

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: **APPROPRIATING ORDINANCE #2** an ordinance making tax levy and revenue assumptions for the fiscal year July 1, 2025, through June 30, 2026

Submitted by: Shannon McCue, City Budget Director

REPORT: **1664-16**

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 codifies the proposed tax rates such that:

The taxes for said next fiscal year shall be based upon the rate of taxation recommended to this Board by the Mayor, of which for real estate, personal property and motor vehicle shall be at a rate of **39.40 mills** for Real Estate and Personal property and **32.46 mills** for motor vehicle, upon the ratable estimates within the limits of the City of New Haven to meet said expenses as enumerated in appropriating ordinance #1.

- I. Said taxes shall become due on July 1, 2025, and shall be payable in two semi-annual installments from that date: namely, July 1, 2025, and January 1, 2026. However, any tax of less than one hundred dollars (\$100) shall be due and payable in a single installment on July 1, 2025. Furthermore, the tax on any motor vehicles registered with the Commissioner of Motor Vehicles after October 1, 2024, shall be due and payable in a

single installment on January 1, 2026, as provided in Section 12-71b of the General Statutes of Connecticut, Revision of 1958 as amended.

- II. Pursuant 12-144c of the general Statutes of Connecticut, Revision of 1958 as amended; (a) any property tax due in an amount less than five dollars (\$5) is waived, and (b) any property tax that remains due on an account after the receipt of payment and that is less than two dollars (\$2) is waived.
- III. The receipts from taxes levied to meet the expenses of the City for the next fiscal year beginning July 1, 2025, through June 30, 2026, and such miscellaneous revenues received by the City in said year, and not designated by law or regulation to be appropriated to other purposes, shall be and the same hereby are appropriated to meet the estimated general expenses of the City as contained in said Appropriating Ordinance #1 as approved by this Board.
- IV. Revenues received by the City for the next fiscal year beginning July 1, 2025, through June 30, 2026, more than the total appropriations for the general expenses of the City as contained in said Appropriating Ordinance #1, shall not be expended or encumbered without approval by the Mayor and Board of Alders.

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