

**CHECK LIST FOR ALDERMANIC SUBMISSIONS**

<input checked="" type="checkbox"/>	Cover Letter
<input checked="" type="checkbox"/>	Resolutions/ Orders/ Ordinances
<input checked="" type="checkbox"/>	Prior Notification Form
<input checked="" type="checkbox"/>	Fiscal Impact Statement - Should include comprehensive budget
<input checked="" type="checkbox"/>	Supporting Documentation
<input type="checkbox"/>	Disk or E-mailed Cover letter & Order

**IN ADDITION IF A GRANT:**

<input type="checkbox"/>	Notice of Intent
<input type="checkbox"/>	Grant Summary
<input type="checkbox"/>	Executive Summary (not longer than 5 pages without an explanation)

Date Submitted: 10-1-14

Meeting Submitted For: 10-22-14

Regular or Suspension Agenda: Regular

Submitted By: Joe Clerkin, Budget Director

Title of Legislation: Budget Transfer 131-15-1

Transfer of Funds from Debt Service (Dept. 600) to the Medical Benefits Account (1-805-8510-51809) for payment to the Medical Self Insurance Fund, the Self Insurance Account (1-804-8450-59932) for payment to the Self Insurance Fund and the Rainy Day Replenishment Fund (Dept 601-1010-61200.)

Additional funds available because of the re-funding of previously issued bonds as approved by the Bond Sale Committee on August 20, 2014.

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Coordinator's Signature: 

Controller's Signature (if grant): \_\_\_\_\_

Mayor's Office Signature: \_\_\_\_\_

Call 946-7670 with any questions.



**CITY OF NEW HAVEN**  
**OFFICE OF MANAGEMENT & BUDGET**

165 Church Street, New Haven, CT. 06510  
Phone (203)-946-7921, Fax (203)-946-7924

**Toni N. Harp**  
*Mayor*

**Joe Clerkin**  
*Budget Director*

October 1, 2014

Honorable Jorge Perez  
President, Board of Alder's  
165 Church Street  
New Haven, CT 06510

Dear President Perez;

Per Section 60 of the City Charter, please find attached budget transfer #131-15-1 which transfers \$14,504,319 from Debt Service (Dept 600) to the Medical Benefits Account (1-805-8510-51809) for payment to the Medical Self Insurance Fund, the Self Insurance Account (1-804-8450-59932) for payment to the Self Insurance Fund and the Rainy Day Replenishment Account (1- 601-1010-61200).

This transaction will have the several benefits. First, it will eliminate the long standing negative fund balance in the Self Insurance Fund without having to issue the bonds authorized in FY 14 and FY 15 or planned for in FY 16. This will result in a projected cost avoidance of \$6m in principle and \$1.3m in interest. Second the negative fund balance in the medical self-insurance fund will be eliminated. Lastly, the contribution to the Rainy Day Fund will supplement the FY 14-15 General Fund appropriation approved by the BOA to begin to develop a proper reserve.

The funds are available through approval of the Bond Sale Committee on August 20, 2014 of the re-funding of debt issued in 2005, 2006, 2007, 2008 and 2009. The cash flow savings realized from this transaction totaled \$14,504,319.

I have attached a detailed worksheet outlining the details of the transaction. These details will also be disclosed in the September Monthly Financial report which will be issued in October.

If you should have any questions, please feel free to call me at 203-946-7922.

Truly yours,

A handwritten signature in blue ink, appearing to read "Joe Clerkin".

Joe Clerkin  
Budget Director  
Office of Management & Budget

# Summary - Re-Funding of Bonds and Premium on 2014 Series A and Series B

## Transaction approved by the Bond Sale Committee on August 20, 2014

On August 20, 2014 the City is tentatively scheduled to refund bonds previously issued in 2005, 2006, 2008, 2009 and 2011 and funded the 2013-14 capital budget. The projected results of these proceeding are cited below:

### A. Re-Funding Savings Series B

<u>Fiscal year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Cash Flow Impact</u>	<u>Present Value Savings</u>
FY 14-15	15,735,969	1,231,650	14,504,319	14,355,262
FY 15-16	7,903,787	2,898,000	5,005,787	4,798,198
FY 16-17	5,987,637	2,898,000	3,089,637	2,877,856
FY 17-18	4,338,988	2,898,000	1,440,988	1,302,030
FY 18-19	3,223,738	2,898,000	325,738	276,047
FY 19-20	6,203,687	6,646,500	(442,813)	(435,642)
FY 20-21	7,941,288	8,609,625	(668,337)	(638,175)
FY 21-22	5,496,888	6,973,125	(1,476,237)	(1,262,103)
FY 22-23	7,786,431	16,027,750	(8,241,319)	(6,689,567)
FY 23-24	9,563,475	24,182,000	(14,618,525)	(11,508,991)
FY 24-25	4,709,712	6,980,250	(2,270,538)	(1,771,422)
	78,891,600	82,242,900	(3,351,300)	1,303,493
				2.03%

### B. Total Debt Services Budget - Before and After re-Funding Series B

<u>Fiscal year</u>	<u>Prior Debt Service</u>	<u>New Debt Service</u>	<u>Cash Flow Impact</u>	<u>Present Value Savings</u>
FY 14-15	71,005,745	56,501,427	14,504,318	14,355,262
FY 15-16	71,527,730	66,521,942	5,005,788	4,798,198
FY 16-17	74,087,050	70,997,413	3,089,637	2,877,856
FY 17-18	72,897,471	71,456,484	1,440,987	1,302,030
FY 18-19	72,325,273	71,999,536	325,737	276,047
FY 19-20	71,553,749	71,996,561	(442,812)	(435,642)
FY 20-21	71,826,966	72,495,303	(668,337)	(638,175)
FY 21-22	71,018,864	72,495,102	(1,476,238)	(1,262,103)
FY 22-23	64,757,520	72,998,839	(8,241,319)	(6,689,567)
FY 23-24	58,377,678	72,996,203	(14,618,525)	(11,508,991)
FY 24-25	57,610,619	59,881,156	(2,270,537)	(1,771,422)
	756,988,665	760,339,966	(3,351,301)	1,303,493
				2.03%

### C. Premium

In addition to providing cash flow relief for the period FY 14-15 to FY 18-19, the City will realize a premium from the sale of a \$37.4m in bonds that will fund the FY 15 capital budget. The net premium is **\$1,659,880**

**The FY 15 debt service budget contemplated the receipt of \$500,000 in premium cash flow savings.**

Net Premium - Series A	2,010,313
Budgeted Premium	(500,000)

<b>Premium Revenue Fy 15</b>	<b>1,510,313</b>
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**D. In addition to the benefits cited above, the City will avoid the long term cost of bonding to finance the negative fund balance in the Self Insurance Fund. By applying the savings identified above to this fund, the City does not have to issue the \$4m in bonds that were authorized in FY 14 and FY 15 nor will it have to issue the remaining \$2m portion that was earmarked in the FY 15-16 Five Year Capital budget. The projected savings from not having to issue this debt is \$6m in principle and a projected \$1,306,800 in interest for a total of \$7,306,800 in cost avoidance. This more than offsets the \$3,351,300 in cash flow costs identified in A and B above. See calculation below**

1) Cash Flow Impact - Re-Funding Series B - Fy 14-15 to Fy 24-25	(3,351,300)
2) Projected Cost Avoidance in not Issuing \$6m in bonds to eliminate remaining Self Insurance fund negative	(7,306,800)
3) Net Cash Flow Savings (projected)	(3,955,500)



**RE-FUNDING SERIES B 2014 - Transaction Approved by the Bond Sale Committee August 20, 2014**  
**Proposed Plan to Allocate Cash Flow Savings**

A) DEBT SERVICE CASH FLOW SAVINGS FY 14-15 RESULTING FROM RE-FUNDING SERIES B 14,504,319

**B) ALLOCATION OF CASH FLOW SAVINGS**

**1) SELF INSURANCE RESERVE FUND - PAGE 93 - FY 12-13 AUDIT**

A) DUE TO OTHER FUNDS	(2,769,273)	
B) ADVANCES FROM OTHER FUNDS	(4,000,000)	
	<u>SUB TOTAL</u>	(6,769,273)
C) FY 13-14 OPERATING DEFICIT FUND 7500	(660,081)	
D) TOTAL PROJECTED POSITION FUND 7500 6-30-14		(7,429,354)

**2) MEDICAL SELF INSURANCE FUND - PAGE 93 - FY 12-13 AUDIT**

A) NET POSITION (DEFICIT)	(2,478,305)	
B) FY 13-14 OPERATING RESULT 7501-3028 MEDICAL SELF INSURANCE	(3,899,561)	
C) TOTAL PROJECTED POSITION FUND 7501 6-30-14		(6,377,866)

3) BALANCE FOR GF RAINY DAY REPLENISHMENT	(697,099)	
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TOTAL 1 + 2 + 3 (14,504,319)

NET	-
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**ORDINANCE AMENDMENT TO APPROPRIATING ORDINANCE # 1  
AUTHORIZING BUDGET TRANSFER #131-15-1 TRANSFERRING  
FUNDS IN THE AMOUNT OF \$14,504,319 FROM DEBT SERVICE (DEPT  
600) TO THE MEDICAL BENEFITS ACCOUNT (1-805-8510-51809) FOR  
PAYMENT TO THE MEDICAL SELF INSURANCE FUND, THE SELF  
INSURANCE ACCOUNT (1-804-8450-59932) FOR PAYMENT TO THE  
SELF INSURANCE FUND AND THE RAINY DAY REPLENISHMENT  
ACCOUNT (1- 601-1010-61200) FOR PAYMENT TO THE RAINY DAY  
FUND**

**Whereas**, Section 60 of the Charter and Section 2-386(3) of the Code of General Ordinances requires the approval of the Board of Alder's for the transfer of funds within the General Fund budget, and,

**Whereas**, On August 20, 2014 the Bond Sale Committee approved the re-funding of bonds previously issued in 2005, 2006, 2007, 2008, 2009 and 2011 resulting in cash flow savings to the City in FY 14-15 of \$14,504,319, and

**Whereas**: The City ended the FY 13-14 fiscal years with a negative fund balance of (\$7,429,354) in its Self-Insurance Fund and a negative fund balance of (\$6,377,866) in its Medical Self Insurance Fund, and

**Whereas**: As a measure of sound financial management the City should supplement the FY 14-15 General Fund Rainy Day Replenishment appropriation by \$697,099,

**NOW, THEREFORE, BE IT RESOLVED by the New Haven Board of Alder's** that Transfer #131-15-1 be approved to transfer \$14,504,319 from 1-600-8300-57711 (Debt Service) to the Medical Benefits Account 1-805-8510-51809 in the amount of \$6,377,866 for payment to the Medical Self Insurance Fund, to the Self Insurance Account in the 1-804-8450-59932) in the amount of \$7,429,354 for payment to the Self Insurance Fund and \$697,099 to the Rainy Day Replenishment account (1- 601-1010-61200) for payment to the Rainy Day Fund.

**CITY OF NEW HAVEN**  
**OFFICE OF MANAGEMENT & BUDGET**  
165 Church Street, New Haven, CT 06510

**Toni N. Harp**  
*Mayor*


**City Of New Haven Transfer Form**  
**Office of Management and Budget**  
**Joe Clerkin, Budget Director**  
**Phone (203) 946-7922 Fax (203) 946-7924**  
**mgormany@newhavenct.net**


City Of New Haven Transfer Form Office of Management and Budget Joe Clerkin, Budget Director Phone (203) 946-7922 Fax (203) 946-7924 mgormany@newhavenct.net							Agency Name Date Prepared Transfer Number Fiscal Year Quarter		Mayors Office 10-1-14 131-15-1 14-15 2			
FROM							TO					
	Organization Name	Organization Code	Object Name	Object Code	Object code	Transfer Amount	Organization Name	Organization Code	Object Name	Object Code	Transfer Amount	
1	Debt Service	1-6000-8300	Interest		57711	\$14,504,319	Medical Benefits	1-805-8510	Health Benefits	51809	\$6,377,866	
2							Self - Insurance	1-804-8450	Public Liability	59932	\$7,429,354	
3							Rainy Day Replenishment	1-601-1010	Fund Balance Replenishment	61200	\$697,099	
4												
5												
Total						\$14,504,319	Total					\$14,504,319


**Transfer Explanation:**

**Transfer Explanation.** Transfer of Funds from Debt Service (dept. 600) to the Medical Benefits Account (1-805-8510-51809) for payment to the Medical Self Insurance Fund, the Self Insurance Account (1-804-8450-59932) for payment to the Self Insurance Fund and the Rainy Day Replenishment Fund (Dept 601-1010-61200).

Additional funds available because of the re-funding of previously issued bonds as approved by the Bond Sale Committee on August 20, 2014

  
 \_\_\_\_\_  
 Mayor or Designee

  
 \_\_\_\_\_  
 Signature of Department Head

  
 \_\_\_\_\_  
 Signature of Coordinator



# **PRIOR NOTIFICATION FORM**

## **NOTICE OF MATTER TO BE SUBMITTED TO THE BOARD OF ALDER'S**

TO (list applicable aldermen/women): Entire Board

DATE: **October 1, 2014**

FROM: Department Mayors Office  
Person Joe Clerkin Telephone 946-7922

This is to inform you that the following matter affecting your ward(s) will be submitted to the Board of Alder's.

Transfer #131-15-1 – Transfer of Funds from Debt Service (Dept. 600) to the Medical Benefits Account (1-805-8510-51809) for payment to the Medical Self Insurance Fund, the Self Insurance Account (1-804-8450-59932) for payment to the Self Insurance Fund and the Rainy Day Replenishment Fund (Dept 601-1010-61200).

Additional funds available because of the re-funding of previously issued bonds as approved by the Bond Sale Committee on August 20, 2014.

Check one if this an appointment to a commission

☐ Democrat

☐ Republican

☐ Unaffiliated/Independent/Other \_\_\_\_\_

### **INSTRUCTIONS TO DEPARTMENTS**

1. Departments are responsible for sending this form to the alders) affected by the item.
2. This form must be sent (or delivered) directly to the alder(s) **before** it is submitted to the Legislative Services Office for the Board of Aldermen agenda.
3. The date entry must be completed with the date this form was sent the alderperson(s).
4. Copies to: alderperson(s); sponsoring department; attached to submission to Board of Alder's.

## FISCAL IMPACT STATEMENT

DATE: 10-1-14  
FROM (Dept.): Mayor's Office  
CONTACT: Joe Clerkin PHONE: 946-7922

### SUBMISSION ITEM (Title of Legislation):

Transfer of Funds from Debt Service (dept. 600) to the Medical Benefits Account (1-805-8510-51809) for payment to the Medical Self Insurance Fund, the Self Insurance Account (1804-8450-59932) for payment to the Self Insurance Fund to eliminate negative fund balances in those funds and the residual balance to the Rainy Day Replenishment Fund (Dept 601-1010-61200. Additional funds available because of the re-funding of previously issued bonds as approved by the Bond Sale Committee on August 20, 2014.

**List Cost:** Describe in as much detail as possible both personnel and non-personnel costs; general, capital or special funds; and source of funds currently budgeted for this purpose.

	CAPITAL/LINE ITEM/DEPT/ACT/OBJ CODE		
	GENERAL	SPECIAL	BOND
<hr/>			
A. Personnel			
1. Initial start up			
2. One-time			
3. Annual	See Attached		
B. Non-personnel			
1. Initial start up			
2. One-time			
3. Annual	See Attached		

**List Revenues:** Will this item result in any revenues for the City? If Yes, please list amount and type.

NO	<input checked="" type="checkbox"/>
YES	<input type="checkbox"/>

1. One-time
2. Annual