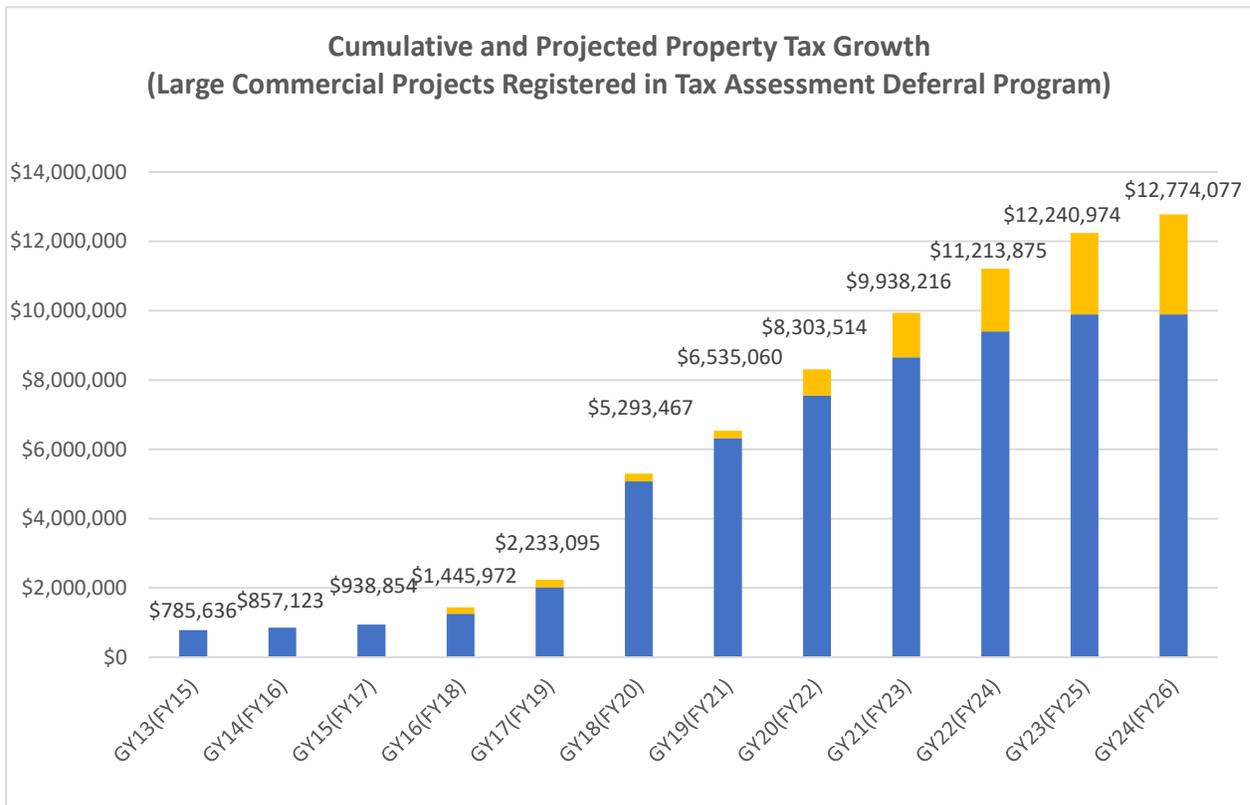
ATTRACTING & RETAINING QUALITY INVESTMENT

The City actively partners with private entities to attract investment capital to New Haven. In recent years, the private market has expressed great interest in investing in New Haven due to the city’s rise in prominence among mid-sized cities.

Just in the last few years, New Haven has attracted new residents and businesses due in large part to the quality of its recent real estate development efforts.

The City of New Haven’s Office of Economic Development (“Economic Development”) has been committed to expanding New Haven’s grand list to generate increased property tax revenues. By working closely with private investors through the planning process, leveraging project finance incentives, and facilitating communication with community stakeholders, Economic Development has succeeded in bringing dozens of new development projects to New Haven.

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 property tax revenues by 2026 from the development projects that currently registered and under contract with the Tax Assessment Deferral Program.



RESIDENTIAL REAL ESTATE DEVELOPMENT

Overview

- The residential rental vacancy rate in New Haven is about **7.7%**²¹.
- Private developers have built more than **1,470** market-rate housing units in mixed-use development projects.²²
- As of July 2018, an additional **2,572** market-rate housing units were underway.²³



The Lofts at Audubon Square 550-unit mixed use development broke ground in July 2018. The development, which will create a mini-city built around a 750-space concrete parking garage, is projected to cost \$75M. The developer, Spinnaker Real Estate Partners, based out of South Norwalk, CT, is working on three concurrent projects in New Haven.

State of the Market

Developers regard New Haven as one of the most attractive places in the nation in which to do business. The combination of colleges and universities located in and around New Haven, the heavy concentration of health care-focused businesses, and New Haven's small, walkable, and accessible size creates a vibrancy that few other regions in

“Whether it’s Nashville; Durham, North Carolina; Portland, Maine; or Brooklyn, **New Haven** can be compared to many of the hip population centers that urban designers are talking about right now.”

Northside Development Company, 2017

the Northeast can match. Furthermore, as young professionals reject the single-family home model of the past, demand increases for market-rate housing in the center of all the excitement that downtown has to offer. With more to do, less space to maintain, and easier access to work and play, more and more people are coming to New Haven in search of a hip urban lifestyle.

Retaining Quality Real Estate Investment

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.



Metro 260, 280, 301 The 116-unit mixed-use developments by Metro Star Properties redeveloped nearly two blocks. Before and After photos of the corner of Crown and High St.

Long-Term Development Partners

Spinnaker Real Estate Partners	RMS Companies	Metro Star Properties
<ul style="list-style-type: none"> ▪ 3 Projects ▪ 489 Apartment Units ▪ 1 Boutique Hotel 	<ul style="list-style-type: none"> ▪ 3 Projects ▪ 1,536 Apartment Units ▪ 1 Boutique Hotel 	<ul style="list-style-type: none"> ▪ 3 Projects ▪ 116 Apartment Units

Abundant Development Opportunities

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 right-of-ways, and older buildings give developers ample opportunities to modernize the city while maintaining its historic charm.



Harold’s Formal Wear, 19 Elm Street. The 46-unit project will be built where an inefficient one-story building now stands.

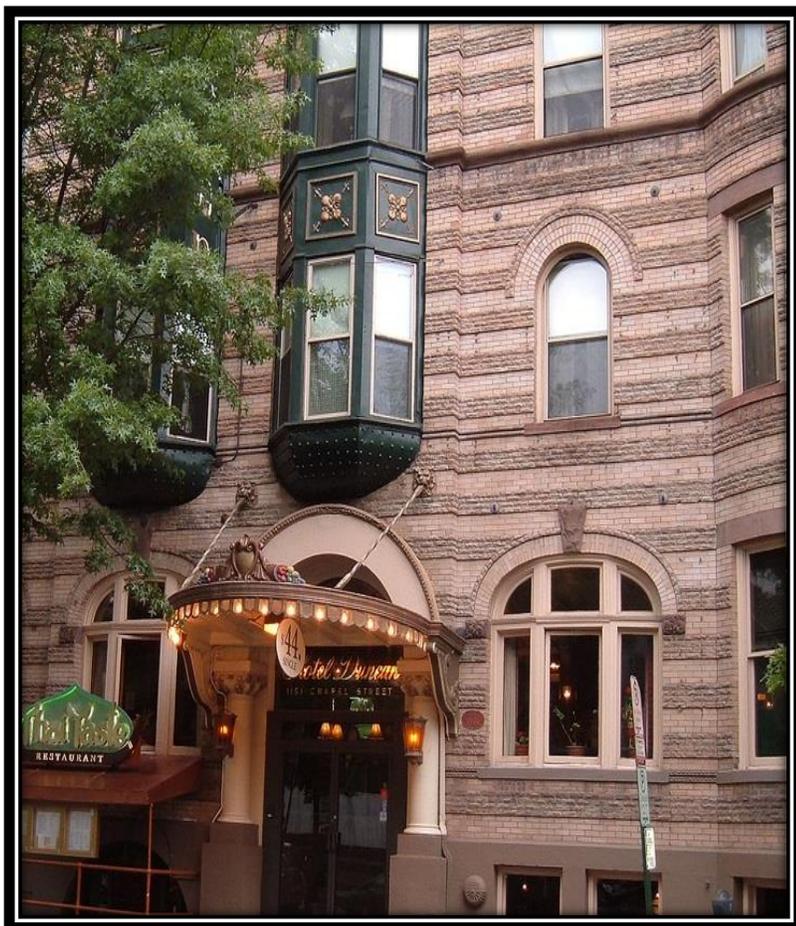
Recent Multi-Family Real Estate Projects: Completed and Current

Year	Project Name	Address	Developer	Investment	Units
2014	College and Crown	200 College	CenterPlan Development	\$55M	160
2015	The Novella	1245 Chapel	RMS Companies	\$35M (Sold: \$40M)	136
2015	Winchester Lofts	275 Winchester	Forest City	\$54M	158
2015	Metro 280	280 Crown	Metro Star Properties	Not Disclosed	24
2016	The Corsair	1050 State	Post Road Residential	\$30M (Sold: \$145M)	235
2016	The Union	205 Church	Cooper Church LLC	\$33M	145
2016	Metro 260	260 Crown	Metro Star Apartments	Not Disclosed	12
2017	Former YMCA railroad building	1435 State Street	Ocean Management	\$4M	21
2018	Metro 303	301-5 George and 274 Crown	Metro Star Apartments	Not Disclosed	80
2018	Audubon Square	335 & 367 Orange	Spinnaker Real Estate Partners	\$160M	550
2019	Lofts at Wooster Square	630 & 673 Chapel Street	Spinnaker Real Estate Partners	\$80M	232
2019	Torrington Plumbing Supply Site	87 Union	Epimoni/Adam America	Not Disclosed	325
2019	The Clock Factory	133 Hamilton	Reed Realty	\$40M	120
2020	Former Olin Site	201 Munson	Double A Development Partners	\$80M	395

2020	Union Addition	85 Elm Street	Cooper Church LLC	Not Disclosed	40
2020	Heights on the River	62 East Grand	NHR Properties/Petra Construction	Not Disclosed	60
2020	Former Harold's Formal Wear Building	19 Elm	MOD Equities	Not Disclosed	46
2020	Hill-to-Downtown	Congress Avenue and Church Street South	RMS Companies	\$100M	334
2020	Coliseum Site	89 George Street	LiveWorkLearnPlay	\$400M	450
2020	808 Chapel Street	808 Chapel	Northside Development	Not Disclosed	45
2020	Former Red Cross Building	703 Whitney	Nancy Greenberg	Not Disclosed	42
2020	Former Lehman Printing Site	191,197, and 199 Foster	Ocean Management	\$9M	30
2020	John English Building	418 State Street	MOD Equities	Not Disclosed	50
2020	East River Partners parking lot	302 State Street	East River Partners	Not Disclosed	40

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 hotel 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 **341** hotel rooms approved or pending approval with another **400+** rooms in the pipeline.



The Duncan | Façade of the historic building. Photo Courtesy of Flickr.

The Duncan

Project: The iconic 125-year old hotel will undergo an internal renovation, preserving the façade. 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

Progress The company began construction work in late 2017 to transform the Duncan into a 72-room boutique hotel.

The renovated hotel is slated to open in 2019.

The Blake

Project 108-room boutique hotel with a restaurant and rooftop amenities

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

Investment \$8M

Located on the corner of High and George Streets, the Blake will offer both traditional and extended-stay rooms, and is slated to open in 2018.



Rendering of the Blake Hotel, located at the corner of George and High.

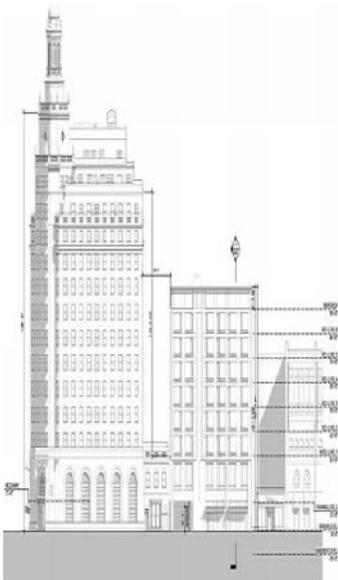
The Union Trust Phase II, 85 Elm

Developer Cooper Church LLC/Elm Cooper LLC, the owner and developer of The Union apartments at 205 Church Street, announced plans to build a companion mixed-use

building on the site of its current parking lot at 85 Elm Street.

Project Seven-story building with residential apartments, **21 extended-stay hotel rooms**, rooftop amenities, and ground-floor retail.

Investment \$35M



Webster Bank Building, 80 Elm

Proposed Project 120-room boutique hotel with amenities.

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

Located across the street from the approved Union companion hotel at 85 Elm, this project seeks to convert a vacant bank building into a boutique hotel in the center of Downtown New Haven.

Spinnaker Real Estate Partners purchased the building and underlying land in late 2017 and expects to finalize development plans by the end of Summer 2018.



Webster Bank Building Hotel Project, 80 Elm | Spinnaker Real Estate Partners

Development Incentives Offered by The City of New Haven

- Tax Assessment Deferral Program
- Façade Improvement Program
- Development and Land Disposition Agreements
- Municipal Development Plans
- Access to grants and loans available through the State of Connecticut Department of Economic and Community Development (DECD)



Former Bank Building, 809 Chapel | Redevelopment Opportunity

HILL-TO-DOWNTOWN

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

Altogether, the Hill-to-Downtown Project envisions remaking the district into a vibrant, walkable, and mixed-use neighborhood that centers around a newly-created public green space—Union Square—by expanding the existing medical district, promoting infrastructure investments, and improving the street network.



Over the next ten years, the project will result in 1,400 new housing units, of which 300 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.

Phase I

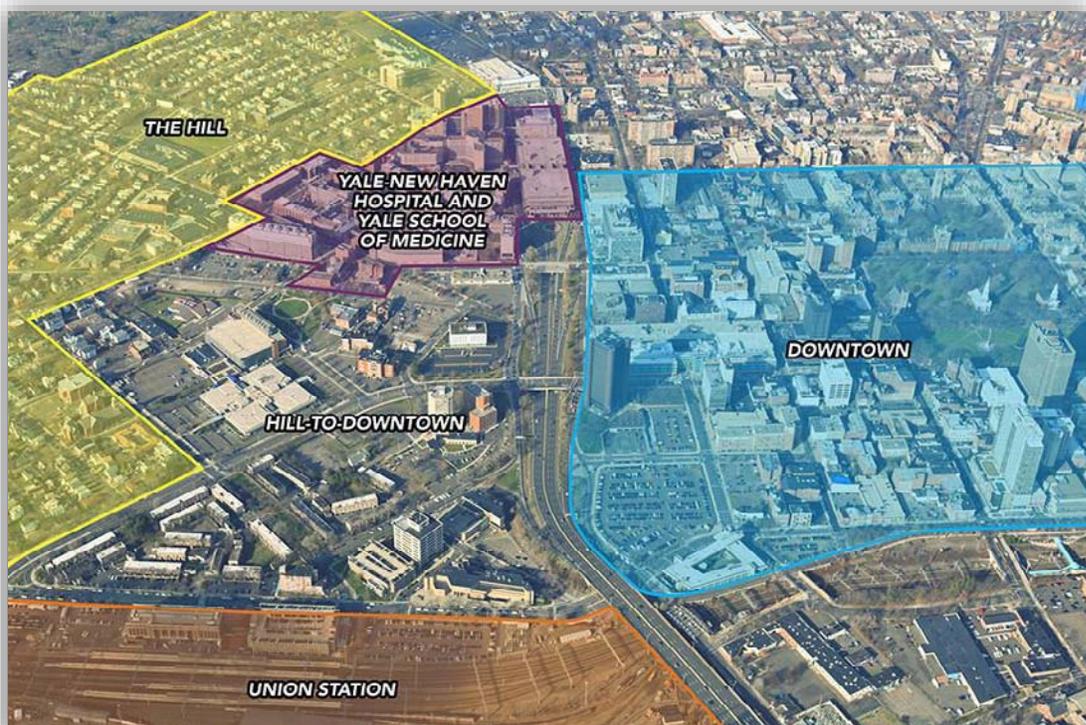
The City and RMS Companies of Stamford, CT entered into a Development and Land Disposition Agreement whereby RMS agreed to spend \$100-150M to construct 337 apartments, 7,000 square feet of retail, 120,000 square feet of research space and 50,000 square feet of offices on 20 acres of mostly-vacant lots with a significant affordable housing component. Phase I of the project broke ground in the Fall of 2017.

Phase II Church Street South

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. Demolition work began in July 2018. 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.

Phase III Municipal Land

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 will continue to explore alternative uses over the course of the next year.



The Hill-to-Downtown Project will reconnect Downtown, Union Station, the Hospital, and The Hill.

THE DISTRICT — 470 JAMES STREET

In 2016, in partnership with the State of Connecticut, the City signed a Development and Land Disposition Agreement for the redevelopment of a contaminated former CT Transit Depot at 470 James Street. The site was transferred to a development entity formed by two local New Haven business owners who planned to invest nearly \$17M into converting the brownfield into Connecticut's first state-of-the-art tech and innovation campus called The District.

The City transferred the underlying land for \$1, and assisted the developer in obtaining a **\$5.5M** grant from the State of Connecticut Department of Economic and Community Development ("DECD") to remediate the contaminated soil. Thereafter, the developers raised the rest of the capital needed to finance the project. It is estimated that the final project cost will be more than \$25M.



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 building opened its doors in February 2018 and at present The District is presently home to **four** anchor companies, nearly a dozen private offices, coworking desks, and an athletic club. Although the campus buildout is only a little more than halfway complete, the available office space is already **60% leased**, and more than 150 individual and small team companies are operating out of the coworking space.

Once complete, The District will feature a beer garden and restaurant conceived by Caseus Fromagerie and Black Hog Brewing Co-Founder Jason



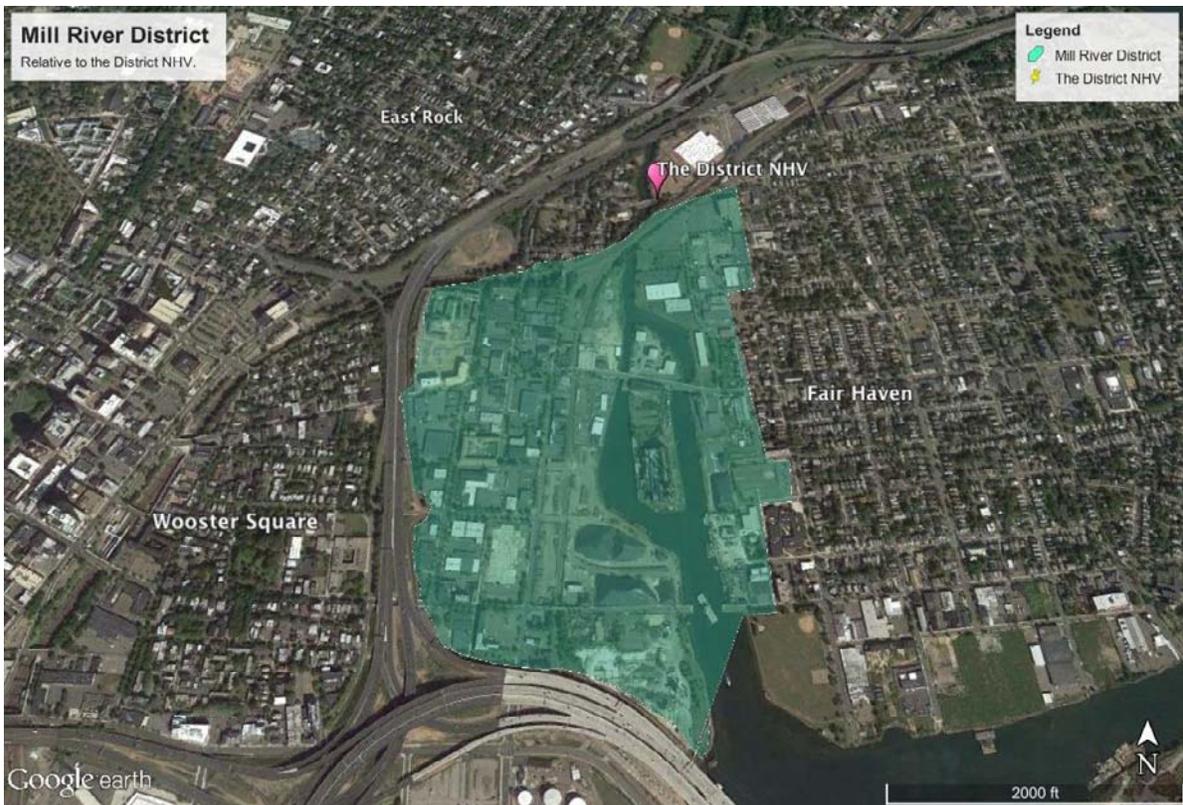
City of New Haven Economic Development, Official Statement

Sobocinski; as well as an outdoor amphitheater, indoor/outdoor event space, and a kayak launch into the Mill River.

The District has already begun to have positive economic impacts on the surrounding community and the City at large. Not only has the campus become a magnet for new professional talent, it serves as an emblematic example of New Haven’s forward-thinking pursuit of true public-private partnerships.

The collective excitement around The District is drawing attention to investment opportunities in the Mill River District of New Haven—a sparsely populated, former industrial area of New Haven. Recently, the developers of The District signed a Development and Land Disposition Agreement with the City whereby the developers, with the aid of local preservationist groups, have agreed to create an extensive bike trail along the banks of the Mill River. The Mill River Trail, as it will be known, will extend from East Rock Park to the point where the Mill River meets the Long Island Sound.

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.



City of New Haven Economic Development, Official Statement

NEW HAVEN'S KEY EMPLOYMENT CLUSTERS

New Haven's recent boom in real estate development has shown employers that New Haven is a place where employees and managers thrive.

Because recent development projects have created a more vibrant downtown scene, employers have begun to relocate corporate and operational headquarters to New Haven with increasing enthusiasm. Additionally, new startup companies—particularly biotech startups—are founding their operations in New Haven to take advantage of the city's immense resources, its established biotech clusters and proven track record of retaining quality investments.

The next few pages summarize the strength of New Haven's business sector across a diverse range of industries.

- BIOTECH
- DIGITAL TECH
- FOOD
- PROFESSIONAL SERVICES
- FINANCIAL SERVICES
- ADVANCED MANUFACTURING

THE BIOTECH INDUSTRY

Overview

- New Haven is home to upwards of **50** biotech and medical device companies, which together employ more than **5,000** people.²⁴
- 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.²⁵
- 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 Center for Bioscience and Technology, 300 George Street**

The Center for Bioscience and Technology is a 500,000 square foot office and research space within walking distance of the Yale School of Medicine. Many of the life science ventures that arise out of Yale University's science and medical research base their operations out of 300 George St.

➤ **Science Park**

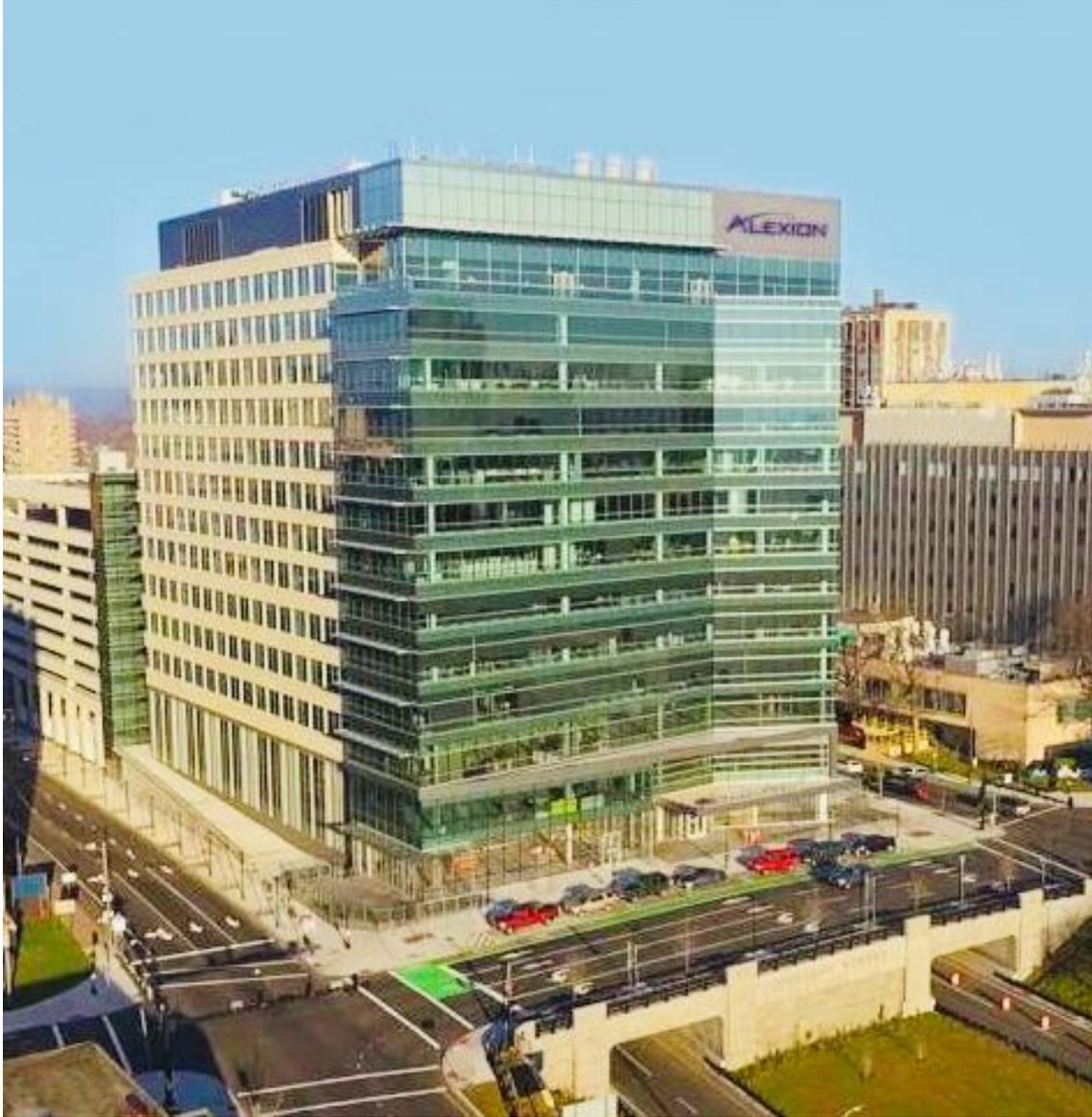
Science Park is an urban reuse project located at the former site of the Winchester Repeating Arms Factory. The 80-acre, redeveloped campus is home to more than 20 biotech companies.

➤ **Downtown New Haven**

Numerous biotech companies base their corporate operations out of Downtown New Haven'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 12-storey building was originally constructed to be Alexion Pharmaceuticals' global headquarters. The site—located in the former Route 34 right of way—was made available for development and transferred to Alexion by a Development and Land Disposition Agreement as part of the City's award-winning infrastructure initiative Downtown Crossing. 100 College Street contains 450,000 sq. ft. of lab and office space, as well as a 600-space parking garage.



100 College Street | Construction Made Possible by Phase I of the City's Downtown Crossing infrastructure initiative.

Highlighted Biotech Companies



Melinta Therapeutics, a manufacturer of antibiotic drugs, recently acquired by The Medicines Company (NASDAQ: MDCO) for **\$270M**.



NextCure, Inc., an immune therapy cancer treatment startup, raised **\$67M in Series A funding** from Canaan Partners, Lilly Asia Ventures, OrbiMed Advisors, Pfizer Inc., Sofinnova Ventures, and Alexandria Venture Investments, making it one of the largest Series A financing rounds ever for a biotech startup.



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.



Arvinas develops cancer and autoimmune disease therapies using research on protein degradation. In 2017 Genentech and Merck invested over **\$700M** in Arvinas. In January 2018 Arvinas signed an \$830M contract with Pfizer to develop a small-molecule protein degradation drug



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**.



Achillion Pharmaceuticals develops and commercializes anti-infective drug therapies. In May 2015 it received a license agreement and a **\$225M** investment from Janssen Pharma.



Invicro develops imaging products for use in translational drug discovery and development. It is a Konica Minolta company. In 2016, Invicro acquired Molecular Neuroimaging. Invicro will soon occupy two locations in New Haven, having recently taken a real estate position in 100 College Street.



Kolltan Pharmaceuticals is an anti-body-based drug producer. It was recently purchased by CellDex (NASDAQ: CLDX) for **\$235M**.



Alexion Pharmaceuticals is a leading producer of drug therapies for rare diseases and disorders. The company was founded in 1992 in New Haven's Science Park. It is involved in immune system research related to auto-immune diseases.

THE DIGITAL/TECH INDUSTRY

Overview

- New Haven tech companies have attracted over **\$200M** in venture capital funding.
- 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 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.
- New innovation and collaborative spaces such as **The District, Ives Squared,** and **The Grove** enable New Haven residents build and expand creative new businesses.

Highlighted Companies

➤ **Digital Surgeons**

Annual Revenue: \$15.6M

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 developing **The District NHV**, the tech/innovation campus in the Mill River District. Digital Surgeons is one of the anchor tenants at the new facility. Since moving to the partially opened campus, Digital Surgeons has been able to expand its team by five new employees.



JABI SRFGC
Bringing Life's Best to Life



SPERRY
Seamlessly Combining Content and Commerce



FRESHPET
Driving Pet Parents to Purchase through Digital Product Innovation



ARCCOS GOLF
Connecting Golf To The Future

Digital Surgeons' Previous Work | Photo Courtesy of Digital Surgeons Webpage

➤ **Technolutions**

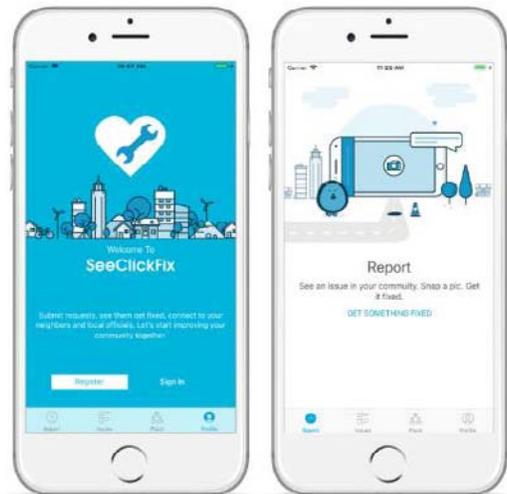
Annual Revenues: \$3.1M

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 continues to grow its community. Technolutions is the de facto standard-bearer for admissions technology. Technolutions has more than 60 employees working out of its office in Downtown New Haven.

➤ **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**

SeeClickFix 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 35 people in New Haven and is a staple presence of the Downtown New Haven business community.

THE 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.

New Haven is a foodie city. 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.²⁶

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

Palmieri Food Products

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

FreshBev Craft Juicery

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

ECONOMIC DRIVERS

Professional Services

Professional and government services are hugely important to the New Haven's economy. More than 35,000 professionals from surrounding towns commute to New Haven each day to work in this sector.

- **Law**—There are 110 law firms in the city, representing approximately 10 percent of the state total.
- **Architecture**—New Haven's 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.

Financial Services

New Haven is also home to two notable financial service firms:

- **Knights of Columbus** is the world's largest Catholic fraternal service organization, was founded in 1882 and is headquartered in New Haven. A Fortune 1000 insurance company, it employs 850 people, with 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."

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. Other examples of New Haven advanced manufacturing firms include **Uretek**, a high-tech fabric manufacturer; and **Radiall**, a global manufacturer of connectors for use in electronic applications.

SECTION II
DEVELOPING LOCAL JOBS & BUSINESSES

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.



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.

➤ 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 1:22, that is, every \$1 of public façade money was matched by \$22 of private investment.

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. After completing SBRC's programs, many community members have gone on to launch small businesses of their own. In 2017 alone, SBRC served more than 200 clients.

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.

➤ 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.



SBRC Networking Event Spring 2018

➤ **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.



In 2017, SBRC established a relationship with Goldman Sachs' 10,000 Small Businesses program and has begun referring some of New Haven's most successful private businesses to it for elite-level training.

Through this program, business owners join with others from around the region and the country, and engage an executive MBA-like program that uses each student's business as the basis of their study. Sixty-nine percent of program graduates report increasing revenues just six months after graduating, 48% of graduates create new jobs, and 85% expand their sales through contacts they make in the program. Thanks to recruiting efforts by SBRC, several New Haven businesses have been accepted into the 10,000 Small Businesses Program, including a Latin American bakery in Fair Haven generating close to \$1M in annual sales.

➤ **Pop Up Shops**

In 2017, SBRC also launched a “pop-up shop” for local, primarily home-based, entrepreneurs to sell their unique products for the holidays. This pilot program proved that demand exists for flexible micro-retail venues. These pop-up shops helped SBRC identify technical deficiencies among these entrepreneurs and enabled SBRC to focus its training efforts on areas where entrepreneurs need the most help. Over the next year, SBRC will provide training that responds to these deficiencies so that the City can better support these businesses, and businesses like them, succeed in New Haven.

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, which administers Section 12¼, 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 Workshop | Industry Professionals Teach Best Practices Workshops

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.

It 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.

In 2017, SCD helped New Haven resident construction businesses secure roughly **\$14.7M** in contracts. As of June 2018, **567** small contractors were registered with the program. In the last year alone, businesses registered with the SCD program were awarded **748** contracts.²⁷

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 Connecticut United for Research Excellence (CURE) 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 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. The City is proud to report that there are 60 students currently registered in SCSU's new academic programs.

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 partners

in the private business sector to contribute to workforce development effort 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 will unveil a series of software development courses in Fall 2018.
- **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 emphasis on hotel development will lead to a dramatic increase in hotel and hospitality industry jobs. Currently, with 341 hotel rooms planned or approved, New Haven is preparing to add between 550 and 1,023 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 welcomed its first cohort of 24 students in June 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.

HOTEL & RESORTS

FOODSERVICE

HOSPITALITY

EVENT PLANNING

IS HOSPITALITY & TOURISM MANAGEMENT
Your Passion?

Discover your hidden talent and true passion for the Hospitality & Tourism Industry while getting a head start in an entry level career!

Classes Every Tuesday, Wednesday, and Thursday from **June 5th until June 28th, 2018**
Time: 10am – 3pm | **Location:** University of New Haven-West Haven Campus

Program Highlights:
-Learn the hospitality industry: Food Service, Event Planning, Lodging and Tourism
-Earn American Hotel & Lodging Association and ServSafe Certifications
-Includes Hands-On Experience at Hotels and Restaurants, plus Job Placement Assistance After Completion

Register for an Information Session Here: <https://zurl.co/02L6g>

A Partnership Of: University of New Haven **Workforce Alliance**

Funding for this program is provided by Workforce Alliance, through the U.S. Department of Labor, WIOA Governor's Reserve grant.

Workforce Alliance | Hospitality and Tourism Management Certificate Program

ELM CITY INNOVATION COLLABORATIVE

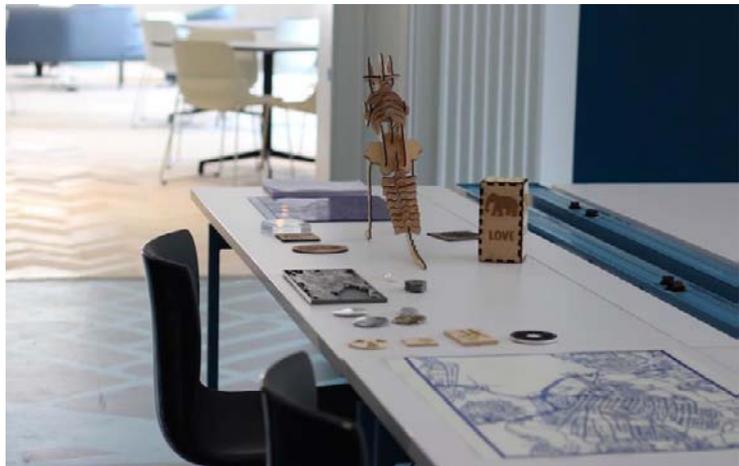
In June 2017, after hearing pitches and conducting visits to nearly a dozen municipalities, CTNext designated New Haven as one of four “Innovation Places” statewide. This recognition brought with it a \$2M implementation grant, which the City is expected to use to proactively lay the foundation for a 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 entrepreneurship. ECIC then distributed the grant monies to selected projects and hired an implementation manager to track the progress of each project.

The ECIC projects selected to receive grant funds range in type and size. The Ives Squared project, for example, which recently opened to the public, 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 Collaboratory 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.



Ives Squared Tinker Lab | Photo Courtesy of The Arts Paper

Projects



- **Collaboratory** — Collaboratory 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 creating a new incubator specializing in supporting 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 equipment and more avenues for inventors to bring products to market. 770 Chapel St.

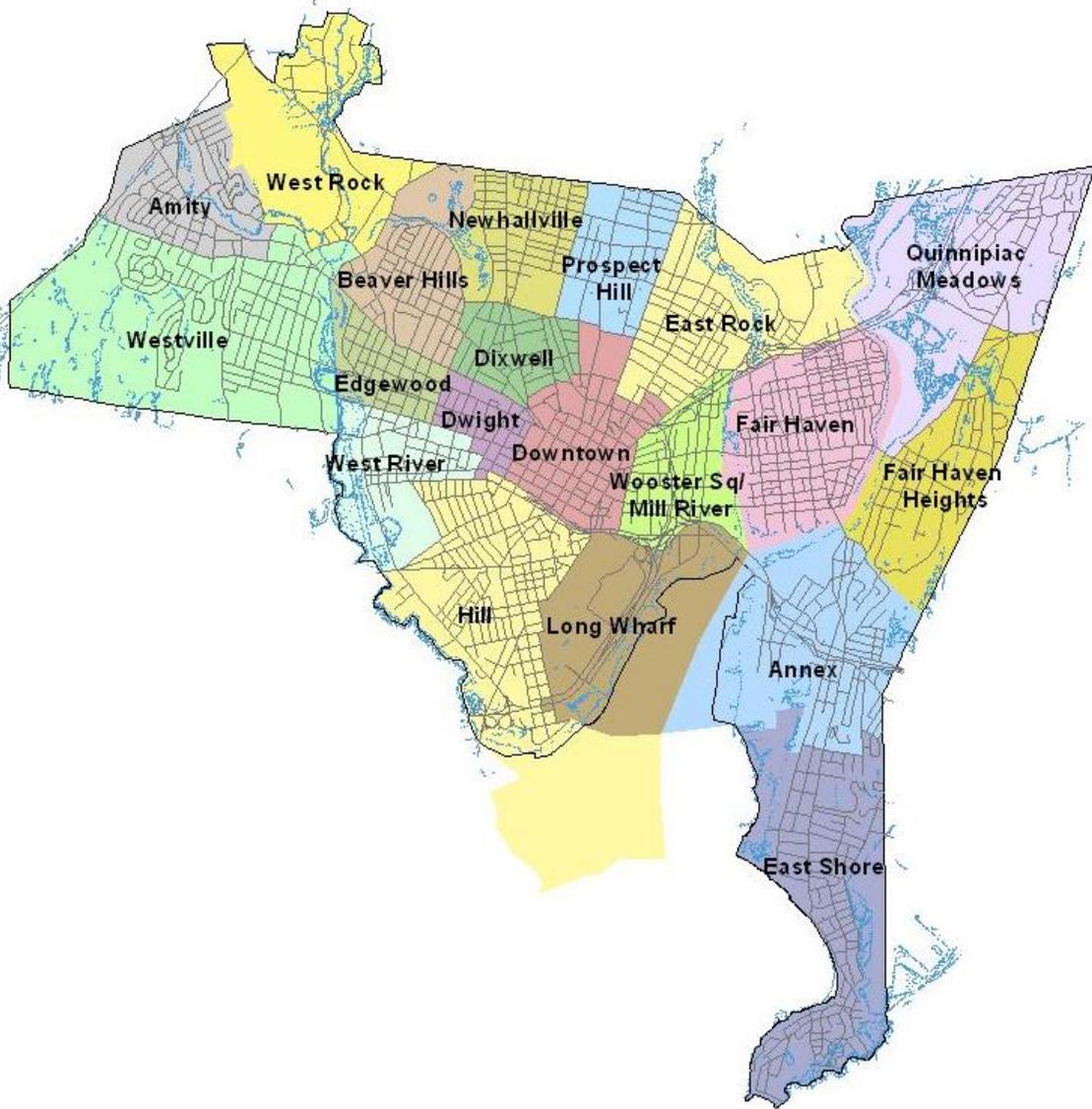
- **Mobile CSP** — Mobile CSP is helping New Haven’s high schoolers fall in love with coding at Southern Connecticut State University’s new center for STEM innovation. 501 Crescent St.
- **Science Park Development Corporation** — Science Park Development Corporation is creating a shared facility to make pharmaceutical research more accessible to growing companies. It is also launching community-building programs for professionals in its life science and tech incubators, just a short bike ride from downtown along the Farmington Canal. 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 is launching a new mid-size, multi-purpose space to produce innovation events. 294 State St.
- **Town Green Special Services District** — Town Green Special Services District is advancing the connectivity and livability of downtown through various placemaking activities. 900 Chapel St.

ECIC Progress Report²⁸

- **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 III
REVITALIZING NEW HAVEN'S
NEIGHBORHOODS

REVITALIZING NEW HAVEN'S NEIGHBORHOODS



NEIGHBORHOOD INFILL DEVELOPMENT

Currently, the City is working on an extensive array of infill projects with both private developers and community organizations. The following is a list of projects by neighborhood.

Newhallville

➤ The OLIN PROJECT, 201 MUNSON STREET

The City has partnered with is Eclipse Development, a nationally-known developer, to build 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.

➤ **NXTHAVEN**

Community members led by two Yale School of Art graduates plan 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.

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 now envisions a mixed-use, two-story building, with roughly 21 apartments above ground-floor retail and restaurant space. The owner obtained approvals in June 2018.

The Hill

➤ **HILL-TO-DOWNTOWN PROJECT**

The City and RMS Companies of Stamford, CT entered into a Development and Land Disposition Agreement whereby RMS agreed to spend \$100-150M to construct 337 apartments, 7,000 square feet of retail, 120,000 square feet of research space and 50,000 square feet of offices on 20 acres of mostly-vacant lots with a significant affordable housing component.



In mid-2017, RMS kicked off this redevelopment by starting the renovation of the former Prince and Welch Annex elementary schools. The school buildings will be converted into a residential housing development, which will feature with an affordable housing component.

Later this year, RMS plans to accelerate its efforts on this project by beginning redevelopment of two sites near the Yale School of Medicine into nearly **200 studio, one-, and two-bedroom units.**

Fair Haven Heights

➤ **HEIGHTS ON THE RIVER, 62 EAST GRAND AVENUE**

NHR Group, a local builder, announced in 2017 that it intends to develop a mixed-use project that will transform the eastern gateway of New Haven at the corner of East Grand and Quinnipiac Avenues. The company plans to renovate three existing buildings onsite and construct a fourth to create 68 apartments, a café, and two or three locally-owned retail stores. NHR Group currently is engaged in community outreach and design work on the project.

West Rock

➤ **1155 WHALLEY AVE**

Developer Turnkey Senior Living LLC is planning a 124 market-rate senior apartment project in the shadow of West Rock.

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 Brewery Co. is set to open in Summer 2018 after refurbishing a portion of the former Rockbestos factory. It will initially produce 4,500 barrels of beer per year to serve its own tasting room as well as the local market, but it has plans to eventually expand its operation to more than 45,000 barrels per year.



NEIGHBORHOOD COMMERCIAL ACTIVITY

The City has continued to identify, design, and implement “Main Streets” improvements to the neighborhood business districts. To this end, the City launched a citywide effort to inventor 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 a 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. This fall, Yale will complete 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 will serve as one of the complex’s anchor tenants.



City of New Haven Economic Development, Official Statement

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.

LONG WHARF RESPONSIBLE GROWTH PLAN

The Long Wharf District is a sparsely-populated industrial zone between two dense residential neighborhoods that backs up to the Union Station train tracks and is separated from the coast by I-95.

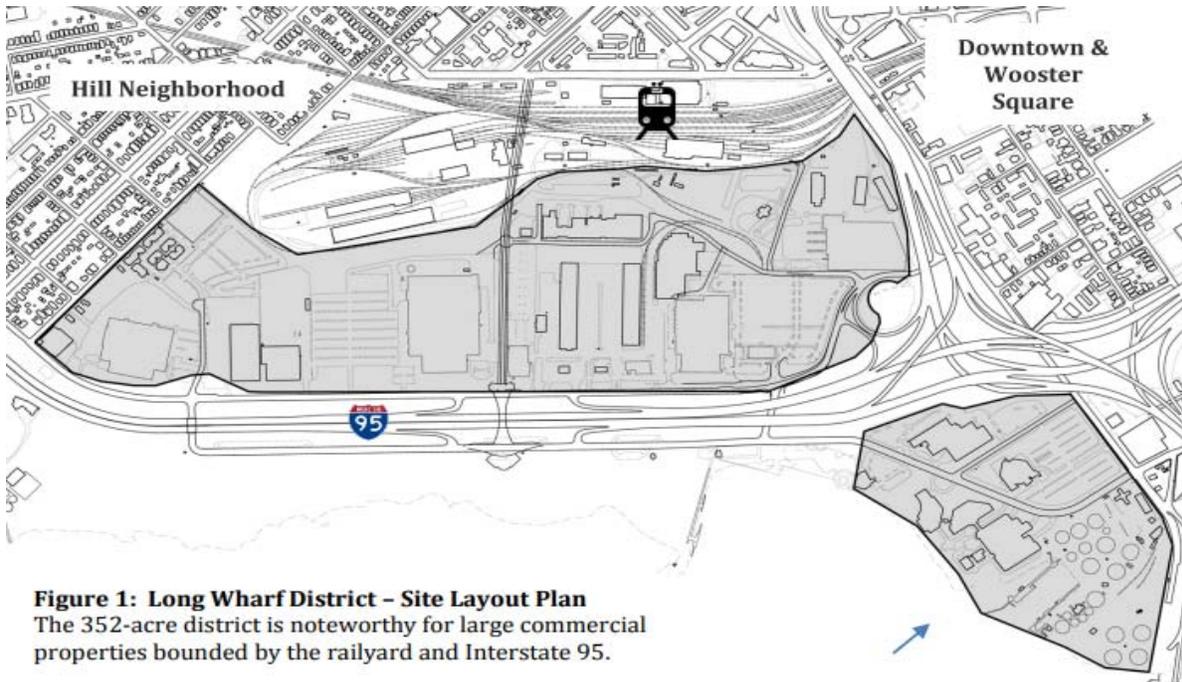


Figure 1: Long Wharf District - Site Layout Plan
The 352-acre district is noteworthy for large commercial properties bounded by the railyard and Interstate 95.

Currently, the Long Wharf 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 Long Wharf District is also home to the Food Truck Paradise along Long Wharf Drive.

The City received nearly \$1M in state funds to create a responsible growth plan to strengthen the long-term economic vitality of the Long Wharf District.

To this end, the City first addressed the need to support the small local businesses that operated the many food trucks along Long Wharf Drive. The City used \$500,000 of the grant to implement major infrastructure improvements to the Long Wharf Vending District. These improvements included 1,000 feet of new sidewalk, three new pedestrian crossings with 12-foot-tall pedestrian lights, four solar-powered “Bigbelly” trash compactors, a two-way protected bike lane along the length of Long Wharf Drive, and 17 new electricity outlet

stations that enable 34 trucks to plug in rather than rely on noisy and air polluting power generators.



To begin the process of envisioning what the new Long Wharf should include, the City has contracted with internationally-renowned design firm Perkins Eastman to develop a series of public works projects and planning initiatives aimed at stimulating vibrant mixed-use real estate development, fortifying coastal resiliency in anticipation of impending sea level rise, and advancing the economic

development of the overall Long Wharf Business District.

To date, the City and Perkins Eastman have co-hosted two community listening sessions with local stakeholders to refine Perkins Eastman’s proposed plan, which envisions transforming the Long Wharf District into five walking districts with 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.



The City hopes the Long Wharf Responsible Growth Plan activate economic prosperity in the Long Wharf District.

While the City presses forward with envisioning a new Long Wharf District, it also 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.

➤ **The Canal Dock Boathouse**

The City is about to finish construction a new \$40M boathouse, education, and waterfront recreation center. The Canal Dock Boathouse will restore the public’s access to the waterfront and be available to host a variety of water-related activities including crew, kayaking, canoeing and sailing as well as serve as the new home for parts of UNH's Marine Biology Program. The project was funded by the Federal Highway Administration as part of the I-95 mitigation program and will be completed by end of Summer 2018.



Canal Dock Boathouse as of July 2018. The Boathouse overlooks the Long Island Sound and serves as a gateway to Long Wharf Park and the Long Wharf Food Truck Paradise.

➤ **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.

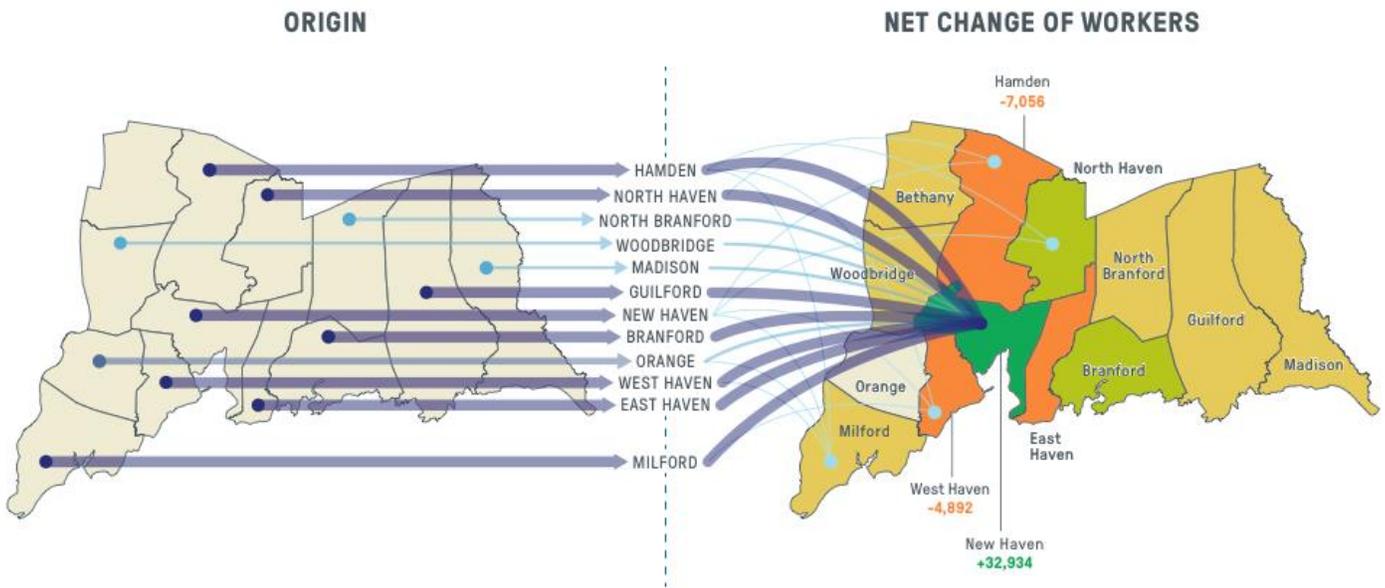
SECTION IV

**IMPROVING NEW HAVEN'S REGIONAL
COMPETITIVENESS**

IMPROVING NEW HAVEN'S REGIONAL COMPETITIVENESS

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, more than 30,000 commuters from outer-ring suburbs commute to New Haven every day for work.²⁹



New Haven experienced a net gain of +32,934 high wage workers (income > \$40,000) per day.

With respect to educational opportunities, New Haven is home to seven universities that, combined, enroll nearly 54,000 students every year. These universities employ more than 8,000 full-time faculty and nearly than 30,000 employees, and make a \$2B economic impact on the region each year³⁰. With respect to New Haven's K-12 appeal, it is estimated that 3,000 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 L’Occitane 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.

New Haven’s reputation as a foodie destination has attracted investments from major regional and national restaurateurs. Mario Batali, for instance, opened Tarry Lodge, while Danny Meyers’ Union Square Hospitality Group opened a New Haven location for Shake Shack.



Crêpes Chouquette | Broadway Island, Yale’s new graduate student housing building with the ground floor LL Bean Store in the background.

➤ **Art Galleries, Museums, and Theaters**

New Haven’s world-class collection of museums, art galleries and theaters that 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 built by modernist architect Louis Kahn and recently underwent \$15M. An estimated 150,000 visitors attend the Yale Art Gallery each year.

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. The gallery attracts an estimated 110,000 visitors per year.

The Peabody Museum of Natural History, which contains artifacts of four billion years of history. The gallery is ranked among the top 12 natural history museums in the nation, and benefits from frequent exhibitions coordinated by Yale professors. The Peabody is the New Haven, with 160,000 visitors annually.



Dining sit in a “parklet” patio in front of the Yale University Art Gallery.

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.

Past productions have earned multiple 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 spectators annually.

College Street Music Hall, which opened at 238 College Street at the site of the old Palace and Roger Sherman Theatres in May of 2015. 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.

➤ **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 Connecticut Open at Yale, held annually in mid-

August, is a major stop for players on the international Women’s Tennis Association (WTA) tour. Just one week before the nearby US Open, this event draws 50,000 spectators and boasts twenty hours of on-air coverage on CBS and ESPN2.

The New Haven Grand Prix, co-sponsored each September by the City and the Connecticut Cycling Advancement Program, is a multi-event celebration of bicycling in New Haven. This event annually brings several thousand spectators downtown to enjoy activities that promote youth bicycling programs in New Haven's schools, encourage a more bicycling and pedestrian-friendly community, and highlight the New Haven’s cultural vibrancy.



The International Festival of Arts & Ideas | Sampling of Events.
Photo Courtesy of the 2018 International Festival of Arts & Ideas Website.

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 that attract patients, doctors, and students from across the world, region, and state.

➤ **Yale-New Haven Hospital**

Yale-New Haven Hospital is the ninth largest hospital in the country, with 1,552 beds and 12,152 employees, and serves as the primary teaching hospital for Yale School of Medicine. Ranked as the number one hospital in Connecticut, it provides comprehensive and multidisciplinary care in more than 100 medical specialty areas, and includes Smilow Cancer Hospital, Yale-New Haven Children's Hospital and Yale-New Haven Psychiatric Hospital. Yale-New Haven is also widely considered one of the best hospitals in the United States, and is nationally ranked in 19 out of 26 specialties by *U.S. News & World Report*, and ranks in the Top 10 nationally in two specialties, geriatrics (#10) and psychiatry (#10).

Yale-New Haven has been expanding significantly over the past few years. In September 2012, it acquired Saint Raphael's Hospital, also located in New Haven, to become the fourth-largest hospital in the country by bed count. Yale-New Haven recently received approval to merge with Lawrence and Memorial Hospital in Norwich, CT.

➤ **Smilow Cancer Hospital**

Part of Yale-New Haven Hospital, Smilow Cancer Hospital provides individualized cancer treatment regimens in twelve oncology disciplines, and integrates treatment and research with the Yale Cancer Center, a recognized leader in cancer care. The facility is one of just 48 comprehensive cancer centers recognized by the National Cancer Institute, and is transforming the city and its medical district into a destination for researchers, medical professionals and patients from around the world. Smilow has 168 hospital beds and has 500 permanent employees.

TRANSPORTATION INFRASTRUCTURE

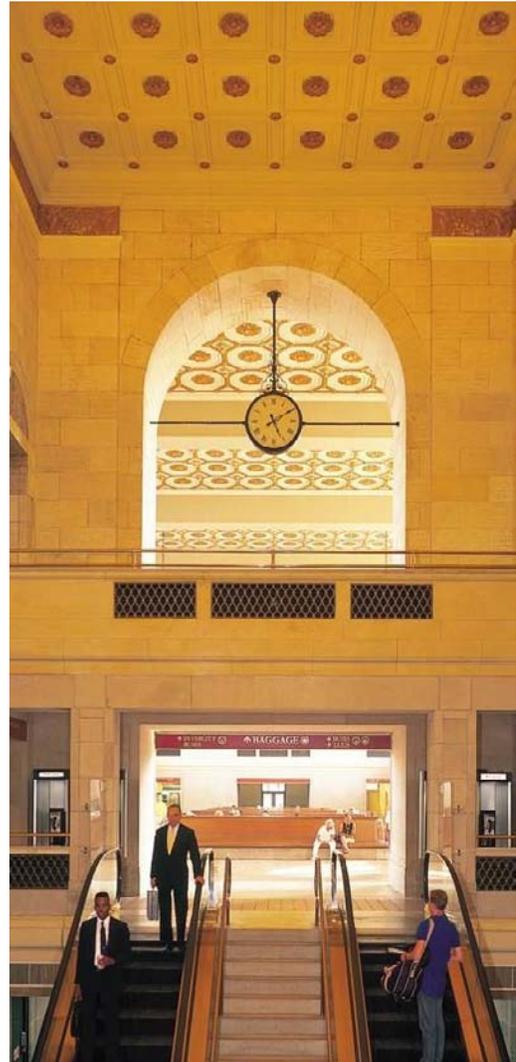
New Haven—often considered the gateway to New England—is an important transportation hub situated between New York and Boston. Maintaining and further developing the transportation infrastructure is therefore a critical component of economic development. The City works closely with federal and state partners on plans to go beyond state-of-good repair improvements to make forward-thinking and job-creating investments.

New Haven’s Transportation Infrastructure

The City, State and Federal governments are also investing heavily in New Haven's public transportation infrastructure. New Haven is the hub of all passenger rail service in Connecticut with historic Union Station the eastern terminus of Metro-North Railroad's New Haven Line, the western terminus of Shoreline East, and the intersection for Amtrak service into northern New England.

➤ **Union Station**

Union Station serves more than 3,500 passengers daily, the fifth-busiest station on the New Haven Line. It is also the 16th busiest station in the national Amtrak system in terms of ridership numbers, with over 642,000 passengers in 2016. Most notably, Union Station services the Metro-North Railroad’s New Haven Line, which runs between New Haven and New York’s Grand Central Terminal, and Amtrak’s Northeast Regional, which runs from Boston to Newport News, VA, making stops in New Haven, New York, Philadelphia, Baltimore, and Washington D.C.



➤ **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 CTRail 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 Jun 2018 and is expected to draw more than 600,000 passengers annually.

➤ **Port of New Haven**

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

➤ **Tweed-New Haven Regional Airport**

Economic Development is increasing its efforts to support Tweed-New Haven Regional Airport. Tweed is an FAA-certified Class-I airport, providing both scheduled commercial (American) and general aviation services (Robinson Aviation). With the merger of American and US Airways, there are more than 330 destinations to which you can fly through the American hub in Philadelphia. Each year there are between 25-30K enplanements in and out of Tweed.

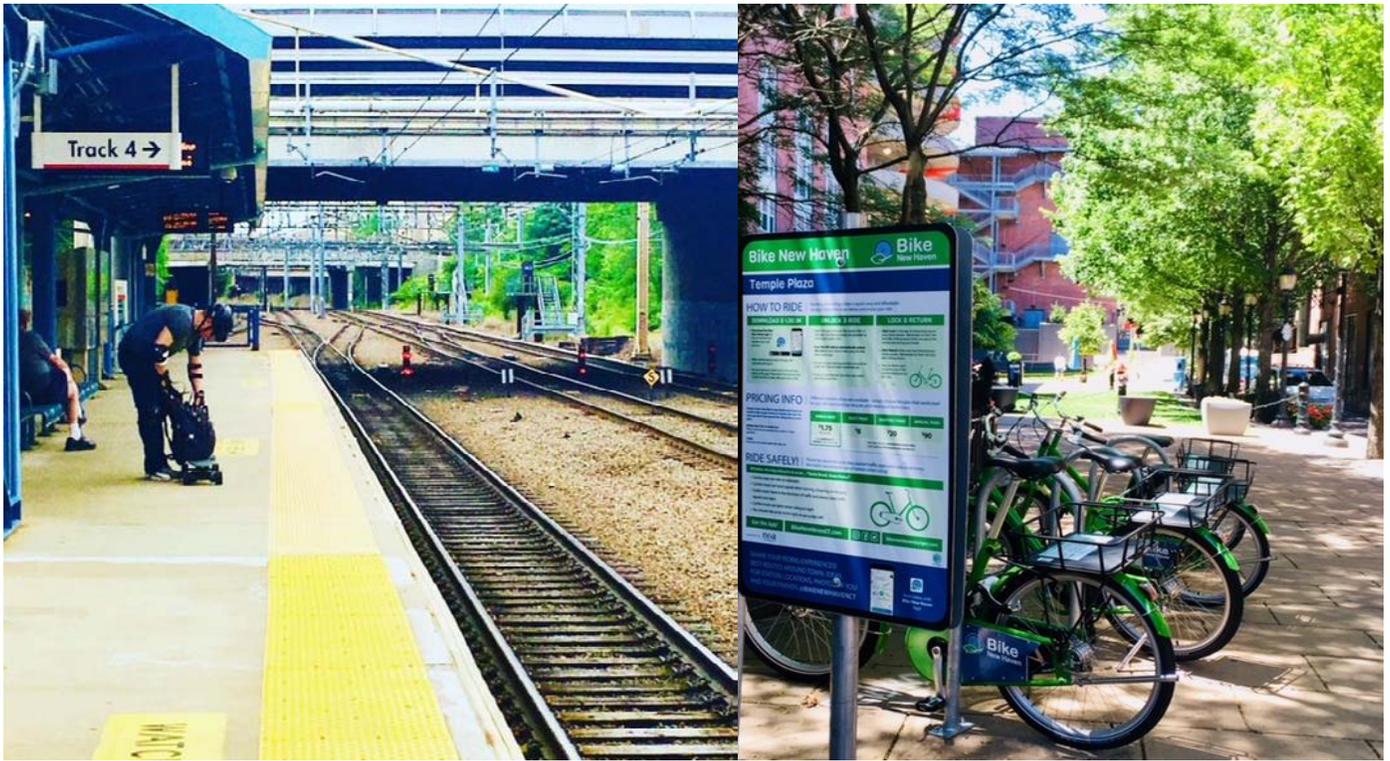
➤ **Farmington Canal Greenway**

Once a canal and railroad, the Farmington Canal Heritage Greenway extends for 84 miles between New Haven, CT and Northampton, MA. More than half of this distance has been paved and converted into a bike trail, and the City continues to work on paving the rest: Phase IV of the repaving effort, which will reconnect sections of the greenway north of Downtown, is under construction and anticipated to open in 2019; while the Long Wharf section was completed in May 2018.

➤ **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, goNewHavengo has made strides in increasing New Haven's bicycle infrastructure. New Haven now has a 40-mile bike lane system and a citywide bike share system.



Transportation Improvement Initiatives

➤ Union Station Transit-Oriented Development

Union Station is an important asset for New Haven, not only as a transportation hub, but also as a welcome center and economic catalyst, hosting more than 642,000 Amtrak passengers annually. In addition to Amtrak, Union Station also serves as a hub for the heavily-used New Haven MetroNorth Line to Grand Central Terminal. 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.

The City leases the Union Station parking garage from the CTDOT, and Park New Haven operates the parking garage station on behalf of the City.

In 2016, Economic Development began working with CTDOT on major issues related to the design of a second garage at Union Station, which would feature intermodal transit hubs and retail amenities.

EDUCATIONAL OPPORTUNITIES

➤ Higher Education

New Haven's universities provide a platform from which the city can compete in the global arena. Yale University, Southern Connecticut State University, Albertus Magnus, University of New Haven, Quinnipiac University and Gateway Community College all call the New Haven region home and are major drivers for the local and regional economy. 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.

Yale University, located in the heart of downtown New Haven, recently completed development of two new residential colleges. The project cost \$600 million to construct and added 800 additional students, faculty and staff. It was Yale University's first major expansion in over 40 years.

Institution	Faculty	Enrolled Students
Yale University	4,420 Full-time	16,774
Southern Connecticut State University	439 Full-time & 566 Part-time	10,473
Quinnipiac University	371 Full-time	10,000
Gateway Community College	107 Full-time & 462 Part-time	8,200
University of New Haven	262 Full-time & 379 Part-time	6,786
Albertus Magnus College	44 Full-time & 230 Part-time	1,550
Paier College of Art	8 Full-time & 26 Part-time	129
Total	8,404	53,912

➤ New Haven's K-12 Education

New Haven Public Schools are dedicated to preparing students for the 21st century workforce. They educate approximately 21,500 students in grades Pre-K through 12. Over 3,000 suburban students now attend New Haven's magnet programs and other cooperative schools forming the largest inter-district magnet program in the area. Cooperative High school earned a silver medal in the 2017 *U.S. News & World Report's* America's Best High Schools list.

The City of New Haven recently completed a \$1.5B program to renovate or rebuild every school in the New Haven school system. Since 1995, the City has rebuilt 38 schools through

its School Construction Program. In 2010, New Haven launched 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. Student achievement on standardized tests is growing at twice the rate of the state. By 2016, the district's graduation rate climbed to 83 percent, a 21 percent increase since 2010.

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. 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**

New Haven Promise 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. The program supported 359 scholars in the 2017-2018 academic year. New Haven is only the third community in the nation to have such a scholarship program for its residents.

➤ **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 Hospital 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.

NOTES

¹ The New Haven Colony’s Nine Square Plan—a four-by-four grid plan—was established in 1638. <https://connecticuthistory.org/towns-page/new-haven/>

² In the 1950s, New Haven received the most federal funding for urban renewal efforts than any other city in the US. <https://www.citylab.com/equity/2016/09/making-a-better-city-out-of-model-city/499679/>

³ New Haven has upwards 50 biotech and medical device companies that employ more than 5,000 people in greater New Haven region.

<https://medicine.yale.edu/news/article.aspx?id=14982>

⁴ “Venture capital firms and large pharmaceutical companies have invested more than \$700 million in startups—and these startups have attracted another \$5 billion in equity investments.” Ibid.

⁵ Private real estate projects have added 1,471 new market rate apartments to New Haven’s housing stock. See Appendix A (“Residential Real Estate Spreadsheet”).

⁶ New Haven gained 6,900 people—more than any other town in the Greater New Haven region—from 2000 to 2014. Greater New Haven Community Index (2016), p. 8. Mark Abraham and Mary Buchanan, DataHaven, available at: ctdatahaven.org

⁷ New Haven ranked first in terms of growth rate between 2000 and 2010 on the list of Northeast cities with populations over 100,000. New Haven grew faster than Boston (+4.8%) and New York City (+2.1%). Analysis available at:

<http://downtownnewhaven.blogspot.com/2011/03/census-2010-new-haven-shows-fastest.html>.

⁸ “The metropolitan area that looks most like the U.S. is New Haven, Connecticut.” Nate Silver, April 28, 2016: <https://fivethirtyeight.com/features/normal-america-is-not-a-small-town-of-white-people/>.

⁹ “New Haven, the most populous and densest of the 13 towns, is the region’s major city.” Greater New Haven Community Index (2016), p.9.

¹⁰ US Census Bureau, Data as of July 1, 2017. Available at <https://www.census.gov/quickfacts/fact/table/newhavencountyconnecticut,newhavencityconnecticut/PST045217>

¹¹ <https://www.homesnacks.net/fastest-growing-cities-in-connecticut-127069/>

¹² The median age of New Haven, 31, is much younger than that of other towns, and in recent years the city has witnessed an increase in the number of young adults moving to New Haven. Greater New Haven Community Index (2016), p.9.

¹³ US Census Bureau, QuickFacts: Connecticut; New Haven County, Connecticut; New Haven city, Connecticut, available at: <https://www.census.gov/quickfacts/fact/table/ct,newhavencountyconnecticut,newhavencityconnecticut/PST045217>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ “Greater New Haven: A Strategy for Economic Success,” South Central Connecticut Comprehensive Economic Development Strategy, 2018-2023, p. 12, available at

https://www.rexdevelopment.org/index.php?option=com_content&view=article&id=30&Itemid=229.

¹⁷ New Haven has upwards 50 biotech and medical device companies that employ more than 5,000 people in greater New Haven region.

<https://medicine.yale.edu/news/article.aspx?id=14982>

¹⁸ Calculations determined by the Director of the Office of Economic Development's Small Business Development Division, Clay Williams.

¹⁹ See page 61, *infra*.

²⁰ "Greater New Haven: A Strategy for Economic Success," South Central Connecticut Comprehensive Economic Development Strategy, 2018-2023, p. 13.

²¹ Department of Numbers: <https://www.deptofnumbers.com/rent/connecticut/new-haven/>

²² See Appendix A ("Residential Real Estate Spreadsheet").

²³ *Ibid*.

²⁴ New Haven has upwards 50 biotech and medical device companies that employ more than 5,000 people in greater New Haven region.

<https://medicine.yale.edu/news/article.aspx?id=14982>

²⁵ *Ibid*.

²⁶ Town Green Special Services, Prosperity, Data:

<http://www.downtownnewhaven.com/retailsqft/demographics/retail-data/>.

²⁷ The Office of Economic Development, Small Contractor Development Division. Registered businesses tracked by Lil Snyder.

²⁸ Figures from ECIC's FY17-18, Q3 Report, available through ECIC Steering Committee Member Mike Harris and at: <https://www.elmcityinnovationcollaborative.com/index.php/quarterly-updates/year-one-q3>.

²⁹ Figure 4.15, Greater New Haven Community Index (2016), p. 55.

³⁰ "Greater New Haven: A Strategy for Economic Success," South Central Connecticut Comprehensive Economic Development Strategy, 2018-2023, p. 13.

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APPENDIX C

**SUPPLEMENTAL INFORMATION ON PENSION AND OTHER POST
EMPLOYMENT BENEFITS**

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APPENDIX C

SUPPLEMENTAL INFORMATION ON PENSION

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

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

Executive Summary

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

Actuarial Funding Methods

Actuarial Cost Method

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 amortization period was closed at 30 years as of July 1, 2014 (28 years remaining with this valuation).

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 2.75% 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, 2016	
Expected unfunded accrued liability July 1, 2015	
Unfunded accrued liability July 1, 2014	\$336,414,725
Gross normal cost July 1, 2014	10,998,878
City and employee contributions for 2014-2015	(33,133,054)
Interest at 8.00% to July 1, 2015	26,517,881
Expected unfunded accrued liability July 1, 2015	340,798,430
Expected unfunded accrued liability July 1, 2016	
Expected unfunded accrued liability July 1, 2015	340,798,430
Expected gross normal cost July 1, 2015	11,215,556
City and employee contributions for 2015-2016	(33,641,993)
Interest at 8.00% to July 1, 2016	26,858,856
Expected unfunded accrued liability July 1, 2016	345,230,849
Actuarial (gain) / loss July 1, 2016	36,123,097
Actual unfunded accrued liability July 1, 2016, prior to plan provision, assumption and method changes	381,353,946
Sources of (gain) / loss	
Assets	15,628,000
Liabilities	20,495,000
Total (gain) / loss (rounded to nearest \$1,000)	36,123,000
Assumption and method changes since prior valuation	54,044,197
Actual unfunded accrued liability July 1, 2016, after plan provision, assumption and method changes	435,398,143

City Employees' Retirement Fund

Actuarial Gain / Loss

Expected unfunded accrued liability July 1, 2016

Expected unfunded accrued liability July 1, 2015	
Unfunded accrued liability July 1, 2014	\$266,094,009
Gross normal cost July 1, 2014	5,016,373
City and employee contributions for 2014-2015	(22,161,048)
Interest at 8.00% to July 1, 2015	<u>20,838,052</u>
Expected unfunded accrued liability July 1, 2015	269,787,386

Expected unfunded accrued liability July 1, 2016	
Expected unfunded accrued liability July 1, 2015	269,787,386
Expected gross normal cost July 1, 2015	5,113,400
City and employee contributions for 2015-2016	(24,165,553)
Interest at 8.00% to July 1, 2016	<u>21,058,451</u>
Expected unfunded accrued liability July 1, 2016	271,793,684

Actuarial (gain) / loss July 1, 2016	<u>(8,807,955)</u>
---	--------------------

Actual unfunded accrued liability July 1, 2016, prior to plan provision, assumption and method changes	262,985,729
---	-------------

Sources of (gain) / loss

Assets	10,618,000
Liabilities	<u>(19,426,000)</u>
Total (gain) / loss (rounded to nearest \$1,000)	(8,808,000)

Assumption and method changes since prior valuation	<u>22,084,114</u>
--	-------------------

Actual unfunded accrued liability July 1, 2016, after plan provision, assumption and method changes	285,069,843
--	-------------

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
2007	16.3%	10.9%	9.7%	7.6%
2008	-5.0%	5.8%	7.9%	5.0%
2009	-16.1%	-2.5%	1.7%	2.1%
2010	12.6%	-3.5%	2.3%	2.6%
2011	19.0%	4.0%	4.4%	4.8%
2012	-1.3%	9.8%	1.1%	5.3%
2013	15.6%	10.8%	5.1%	6.5%
2014	19.9%	11.0%	12.9%	7.1%
2015	1.8%	12.2%	10.7%	6.4%
2016	-1.8%	6.3%	6.5%	5.5%

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
2007	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A
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

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
2007	15.1%	10.2%	9.7%	8.3%
2008	-2.1%	6.4%	8.5%	6.2%
2009	-23.2%	-4.7%	0.1%	2.6%
2010	10.9%	-5.9%	0.5%	3.1%
2011	18.1%	0.2%	2.5%	4.3%
2012	-0.4%	9.3%	-0.4%	4.5%
2013	7.2%	8.0%	1.4%	4.9%
2014	14.3%	6.9%	9.8%	4.9%
2015	-1.1%	6.6%	7.3%	3.9%
2016	-2.6%	3.2%	3.3%	2.9%

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
2007	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A
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

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.

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,
1. hired before age 55 (60 for some employee groups);
 2. not receiving benefits from or eligible for participation in any other pension plan of the City or the State of Connecticut; and
 3. makes employee contributions.
- Coverage is automatic for such full time employees.
- Credited Service:** Employment with the City prior to January 1, 1938; employment with the City after January 1, 1938 during which time employee contributions were made.
- Form of Benefit Payment:** Life annuity with a 50% survivor benefit for service pensioners and disabled pensioners.
- Non-Occupational Disability:** Payable (after 10 years of credited service) upon medical proof of "permanently disabled from performing duties of the nature required by his job". Benefit is equal to the service retirement benefit with a minimum equal to 50% (or lower percentage for members hired after age 40) of the disabled member's rate of pay at time of disability. Benefits are subject to reductions for portions of any earnings received while disabled. Continuance of benefits are subject to periodic medical examinations.
- Occupational Disability:** Same as non-occupational disability except there is no service requirement if disability arises "out of and in the course of employment". Disability benefits are reduced by weekly Worker's Compensation payments.
- Survivor Benefits:** The benefit, payable to a qualified spouse or the qualified children of members with at least 10 years of credited service, is equal to either 50% of the benefit to which the member would have been entitled if he was approved for a permanent disabled pension on the date of his death, or 50% of the benefit the deceased member actually was receiving on his date of death. The minimum benefit, subject to only a six month service requirement, is set forth in a table based on the number of qualified survivors and the member's "highest average pay". The maximum monthly benefit in this table for average annual pay of \$16,800 or more, amounts to \$265, \$510 and \$800 respectively when there are one, two or three or more qualified survivors. (Prior to July 1, 1990 the highest average annual pay was \$12,000 which generated maximum survivors' benefits of \$225, \$430 and \$600 respectively.).
- Death Benefits:** If the accumulated employee contributions exceed the benefit payments made to a member and/or his survivors, the difference will be paid to the appropriate beneficiary, legal representative or estate in a lump sum.

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.

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.

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APPENDIX D

FORM OF LEGAL OPINIONS OF BOND COUNSEL

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280 Trumbull Street
 Hartford, CT 06103-3597
 Main (860) 275-8200
 Fax (860) 275-8299

FORM OF OPINION OF BOND COUNSEL

August 9, 2018

City of New Haven,
 New Haven, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of New Haven, Connecticut (the “City”), a Tax Regulatory Agreement of the City, dated August 9, 2018 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$58,030,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2018, Series A, dated August 9, 2018 (the “Series A Bonds”), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, as applicable, at the rates per annum as follows:

<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	\$4,250,000	5.000%	2030	\$2,400,000	5.500%
2022	2,920,000	5.000	2031	2,400,000	5.500
2023	2,920,000	5.000	2032	2,400,000	5.500
2024	2,920,000	5.000	2033	3,505,000	5.500
2025	2,920,000	5.000	2034	3,505,000	5.500
2026	2,920,000	5.000	2035	3,510,000	5.500
2027	4,265,000	5.000	2036	3,510,000	5.500
2028	4,265,000	5.000	2037	3,510,000	5.500
2029	2,400,000	5.500	2038	3,510,000	5.500

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 July and January 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

FORM OF OPINION OF BOND COUNSEL

August 9, 2018

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”), and other proofs submitted to us relative to the issuance and sale of \$160,000,000 City of New Haven, Connecticut General Obligation Refunding Bonds, Issue of 2018, Series B (Federally Taxable), dated August 9, 2018 (the “Series B Bonds”), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on February 1, 2019 and semiannually thereafter on August 1 and February 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<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>
2027	\$ 3,410,000	4.334%	2031	\$ 50,000,000	4.684%
2028	14,125,000	4.434	2033	92,465,000	4.834

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 July and January 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 subject to redemption prior to maturity as therein provided.

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.

In our opinion, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes. 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.

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.

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 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

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FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut
\$58,030,000 General Obligation Bonds, Issue of 2018, Series A
dated August 9, 2018

August 9, 2018

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of \$58,030,000 City of New Haven, Connecticut General Obligation Bonds, Issue of 2018, Series A, dated August 9, 2018 (the “Series A Bonds”), and to mature on the dates and in the amounts as set forth in the City’s Official Statement dated August 2, 2018 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 August 2, 2018 (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.

“Fiscal Year End” shall mean the last day of the City’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the 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; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 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

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of New Haven, Connecticut
\$160,000,000 General Obligation Refunding Bonds, Issue of 2018,
Series B (Federally Taxable)
dated August 9, 2018

August 9, 2018

WHEREAS, the City of New Haven, Connecticut (the “City”) has heretofore authorized the issuance of its \$160,000,000 General Obligation Refunding Bonds, Issue of 2018, Series B (Federally Taxable), dated August 9, 2018 (the “Series B Bonds”), maturing on the dates and in the amounts as set forth in the City’s Official Statement dated August 2, 2018 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 August 2, 2018 (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.

“Fiscal Year End” shall mean the last day of the City’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the 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; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 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

BAM SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, 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 first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such 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 BAM. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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 (as defined herein) 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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or teletype as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or 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, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer 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, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**CONNECTICUT
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.**

Claims arising under this Policy are not covered by the Connecticut Insurance Guaranty Association (Connecticut Insurance Code, Title 38a, Chapter 704a, Part I.)

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this endorsement to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

APPENDIX G

AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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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)

