



City of West Haven, Connecticut
Municipal Accountability Review Board
January 11, 2018



City of West Haven

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Management

Mayor's Long-term Plan for the City

Fiscal Recovery Plan

- Continue to realign revenues & restructure expense budget
- Ongoing Economic Development efforts

The Haven Project

- \$200M, 250K sq.ft. luxury fashion outlet
- All but 3 properties acquired
- Demolition currently underway
- \$2.5M in taxes at full build-out



Economy / Tax Base

Economic Development Activity

- Forest Theatre & Park Place
 - Acorn Group – Same developer as Atwood
 - Combined 50K sq.ft. retail space & 180 residential units
- Yale New Haven Health Regional Operations Center
 - 117 acres on Derby Avenue (Rte 34)
 - 140K sq.ft. facility to serve as operations center & distribution facility for YNH network
 - 95 employees



Management

Fund Balance Restoration Plan

- Deficit Bonding to eliminate legacy deficit dating back to 2005
- Balanced Budget Ordinance adopted by City Council
- Additional State oversight following issuance of deficit bonds (MARB)



Financial Operations

FY 2016-17 GF Operating Budget

- Total Spending = \$157,581,142 [+2.7%]
- 4 mill increase (Revaluation)
- Budget Drivers:
 - Education: +\$1.9M [2.1%]
 - Debt Service: +\$821K [5.2%]
 - Public Safety: +\$962K [6.5%]
 - Operating Charges: +\$411K [2.9%]



Financial Operations

FY 2016-17 GF Operating Budget

Revenue assumptions:

- Total local revenue reduced by \$620K
- Permit fees reduced by \$385K
- Intergovernmental revenue increased by \$828K
- ECS increased by \$500K
- Reduced tax collection assumption to 98.5%
- Projected Unaudited Shortfall is \$1.0M to \$1.3M



Financial Operations

FY 2016-17 Sewer Fund Unaudited Estimate

- Projected Surplus of \$1.5M
- \$200K positive revenue variance:
 - Prior year collections = \$100K
 - Town of Orange = increased fees by \$100K
- \$1.3M positive expenditure variance:
 - Capital Spending = \$600K
 - Contingency = \$400K
 - Debt Service = \$200K
 - General Liability \$200K



Financial Operations

FY 2016-17 AFD Unaudited Estimate

Projecting balanced operations

- Increased Mill Rate from 9.44 to 11.07
- Revenues & Expense came in on budget
- Quarterly reviews during FYE 2017 focused on balanced budget
- Increased Mill Rate again in FYE 18 from 11.07 to 12.53



Financial Operations

FY 2017-18 Operating Budget

- Total Spending = \$162,769,840 [+3.3%]
- No mill increase
- Budget Drivers:
 - Education: Flat funding [0.0%]
 - City Departments: 1.5% increase (ex-Debt)
 - Public Safety: +\$588K [3.7%]
 - Operating Charges: +\$1M [7.2%]
 - Debt Service: +\$3.1M [18.8%]



Financial Operations

FY 2017-18 Operating Budget

Revenue assumptions:

- Reduced licenses/permits by \$714K to \$1.5M
- Intergovernmental revenue increased by \$4.8M
- Based on Governor's February Proposed Budget
- \$432K unallocated contingency



Financial Operations

Additional State Oversight under SB1052

Municipal Accountability Review Board

- Powers/Authority of MARB
- Criteria for removing designation
- Issuance of deficit bonds makes City Tier III
- As Tier III, can apply for Restructuring Fund grants (up to \$8M in FYE 2018)



Debt Management

This Issue

Series A Bonds = \$9,635,000

- Capital Project Financing
- Subject to Trust Indenture / Tax Intercept

Series B Bonds = \$15,525,000

- Deficit Financing
- Subject to Trust Indenture / Tax Intercept

Tax Intercept Procedure



Debt Management

Future Debt to be issued

High School Project

- \$133.25M Authorization
- State share: 75% of eligible costs or ~ \$95.7M
- City share: 25% of costs or ~ \$37.6M
- Currently in construction
- Currently \$9M in outstanding BANs for the project



Pension & OPEB

Pensions

City Plan

- Plans closed to groups. Police plan includes officers hired prior to 11/1/09.
- 6/30/16 NPL = \$28.5M. 79.3% funded
- Funding 100% of ADC (based on 17yr amortization)

Allingtown Fire

- 6/30/16 NPL = \$22.5M. 20.3% funded
- Funding between 80% -100% of ADC



Collective Bargaining

Union Contracts in Negotiations

- Management (Local 1103)
- Dispatchers
- Municipal Employees (AFSCME)
- Fire (Allingtown)
- WPC (AFSCME)
- Paraprofessionals
- Nurses
- Cafeteria Workers
- Convert to HD/HSA Health Plans