

## NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

**RE:**           **APPROPRIATING ORDINANCE #3** an ordinance authorizing the issuance of general obligation bonds, fiscal year 2025-2026.

**Submitted by:** Shannon McCue, City Budget Director

**REPORT:**    **1664-17**

**ADVICE:**    Approve

### BACKGROUND

The proposed **\$703.7 million budget** represents an increase of \$24.6 million, or 3.6 percent, from the previous year's budget. Complementing the General Fund budget, also submitted was a proposed Capital Budget of \$60 million (which is done once every other year) and a proposed Special Revenue Funds budget of \$62.6 million (which is largely federal grants).

At a time of tremendous uncertainty, confusion, and chaos coming from the *federal government* in Washington, D.C. with threats of federal funding freezes in the current budget year and the potential for draconian cuts in the coming year, the proposed budget demonstrates a commitment to continuing to chart a different course in New Haven.

The proposed FY 2025-26 budget follows five consecutive years of balanced budgets and budget surpluses, which has resulted in approximately \$50 million in budget reserve funds and bond rating upgrades by independent financial rating agencies. In recent years, this has enabled New Haven to expand city services and programs related to public safety, housing, education, youth programming and employment, parks, and transportation, among other areas.

For this coming year, however, given all the uncertainty surrounding federal funds, the proposed budget **maintains the current level of city services across departments and covers rising fixed costs, but that refrains from significant new financial commitments.**

This Ordinance in particular specifies the total allocation and terms for General Obligation Bonds such that:

(a) General Obligation Bonds No. 19 (the "Bonds") of \$20,400,000 shall be issued in one or more series for the following public improvements, and the proceeds thereof are hereby appropriated for said purposes, as explained in the project narratives stated separately hereinafter, in the following amounts:

Up to Thirty Year Bonds				
Department	Project	Project Number	Amount	
Parks	Infrastructure Improvements	2613	\$	800,000
Parks	General Park Improvements	2614	\$	400,000
Parks	Street Trees	2615	\$	2,000,000
Public Works	Pavement Mgmt./Infrastructure	2626	\$	2,000,000
Building Inspection and Enforcement	Street Reconstruction/Complete Street	2628	\$	1,550,000
Engineering	Sidewalk Reconstruction	2629	\$	2,050,000
Engineering	Bridges	2630	\$	350,000
Engineering	General Storm	2632	\$	750,000
City Plan	Route 34 East	2636	\$	270,000
City Plan	Farmington Canal Line	2637	\$	175,000
Economic Development	Land & Building Bank	2647	\$	400,000
Economic Development	Commercial Industrial Site Development	2648	\$	400,000
Economic Development	Downtown Crossing	2651	\$	450,000
Economic Development	HANH Westville Manor	2654	\$	1,000,000
Economic Development	Acquisitions	2655	\$	205,000
Education (non-construction)	General Repairs	2659	\$	7,600,000
			\$	20,400,000

(b) The Bonds of each series shall mature not later than the maximum maturity permitted by the General Statutes of Connecticut, Revision of 1958, as amended from time to time (the “Connecticut General Statutes”), be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor, City Treasurer and Controller, bear the City seal or a facsimile thereof, bear the Corporation Counsel’s endorsement as to form and correctness, be certified by a bank or trust company designated by the Controller which bank or trust company may also be designated as the paying agent, registrar, and transfer agent, and be approved as to their legality by Robinson & Cole LLP as bond counsel. The Bonds shall bear such rate or rates of interest as shall be determined by the Bond Sale Committee. The Bonds shall be general obligations of the City and each of the Bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such Bond is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The aggregate principal amount of Bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale, and other terms, details, and particulars of such Bonds shall be determined by the Bond Sale Committee in accordance with the requirements of the Connecticut General Statutes, provided that the aggregate principal amount shall, upon the recommendation of the Controller, be fixed in the amount necessary to meet the City’s share of the cost of each public improvement project determined after considering the estimated amount of the State grants-in-aid of the project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof.

(c) Said Bonds shall be sold by the Mayor with the approval of the Bond Sale Committee in a competitive offering or by negotiation. If sold in a competitive offering, the Bonds shall be sold at not less than par and accrued interest based on the lowest net or true interest cost to the City. A notice of sale or a summary thereof describing the Bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized

publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds.

(d) The Mayor and the Controller are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said Bonds. Notes evidencing such borrowings shall be in such denominations, bear interest at such rate or rates, and be payable at such time or times as shall be determined by the Bond Sale Committee, be executed in the name of the City by the manual or facsimile signatures of the Mayor, City Treasurer and Controller, have the City seal or a facsimile thereof affixed, bear the Corporation Counsel's endorsement as to form and correctness, be certified by a bank or trust company designated by the Controller pursuant to Section 7-373 of the Connecticut General Statutes, and be approved as to their legality by Robinson & Cole LLP as bond counsel. Such notes shall be issued with maturity dates, which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing, and marketing them, to the extent paid from the proceeds of such renewals or said Bonds, shall be included as a cost of the improvements for the financing of which said notes were issued. Upon the sale of the Bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

(e) The City hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid 60 days prior to and any time after the date of passage of this ordinance in the maximum amount and for the capital projects described herein with the proceeds of bonds, notes, or other obligations authorized to be issued by the City which shall be issued to reimburse such expenditures not later than eighteen months after the later of the date of the expenditure or the substantial completion of the project, or such later date as the Regulations may authorize. The City hereby certifies that its intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Controller or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds.

(f) The Mayor, the Controller and the Treasurer, or any two of them are hereby authorized on behalf of the City to enter into agreements or otherwise covenant for the benefit of bondholder's to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of certain events not in excess of ten (10) business days after the occurrence of the event as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of bonds and notes authorized by this ordinance. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified, and approved.

(g) The Mayor, the Controller, and the Treasurer, or any two of them, are hereby authorized on behalf of the City to enter into any other agreements, instruments, documents, and certificates necessary or desirable with respect to the consummation of the transactions contemplated by this ordinance.

## **PLANNING CONSIDERATIONS**

The budget proposal for Fiscal Year 2025-2026 is in alignment with Vision 2025, the City's Comprehensive Plan, from the standpoint of:

- Growing public safety measures;
- Supporting Board of Education goals to reduce high school dropout rates, engage the community in students' learning, and academically and financially prepare students to succeed;
- Growing career pathways for local high school students and enhancing before/after school care programming of community-based facilities to further promote community building and economic development.

As a general point, in its review of the annual budget, the Commission has historically made note of issues relating to the Comprehensive Plan and the operation of the City Plan Department and does not take a line-by-line review of the budget overall. The City Plan Department notes that the proposed FY 2025-2026 budget aims to maintain the current level of city services across departments given the current uncertainty in federal funding opportunities.

## **ADVICE**

Recommend approval.

**ADOPTED:** April 16, 2025  
Ernest Pagan  
Chair

**ATTEST:** \_\_\_\_\_  
Laura Brown  
Executive Director, City Plan Department