



**City of New Haven
Office of Management and Budget
Justin M. Elicker, Mayor**

Michael Gormany, City Budget Director and Acting Controller

June 30, 2023

Tyisha Walker-Meyers
President, Board of Aldermen
City of New Haven
165 Church St, 2nd Fl
New Haven, CT 06510

RE: ORDINANCE AMENDMENT TO APPROPRIATING ORDINANCE # 1
AUTHORIZING FISCAL YEAR 2022-2023 BUDGET TRANSFER #131-23-1,
TRANSFERRING FUNDS FROM THE CITY GENERAL FUND TO THE LITIGATION
SETTLEMENT ACCOUNT IN AN AMOUNT NOT TO EXCEED \$16,000,000, WITH THE
FINAL AMOUNT TO BE DETERMINED THROUGH THE FISCAL YEAR 2022-2023
GENERAL FUND CLOSING PROCESS, FOR THE SETTLEMENT OF THE RICHARD
COX CASE.

AMENDMENT TO APPROPRIATING ORDINANCE #3, AN ORDINANCE
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, FISCAL YEAR
2023-2024 AND AUTHORIZING A PROJECT FOR THE CITY'S SETTLEMENT OF
THE RICHARD COX V. CITY OF NEW HAVEN ET AL. LITIGATION. IN THE AMOUNT
UP TO \$16,000,000 TO PAY FOR THE CITY'S SHARE OF THE SETTLEMENT

Dear. President Walker-Meyers

The Office of the Mayor submits the attached proposed amendments to the City's Appropriating Ordinances No. 1 and No. 3 that are necessary to comply with the City's obligations to pay its share of the settlement negotiated in federal court of the lawsuit filed by Richard ("Randy") Cox against the City for damages arising from serious injuries he sustained while he was being transported in a New Haven Police Department transport van on June 19, 2022. The total negotiated settlement is Forty-Five million dollars (\$45,000,000), Thirty million dollars (\$30,000,000) of which will be paid by the City's insurance carriers, leaving the City obligated to pay the Fifteen million dollars (\$15,000,000) more than the maximum insurance coverage.

The City anticipates making this payment through funds obtained by a combination of budget transfer and bonding, in a total not to exceed Sixteen million dollars (\$16,000,000). Under the terms of the City's insurance, we have a One million dollar (\$1,000,000) self-insured retention (SIR) which is reduced by the costs of defense, and which we were obligated to commit before the insurance coverage would apply. Insurance will cover a total of Thirty million (\$30,000,000) towards the total settlement of Forty-Five million (\$45,000,000). We will be obligated to pay the balance of the SIR, plus whatever amount above Thirty million (\$30,000,000) is necessary to reach the total payment of Forty-Five million (\$45,000,000).



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The transfer amounts requested as of submission are indefinite at this time due to a number of factors: we do not have a total of defense costs so we do not have a definite amount of the balance of the SIR. In addition, completion of year-end reconciliation and bond market conditions will determine the amounts necessary to be transferred through each amendment. However, the amounts necessary to be transferred through each amendment will be determined in the near future and before these amendments come to the Board for a vote.

If you have any questions, please feel free to contact me.

Very Truly yours,

Sincerely,

Michael Gormany,

Acting Controller

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