

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: **ORDINANCE AMENDMENT** to Appropriating Ordinance #3 for Fiscal Year 2025-2026 seeking approval to assign \$8 million of additional Municipal Grants-In-Aid to eligible capital projects and reallocate \$8 million in Authorized General Obligation Bond Authorized Projects.

Submitted by: Shannon McCue, City Budget Director

REPORT: **1669-15**

ADVICE: Approve

BACKGROUND

The City Budget Director has submitted an ordinance amendment to the FY2025-2026 Capital Budget Ordinance #3. The City received an additional \$8 million through Municipal Grants-in-Aid under PA 21-111, Section 55, covering FY 2026. This funding allows the City to reduce reliance on local bonding for various capital purposes listed below, which will allow the City to reallocate City Bond funding to advancing critical infrastructure projects including Rolling Stock and School Facilities General Repairs.

The Municipal Grants-in-Aid funds may be used as outlined in CT General Statutes Section 13a-175a(a), which includes a broad range of transportation-related purposes such as:

- Highway and bridge construction, maintenance, and improvements
- Snow plowing, sanding, and tree removal
- Traffic signs, signals, and markings
- Traffic control, parking administration, and planning
- Public transportation services and related facilities

Overview of Funding Shifts

This Capital Plan reflects a responsible and forward-looking approach. While maintaining the City's biennial bonding cap at \$60 million, the plan secures a total of \$25.5 million in State grants including LOCIP and Municipal Grants-in-Aid over two years, an increase of \$8 million in the BOA-approved budget. This shift enables us to relieve pressure on City-issued debt while continuing to invest in core capital priorities.

Major State-Funded Revisions

- \$2 million in Public Works Capital Budget appropriation shall be funded with State aid in place of City bond funds.

- \$2 million in Parks Department Capital Budget appropriation shall be funded with State aid in place of City bond funds.
- \$3.6 million of the Engineering Department's Capital Budget appropriation shall be funded with State aid in place of City bond funds.
- \$400,000 in Economic Development Capital Budget appropriation shall be funded with State aid in place of City bond funds.

Reallocation of City Bonding Funds:

- Increase the allocations of City Bonding funds to:
- \$2 million to Rolling Stock to fund the purchase of City Fire Trucks.
- \$2 million to Engineering for eligible Municipal Grants-in-Aid Projects
- \$4 million to the Board of Education to fund School Facility General Repairs.

Financial Impact

By optimizing our use of available State resources, we maintain critical investment levels in transportation, public works, and public spaces while minimizing the burden on local taxpayers. This strategy also helps preserve bonding capacity for City priorities, including education, public safety, and technology—sectors where State substitution was not available.

This revised funding structure represents a sound fiscal strategy that aligns with the City's long-term capital planning goals and will advance infrastructure, equity, and service delivery for the residents of New Haven.

PLANNING CONSIDERATIONS

The budget amendment represents an increase in funding from the State, allowing the City to reallocate City bond funds to school facilities, fire trucks, and other projects. In April of 2025, the City Plan Commission sent a favorable recommendation to the Board of Alders on the Capital Budget (CPC Report #1664-17). The change to this budget is simply the source of the bond funds, therefore, the amended budget remains in alignment with the Comprehensive Plan.

ADVICE

Recommend approval.

ADOPTED: July 22, 2025
Ernest Pagan
Chair

ATTEST: _____
Laura Brown
Executive Director, City Plan Department