RATINGS: (See "Ratings" herein)

NEW MONEY ISSUE **BOOK-ENTRY ONLY**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

CITY OF NEW HAVEN, CONNECTICUT
$37,750,000
General Obligation Bonds, Issue of 2013, Series B

Dated: Date of Delivery **Due: September 1, as shown herein**

The General Obligation Bonds, Issue of 2013, Series B (the "Bonds"), will be general obligations of the City of New Haven, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds are being issued to finance various public improvements, school and urban renewal projects, as more fully described herein.

The Bonds will bear interest payable on September 1, 2014 and semiannually thereafter on March 1 and September 1 in each year until maturity. The Bonds will mature on the dates and in the amounts, and bear interest from the date of delivery at the rates, all as shown on the inside front cover. See "Description of the Bonds" herein.

The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form, in denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. Principal of and interest on the Bonds will be made by the City or its agent directly to DTC. See "Book-Entry Only System" herein.

The Bonds are subject to optional and mandatory redemption prior to maturity, as more fully described herein.

The Certifying, Registrar, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association, Hartford, Connecticut.

The scheduled payment of principal of and interest on the Bonds maturing on September 1 of the years 2015 through 2033 inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

[imagemaster to insert AGM logo]

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, which are an integral part hereof, to obtain information essential to making an informed investment decision regarding the Bonds.

The Bonds are offered for delivery when, as and if issued by the City and received by the Underwriters subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. Certain legal matters with respect to the Bonds will be passed upon for the Underwriters by their counsel Shipman & Goodwin LLP, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry form will be made to DTC on or about October 31, 2013.

PiperJaffray.

Wells Fargo Securities **Janney Montgomery Scott**

October 23, 2013

MATURITY SCHEDULE

$37,750,000
General Obligation Bonds, Issue of 2013, Series B

Dated: Date of Delivery **Due: September 1, as shown below**

Maturity	Principal Amount	Interest Rate	Yield	CUSIP**
2014	$ 1,890,000	2.00%	1.25%	645020 P85
2015*	1,890,000	2.00	1.05	645020 P93
2016*	1,890,000	3.00	1.40	645020 Q27
2017*	1,890,000	3.00	1.75	645020 Q35
2018*	1,890,000	4.00	2.10	645020 Q43
2019*	1,890,000	4.00	2.53	645020 Q50
2020*	1,890,000	4.00	2.91	645020 Q68
2021*	1,890,000	5.00	3.31	645020 Q76
2022*	1,890,000	5.00	3.59	645020 Q84
2023*	1,890,000	5.00	3.76	645020 Q92
2024*	1,885,000	3.75	3.97	645020 R26
2025*	1,885,000	4.00	4.14	645020 R34
2026*	1,885,000	4.00	4.25	645020 R42
2027*	1,885,000	4.25	4.40	645020 R59

$3,770,000 4.50% Term Bonds to yield 4.67% due September 1, 2029* CUSIP No.** 645020 R75
$3,770,000 4.75% Term Bonds to yield 4.87% due September 1, 2031* CUSIP No.** 645020 R91
$3,770,000 5.00% Term Bonds to yield 5.04% due September 1, 2033* CUSIP No.** 645020 S33

*Insured bonds.
**The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the City, the Underwriter nor the Financial Advisor, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the City, the Underwriters nor the Financial Advisor have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

City of New Haven

Mayor

John DeStefano, Jr.

Mayor's Cabinet

Joe Clerkin, *Budget Director*
Michael O'Neil, *Acting Controller*
Robert Smuts, *Chief Administrative Officer*
Victor A. Bolden, *Corporation Counsel*
Kelly Murphy, *Development Administrator*

Bond Counsel

Robinson & Cole LLP
Hartford, Connecticut

Financial Advisor

Public Financial Management, Inc.
Providence, Rhode Island

Independent Auditors

McGladrey LLP
New Haven, Connecticut

No dealer, broker, salesman or other person has been authorized by the City of New Haven, Connecticut (the "City") to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A- "Financial Information and Operating Data" herein, the Independent Auditors for the City are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than as to matters expressly set forth in Appendix C- "Form of Legal Opinion of Bond Counsel" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(1), but is subject to revision or amendment.

The City will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix D to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events within ten (10) days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
CITY OF NEW HAVEN, CONNECTICUT
$37,750,000
General Obligation Bonds, Issue of 2013, Series B

INTRODUCTION

General

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the City of New Haven, Connecticut (the "City") in connection with the issuance and sale of $37,750,000 City of New Haven General Obligation Bonds, Issue of 2013, Series B (the "Bonds"). The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay principal and interest thereon. This Official Statement has been authorized by the City for use in connection with the sale of the Bonds.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The information in this Official Statement has been prepared by the City. Public Financial Management, Inc., Providence, Rhode Island is financial advisor to the City and has assisted in the preparation of the Official Statement.

All quotations from and summaries and explanations of provisions of the Connecticut General Statutes, the City Charter (the "Charter") or other laws, acts and proceedings of the City contained herein do not purport to be complete and are qualified by reference to the entire text thereof.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

AUTHORIZATION AND PURPOSE

Authorization

Section 7-369 of the Connecticut General Statutes authorizes the City to issue bonds, notes or other obligations. The Charter requires that authorization to issue bonds, notes or other obligations be approved by a majority vote of all members of the Board of Aldermen. Section 2-194 of the Code of Ordinances of the City vests the Bond Sale Committee with the authority to supervise and approve all sales of bonds, notes or other obligations, when such obligations have been duly authorized by the Board of Aldermen. The Bonds have been authorized by the Board of Aldermen and approved by the Bond Sale Committee in accordance with the Charter, the Code of Ordinances and other proceedings related thereto.

Purpose

The proceeds of the Bonds will be used to fund various public improvements, urban renewal and school construction projects.

Sources and Uses of Bond Proceeds

Sources:		
Par Amount of the Bonds	$	37,750,000.00
Net Original Issue Premium		985,018.55
Total Sources	$	38,735,018.55
Uses:		
Project Deposit	$	37,750,000.00
Capitalized Interest		447,710.17
Costs of Issuance(1)		359,022.13
Underwriter's Discount		178,286.25
Total Uses	$	38,735,018.55

(1) Includes legal fees, bond insurance premium and fees for other transaction-related services.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature on September 1 in each of the years as follows:

Year	Principal Amount	Year	Principal Amount
2014	$ 1,890,000	2024	$ 1,885,000
2015	1,890,000	2025	1,885,000
2016	1,890,000	2026	1,885,000
2017	1,890,000	2027	1,885,000
2018	1,890,000	2028(1)	1,885,000
2019	1,890,000	2029(1)	1,885,000
2020	1,890,000	2030(2)	1,885,000
2021	1,890,000	2031(2)	1,885,000
2022	1,890,000	2032(3)	1,885,000
2023	1,890,000	2033(3)	1,885,000

(1) Term bond with final maturity of September 1, 2029.
(2) Term bond with final maturity of September 1, 2031.
(3) Term bond with final maturity of September 1, 2033.

The Bonds will bear interest at the rate or rates per annum specified on the inside cover of the Official Statement. Interest on the Bonds is payable on September 1, 2014 and semiannually thereafter on March 1 and September 1 in each year until maturity.

The Bonds are subject to optional and mandatory redemption prior to maturity.

Interest on the Bonds will be calculated on the basis of a 360-day year, consisting of twelve thirty day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of February and August in each year or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC and the City shall agree. The Bonds will be payable at the principal office of U.S. Bank National Association in Hartford, Connecticut as Paying Agent.

Redemption

Optional Redemption

The Bonds maturing on September 1, 2024 and thereafter are subject to redemption prior to maturity at the option of the City, on and after September 1, 2023 at any time, in whole or in part and by lot within a maturity in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as percentages of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date.

	Redemption Date	Redemption Price
From:	September 1, 2023 and thereafter	100%

Mandatory Redemption

The Bonds maturing on September 1, 2029 shall be redeemed from sinking fund installments at their principal amounts without premium plus interest, if any, accrued thereon to the date fixed for redemption, on each September 1 of the years and in the principal amounts set forth below:

Year	Principal Amount
2028	$ 1,885,000
2029*	1,885,000

* Maturity

The Bonds maturing on September 1, 2031 shall be redeemed from sinking fund installments at their principal amounts without premium plus interest, if any, accrued thereon to the date fixed for redemption, on each September 1 of the years and in the principal amounts set forth below:

Year	Principal Amount
2030	$ 1,885,000
2031*	1,885,000

* Maturity

The Bonds maturing on September 1, 2033 shall be redeemed from sinking fund installments at their principal amounts without premium plus interest, if any, accrued thereon to the date fixed for redemption, on each September 1 of the years and in the principal amounts set forth below:

Year	Principal Amount
2032	$ 1,885,000
2033**	1,885,000

** Final Maturity

Notice of redemption shall be mailed not less than thirty (30) days prior to the redemption date, by registered mail, to the registered owner of such bond at such bond owner's address as it appears on the books of registry or at such address as may have been filed with the registrar for that purpose. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, all notices of redemption will be sent only to DTC. In the event of a redemption of less than all of the Bonds of a particular maturity, the City shall notify the registered owner of the

Bonds (Cede & Co.) of the amount of Bonds to be redeemed and DTC will, pursuant to its policies and regulations, select by lot the amount of Bonds held by each DTC Participant to be redeemed (see "Book-Entry Only System" herein). The selection of particular Bonds of beneficial owners to be redeemed shall be determined by each DTC Participant.

General Obligation Bonds - Debt Service Requirements

Fiscal Year Ended June 30,	Existing Debt Service[1]	The Bonds Principal	The Bonds Interest	Aggregate Debt Service
2014	$ 61,587,224	$ -	$ -	$ 61,587,224
2015	65,070,435	1,890,000	2,036,206	68,996,641
2016	62,601,833	1,890,000	1,481,425	65,973,258
2017	61,004,824	1,890,000	1,434,175	64,328,999
2018	57,172,182	1,890,000	1,377,475	60,439,657
2019	53,975,767	1,890,000	1,311,325	57,177,092
2020	50,683,445	1,890,000	1,235,725	53,809,170
2021	48,282,166	1,890,000	1,160,125	51,332,291
2022	44,993,200	1,890,000	1,075,075	47,958,275
2023	35,964,344	1,890,000	980,575	38,834,919
2024	27,351,750	1,890,000	886,075	30,127,825
2025	24,515,100	1,885,000	803,481	27,203,581
2026	19,218,684	1,885,000	730,438	21,834,122
2027	18,602,868	1,885,000	655,038	21,142,906
2028	15,899,851	1,885,000	577,281	18,362,132
2029	13,016,681	1,885,000	494,813	15,396,493
2030	10,271,889	1,885,000	409,988	12,566,876
2031	6,192,994	1,885,000	322,806	8,400,800
2032	4,529,653	1,885,000	233,269	6,647,922
2033	2,184,938	1,885,000	141,375	4,211,313
2034	-	1,885,000	47,125	1,932,125
Total[2]	$ 683,119,829	$ 37,750,000	$ 17,393,793	$ 738,263,622

(1) Does not include the projected federal subsidy of 35% of interest due on the $41.13 million General Obligation Bonds, Issue of 2010, Series A-2 (Federally Taxable Build America Bonds – Direct Payment) issued on February 12, 2010 with a final maturity of February 1, 2030.
(2) Totals may not add due to rounding.

Security and Remedies

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Title 11, Chapter 9 of the United States Code or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor.

THE CITY OF NEW HAVEN, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON ITS BONDS OR NOTES.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each interest rate of the Bonds, in the aggregate principal amount of such interest rate, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or its Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on September 1 of the years 2015 through 2033 inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA-" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 12, 2013, S&P published a report in which it affirmed AGM's "AA-" (stable outlook) financial strength rating. AGM can give no assurance as to any further ratings action that S&P may take.

On January 17, 2013, Moody's issued a press release stating that it had downgraded AGM's insurance financial strength rating to "A2" (stable outlook) from "Aa3". AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Capitalization of AGM

At June 30, 2013, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,453,294,934 and its total net unearned premium reserve was approximately $1,944,533,294, in each case, in accordance with statutory accounting principles.

For additional information relating to the capitalization of AGM, please see the Current Report on Form 8-K filed by AGL with the Securities and Exchange Commission (the "SEC") on July 22, 2013 (excluding the portion thereof "furnished" under Item 7.01 of such Form).

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (filed by AGL with the SEC on March 1, 2013);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 (filed by AGL with the SEC on May 10, 2013); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 (filed by AGL with the SEC on August 9, 2013).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Insured Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Insured Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Insured Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

THE CITY OF NEW HAVEN

General

New Haven was founded on the Connecticut coast in 1638 and was incorporated as a city in 1784. The City is governed primarily under its Charter which provides for the election, organization, powers and duties of the legislative branch (the "Board of Aldermen"), the powers and duties of the executive branch and the City's fiscal budgetary matters, contracts procurement, property and records. The Mayor, serving as the chief executive officer, is responsible for the execution and enforcement of the laws and ordinances of the City and oversees all administrative functions. The City/Town Clerk serves a term concurrent with that of the Mayor and is elected Citywide. The Board of Aldermen performs all legislative duties and its President serves as Acting Mayor in the absence of the Mayor.

Elected and Appointed Officials

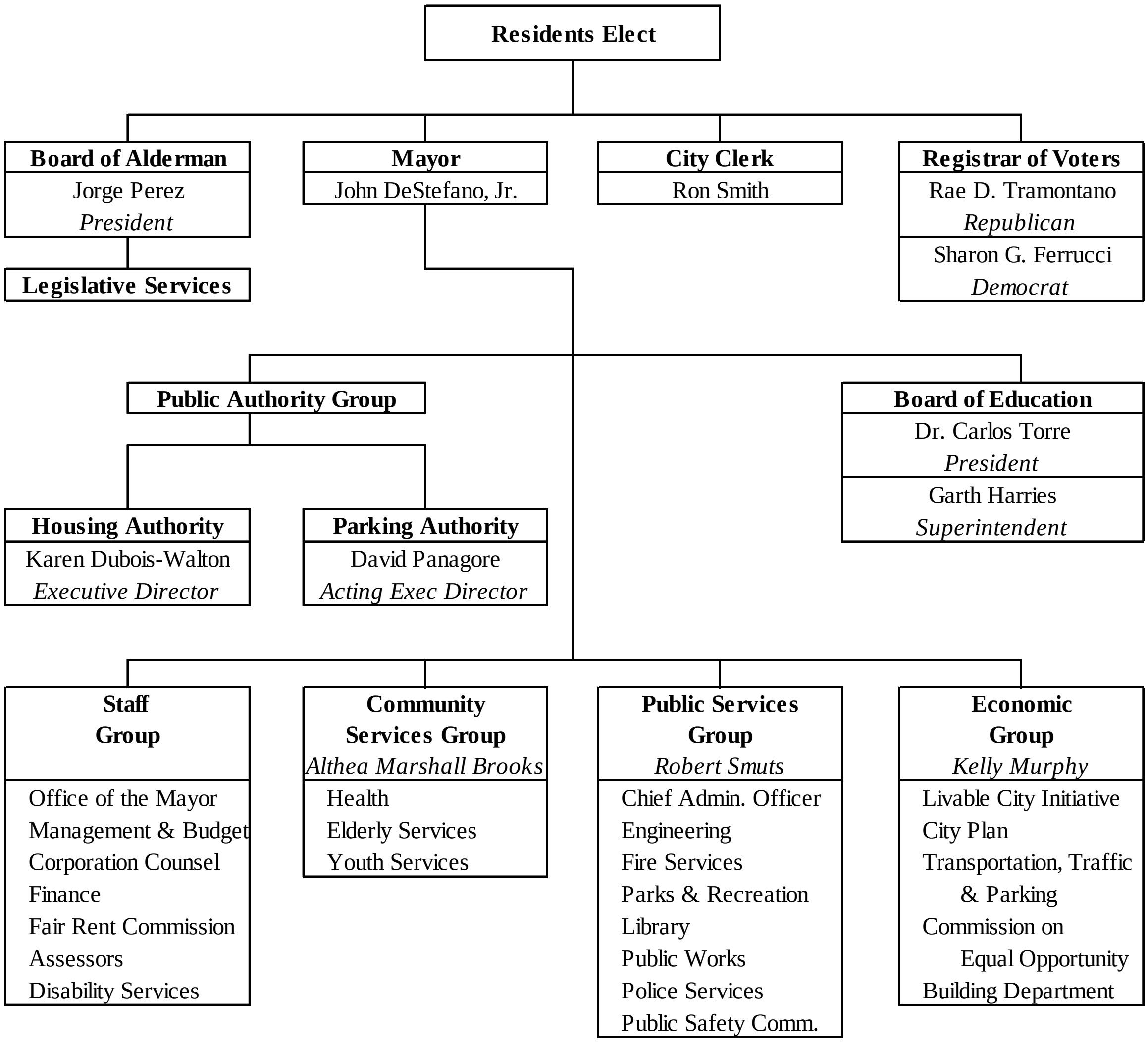
The Mayor, elected by general election for a two-year term and eligible to succeed himself without limitation, has the power to appoint City department heads and members of boards, commissions and agencies. The Mayor may remove from office any appointed person determined to be incompetent. The Mayor also may appoint up to four coordinators with professional qualifications in such areas as community development, human services, public administration and public finance. Such coordinators serve under the direction of the Mayor and may be removed at the Mayor's pleasure. The Mayor has veto power over all or any part of any resolution or ordinance passed by the Board of Aldermen. Any such veto can be overridden by a two-thirds majority of the Board of Aldermen. The Mayor is a member of all executive commissions and boards including the Board of Education, but excluding the Financial Review and Audit Commission and the Civil Service Commission.

The legislative body of the City is the Board of Aldermen consisting of 30 members who are elected to two-year terms from their respective districts. The President of the Board of Aldermen is chosen from its membership to preside at all of its meetings. The Board of Aldermen adopts the capital and operating budgets and tax rate and exercises all powers conferred upon it by the Charter subject to the approval of the Mayor or upon an override of the Mayor's veto.

The Mayor annually submits to the Board of Aldermen the operating budget, the capital budget and the municipal tax rate, which the Board of Aldermen may then approve, disapprove or modify in accordance with its powers. The role of reviewing the financial condition of the City during the fiscal year is performed by the nine member Financial Review and Audit Commission ("Commission"). The members of the Commission are appointed by the Mayor with the approval of the Board of Aldermen. Members are appointed for five year terms. No member of the Commission holds any other office or position in the government of the City, appointed or elected, except as a member of said Commission.

The following chart summarizes the organization of the City's government.

Organizational Chart of the City of New Haven



Biographies of City Officials

John DeStefano, Jr., Mayor was elected Mayor of the City of New Haven in November 1993 and was inaugurated as New Haven's 49th Mayor in January 1994. Under Mr. DeStefano's administration, the City has undertaken a number of initiatives designed to improve operations, increase revenues, and reduce expenditures, including the development of the City's first Five-Year Strategic and Financial Plan and implementation of coalition bargaining. Prior to being elected Mayor, Mr. DeStefano worked for the City for over 10 years. Hired as a budget analyst, he later served as the City's Deputy Controller, Chief Administrative Officer and Development Administrator. In 1989, Mr. DeStefano left City government to become Executive Director of the Tennis Foundation of Connecticut, Inc., the non-profit corporation that owns and operates the Connecticut Tennis Center, home to the Pilot Pen International Tennis Tournament. Mr. DeStefano attended the University of Connecticut at both the undergraduate and graduate levels, receiving a Bachelor's Degree in political science and a Master's Degree in public affairs.

Joe Clerkin, Budget Director was appointed Budget Director in October 2011. Mr. Clerkin began with the City in October 1988 as a Management Analyst in the Controller's Office and subsequently worked as the Management Services Supervisor for the New Haven Police Department from 1991-1994 before returning to City Hall as the Supervisor of Management & Budget from 1995 to 2011. Mr. Clerkin holds a BA degree in Political Science from Providence College (1986) and a Master of Public Affairs degree from the University of Connecticut (1988). Mr. Clerkin is a member of the Connecticut Government Finance Officers Association and has served as a member of the New Britain Board of Finance and Taxation and as a member of the Executive Board of the Central Connecticut Chapter of the American Red Cross. Mr. Clerkin currently chairs the City of New Haven's Litigation Settlement Committee.

Michael O'Neil, Acting Controller was appointed Acting Controller in July 2011 with full oversight of the Department of Finance. Prior to his appointment, he was employed by RSM McGladrey, Inc. since 1996 as a financial consultant to municipalities. He received his B.B.A. from the University of Notre Dame and M.S. in Public Affairs from the University of Massachusetts. Mr. O'Neil is a Certified Public Accountant and a Certified Internal Auditor.

Robert Smuts, Chief Administrative Officer was appointed to the position in March 2007. Before taking this position, Mr. Smuts served as Deputy Chief of Staff to Mayor DeStefano for nearly three years and as an assistant to the Mayor before that. In addition to his duties supervising seven departments, Mr. Smuts serves as the City's Emergency Management Director. He graduated from Yale University with a B.A. in History, having focused on the study of 20th Century urban history.

Kelly Murphy, Development Administrator, was appointed to the position in December 2005. Before taking this position Ms. Murphy spent four years as Borough Deputy Director of the Bronx for the New York City Department of City Planning. Prior to her work in New York City, Ms. Murphy was a Vice President at Muller Bohlin Associates, a New Jersey based planning and economic development firm that works with small cities and towns in the region running planning and zoning boards and working on local economic development plans. She spent seven years in Chicago where she worked as the Director of the Neighborhood Services Division of the Chicago Department of Housing. She holds a Masters Degree in Urban Planning and Policy from the University of Illinois at Chicago and a Bachelors of Arts Degree from James Madison University in Virginia majoring in Political Science/History and minoring in Economics. Ms. Murphy also holds licenses with the American Institute of Certified Planners of the American Planning Association and the New Jersey Professional Planners.

Althea Marshall Brooks, Community Services Administrator was appointed in August 2012. Ms. Marshall Brooks has a Bachelor's of Science degree in Family Studies from the University of Connecticut, a Master's of Science Degree from Southern Connecticut State University in Sociology, and a Master of Divinity degree from Yale University. Prior to her entry into city government, Ms. Marshall Brooks served as the President/CEO of Empower New Haven, Inc., the City's implementing agency for the 10 year federal round II empowerment zone initiative, from 2003 until 2012. Ms. Marshall Brooks directed the implementation of the strategic plan submitted for this designation and administered over $30 million in public and private funding. Before serving as CSA, Ms. Marshall Brooks served briefly as the City of New Haven's New Haven Reentry Initiative Coordinator where she was responsible for initiating, developing and implementing practices, procedures, and policies to address the needs and challenges of the New Haven reentry population.

Garth Harries, Superintendent, was appointed in July 2013 after serving as Assistant Superintendent since 2009. Mr. Harries holds an undergraduate degree in Ethics, Politics and Economics from Yale University and a Juris Doctorate from Stanford Law School. Prior to his employment with New Haven Public Schools, Mr. Harries worked in politics and economic development in Philadelphia; then was hired by the a consulting firm, where he worked for three years. Subsequently, he joined the New York City Public Schools in 2003, where he rose to become a senior cabinet member in charge of special education.

Victor A. Bolden, Corporation Counsel was appointed Corporation Counsel in April 2009. In this capacity, Mr. Bolden serves as the chief legal advisor of and attorney for the City of New Haven and all of its officers and departments in matters related to their official duties. Mr. Bolden was the General Counsel for the NAACP Legal Defense & Educational Fund, Inc. ("LDF") from 2004 to 2009, serving as LDF's chief advisor on legal matters affecting the organization, providing advice to LDF's legal staff on the organization's civil rights cases, and handling the day-to-day administration of LDF's New York and Washington, D.C. offices. Mr. Bolden also previously served as Counsel with the law firm of Wiggin and Dana LLP in New Haven, Connecticut, Assistant Counsel with LDF from 1994 to 2000, and as an attorney with the American Civil Liberties Union Foundation's (ACLU) National Legal Department, first as a Marvin Karpatkin Fellow and then, as a Staff Attorney, from 1989 to 1994. Mr. Bolden is a 1986 graduate of Columbia College and a 1989 graduate of Harvard Law School and a member of both the New York and Connecticut Bars.

City Services

The Charter provides that the City maintain a variety of public services including the protection of persons and property, maintenance of streets and sewers and establishment of health, recreation and welfare facilities. The Constitution of the State of Connecticut establishes free public elementary and secondary education as the responsibility of the State. This responsibility is legislatively delegated to the City acting through its Board of Education.

Municipal services provided by the City include: police and fire protection; health care; certain welfare programs; construction and maintenance of streets, highways and bridges; trash collection and disposal; provision for recreational programs and facilities; the acquisition and maintenance of City real and personal property, including vehicles; maintenance of building codes and regulation of licenses and permits; maintenance of records and library services; collection of taxes and revenues; purchase of supplies and equipment; construction and maintenance of airport facilities; and maintenance and operation of on-street parking facilities.

Two significant governmental authorities provide service within the City, namely the New Haven Parking Authority and the New Haven Solid Waste and Recycling Authority. See APPENDIX A "RELATED AUTHORITIES", herein.

The New Haven Parking Authority ("Parking Authority") is an agency of the City established in 1951 to operate certain parking facilities for the City, as well as other parking facilities that are privately owned.

The New Haven Solid Waste and Recycling Authority ("NHSWRA") was created by Board of Aldermen vote on March 31, 2008 and is specifically responsible for the operations and management of the City's transfer station for solid waste disposal and recycling.

Administration Initiatives

Since 1994, the DeStefano administration has undertaken many initiatives in government, including the development of strategic multi-year plans to increase economic opportunity and quality of life for New Haven's residents through sustaining structural fiscal balance and improving on public safety, education, economic development, budget and taxes, environment, energy, health and safety, arts and culture, and youth services. The following summary illustrates some of the initiatives and their related results:

Public Safety

Under the DeStefano administration, crime has been significantly reduced and cut nearly in half since 1994. Administrative initiatives in public safety have resulted in the following:

- Increased sworn positions from 370 in September 1994 to current level of 450 positions.
- Created the Citizen's Academy, a 10 week course designed to increase communication, understanding, collaboration and respect between New Haven citizens and the New Haven Police Department, and produced seven graduating classes.
- Continued commitment to community policing.
- Created the Civilian Review Board in 2001.
- Created the Youth Oriented Policing initiative, a Citywide youth initiative which focuses on filling the gaps left by the elimination of State and Federal programs by asking City residents and municipal employees to help ensure that all children get the support, attention and resources necessary to realize their full potential.
- Continued investment in Homeland Security. New Haven has made significant investments in Homeland Security. New Haven was the first community in the State to conduct a week long, city wide exercise focusing wholly on bioterrorism which included all aspects of City government.
- Continued capital improvement policy for Fire Safety's fire apparatus.
- Integrated police and fire communications into one facility and unified the operations.

Education

More students are graduating and continuing on to college than any other time in the City's history. In 2011, 941 students graduated as compared to 788 in 2002. The City's additional accomplishments in education include:

- Became the first school district in the State to mandate summer school for struggling students.
- Increased starting pay for teachers by 33% beginning in 2003.
- Reduced class sizes.
- In 2009, the New Haven Board of Education successfully negotiated a nationally-recognized teacher's contract that represents the cornerstone for education reform. This landmark contract which has been modeled by Education Secretary Duncan and President Obama, among others, creates a framework for a restructuring of performance standards and accountability at all levels of the education system with meaningful consequences. The contract also:
    - Restructured the salary schedule and medical benefit packages, which will allow for more predictable and sustainable costs for years to come. The entire wage package, including step movement on the revised scale for all teachers, is 3% of payroll annually.
    - Positioned New Haven to leverage both State and federal funds earmarked for education reform initiatives, as it follows the education reform outlined by the Obama Administration.
- Added hundreds of teacher assistants.
- Operating the largest magnet school program in the State.
- Increased magnet schools from 11 to 20 since 1994.

- A school construction program, launched in 1995, to replace or renovate every one of New Haven's public schools, which is nearing completion. Over the past 18 years, forty-six of fifty-two projects have been completed and six are currently underway. All facilities are designed to be environmentally friendly, energy efficient, and have high indoor air quality, with the goal of qualifying for EPA energy star or LEED certification. The program is currently the largest in the nation per capita.
- Community-based schools, which provide recreation facilities, community health clinics, dental clinics, auditoriums, swimming pools, parenting resources and early childhood care and education.
- Became the largest school district in the State to provide preschool. More children are attending preschool now than ever before in New Haven.
- Nearly-doubled the number of computers for elementary and high school students to 6,000.
- Internet access in all New Haven schools, many of which are wireless-equipped.

Economic Development

The DeStefano administration has presided over a rebirth of New Haven's economy over the past eighteen years. Recognizing that manufacturing was no longer driving New Haven's economy, the City was transformed through active engagement in seeking new investment in the sectors that take advantage of the City's strengths. Primary growth in New Haven was experienced around higher education, medical research, health care and arts and entertainment.

Currently, downtown is experiencing a renaissance, as its once vacant buildings and empty sidewalks are again filled with vibrant businesses, shoppers and new residents. This surge of attractive new retail stores, restaurants and homes is a sign that New Haven's economy is rebounding. Appendix B – "Socioeconomic Information" further illustrates the City's commitment to economic development.

Financial

The DeStefano administration has focused on maintaining the financial health of the City. For additional information on the City's financial position including projected results for FY 2012-2013, please see Appendix A.

One of the main contributors to the City's continued fiscal stability has been the resolute commitment to fairly collecting property taxes. In 1994 the tax collection rate was 86%. The rate has been increased to an extraordinary 97.2% for fiscal year ending 2012.

Other highlights of the DeStefano administration's initiatives include:

- Established a worker's compensation provider plan and managed health care provisions in employee labor agreements.
- Performed asset utilization studies on several City enterprises: Transfer Station (now the New Haven Solid Waste and Recycling Authority), Tweed New Haven Airport, City recreation facilities (Golf Course, Skating Rink), Coliseum (since demolished), Parking Authority and the Water Pollution Control Authority (since regionalized with three neighboring towns).
- Introduced an employee wellness program with the Hospital of St. Raphael and Anthem which is designated to improve employee health awareness.
- From FY 1995 through FY 2012, the budgetary expenditure growth has risen equally with inflation.
- Implemented a capital borrowing plan in 2003, which defines the life and governing procedures of capital appropriations and calls for continuing reviews of their importance and priority.
- Refinanced over $100 million in bonds, resulting in over $3 million in savings.
- Contributed the amounts recommended by actuaries to its two pension funds since the approval of the 1995 operating budget.

- Growth of the City Employees Retirement Fund from $84 million on June 30, 1992 to $156 million (unaudited) as of July 1, 2012.
- Growth of the Police and Fire Retirement Fund from $115 million on June 30, 1992 to $267 million (unaudited) as of July 1, 2012.
- Issued $18.0 million in Qualified Zone Academy Bonds (QZAB) since 2000, at interest rates of 0.034% to 1.7%.

Environment

New Haven's environmental initiatives are aimed at improving the quality of life for its residents. The City's initiatives in this area include:

- Purchased environmentally friendly bio-diesel and electric vehicles for New Haven's City fleet.
- Running New Haven school buses and diesel vehicles on ultra low sulfur diesel.
- Installed particle traps on school buses to eliminate up to 90% of emissions.
- Became the first city in Connecticut to convert its fleet to hybrid vehicles.

Energy

The Administration has led an aggressive program to conserve energy, preserving the environment and saving taxpayers millions of dollars. In July 2007, the City entered into purchase agreements for most of its electricity needs for a 36-month period, producing savings of over $3 million. The City has extended these contracts and purchased its gas and electricity needs through Fiscal Year 2014.

In addition, energy conservation programs have led to savings in energy and maintenance costs of over $25 million, including changing out all its street lights with new lighting fixtures, which has saved $4 million to date. Other highlights include:

- Establishing the first municipal fuel cell at New Haven's Water Pollution Control Authority that provides 2% of City electricity and produces all the heat for the fats/oils/greases processing facility.
- Becoming the first city in New England to commit to using 20% renewable energy.

Health and Safety

The City is committed to improving the health of its residents through projects and programs such as:

- Needle exchange.
- Created the Mayors Task Force on Aids.
- Comprehensive inspections of all 1,066 food service establishments operating within the City.
- Monitoring water quality of all public pools and bathing areas.
- Continuing support for bicycle usage.

The City's accomplishments include:

- Increased immunizations of children under the age of two to 87%.
- Increased school age immunizations to 98%.
- Reached the lowest level of tuberculosis in New Haven history.
- Reduced the number of children with lead poisoning by 43% since 2002.
- A 50% increase in health education in schools.
- A 50% increase in HUSKY enrollment for pregnant women.
- Increased amount of residents using "non-motorized" transportation to 15.5%, the highest percentage in New England.

Arts and Culture

The Administration has made a significant effort to support the rich culture of New Haven. Contributions include:

- The Percent for Art Program, an initiative that sets aside 1% of every City public construction project for works of art.
- The creation of Market New Haven, a program that spends $400,000 a year to market New Haven's many assets as well as to support the New Haven Open at Yale Tennis Tournament (formerly Pilot Pen Tennis tournament), Town Green, and the International Festival of Arts and Ideas.
- A sum of $250,000 to the Shubert Performing Arts Theater and allocates $300,000 to the Cultural Affairs Office.
- Attracting the Criterion Cinema, an elegant seven screen multiplex theater presenting first run films to the community.

Youth Initiative

In 2006, the Administration spearheaded the City's Youth Initiative, allocating $500,000 to provide for New Haven's teenagers by investing in recreation, structured activities and employment. This program provides free afternoon programs for children between the ages of 12 to 18. Two additional programs established include:

- The Mentor New Haven program, which encourages City employees and screened residents to volunteer at New Haven Schools.
- The Youth Employment Program, which is a partnership between the City, local employers and institutional leaders to provide teenagers with summer employment opportunities.

CITY FINANCIAL PROCEDURES

Independent Audit

The Board of Aldermen is required under State law to annually appoint an independent certified public accounting firm to audit the financial transactions of City funds. The City hired the accounting firm of McGladrey LLP to act as auditors for Fiscal Years 2010 through 2013.

The audited general purpose financial statements of the City for the Fiscal Year ended June 30, 2012 are attached hereto as Schedule 1 to Appendix A. These financial statements were prepared for the City by McGladrey LLP.

Basis of Accounting

Governmental Funds (which include the General Fund, Redevelopment Bond Administration Fund, Improvement Fund, Human Resources Fund, Library Fund, Redevelopment Agency Fund, Community Development Fund, Education Grants Fund, Neighborhood Preservation and various bond series funds) and Expendable Trust and Agency Funds (Union Station Escrow Fund and others) are accounted for on the modified accrual basis. Under this method, revenues are recognized as they become both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenditures, and other long-term obligations, which are recognized when paid.

Proprietary Funds (Golf Course and Transfer Station Enterprise Funds, Medical Self-Insurance Reserve Fund and Self-Insurance Fund) and Non-Expendable Trust Funds and Pension Trust Funds (Library Endowment Fund, City Employees' Retirement Fund, Policemen's and Firemen's Pension Fund and other funds) are accounted for on the accrual basis in which the revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

Pursuant to the Charter, encumbrances established in, and unliquidated at the end of any fiscal year, are considered in determining an operating surplus or deficit on a budgetary basis.

Budget Procedure

The Mayor is responsible for developing the General Fund budget of the City. During the months of January and February, the Mayor estimates both the amount of money necessary to be appropriated for the expenses of the City and the rate of taxation for the fiscal year which begins on the following July 1. The Mayor, in proposing the rate of taxation, is required to estimate the receipts from taxes for the next fiscal year at not more than one percent less than the actual rate of collection for the preceding fiscal year. The Mayor must submit the recommended budget and tax rate to the Board of Aldermen no later than March 1.

The Board of Aldermen is required to hold two public hearings on the proposed budget, one in March following receipt and publication of the Mayor's proposal, and the second prior to final action on the budget proposal in May. During the intervening two months, the Finance Committee of the Board meets with City officials to review the budget proposal. The Finance Committee transmits the amended budget proposal on the third Monday of May to the Board of Aldermen.

The Board of Aldermen may increase or decrease individual appropriations and revenue estimates. The Board may increase the total budget, and it may increase the tax rate above the levels proposed by the Mayor, by a two-thirds vote of the entire Board. However, the Board of Aldermen may not reduce any amount proposed by the Mayor for the payment of principal of or interest on the City's debt. The budget as adopted must be balanced. The Mayor, within ten days subsequent to the adoption of the budget by the Board of Aldermen, either may approve the budget as adopted or veto specific line items. If the Mayor does not act upon the budget within the ten day period, it becomes operative and effective without his signature. Any veto by the Mayor may be overridden by a two-thirds vote of the entire Board of Aldermen.

The City budget is prepared on a program-performance format, whereby expenses of each City department are budgeted by program cost centers. Detailed information regarding objectives and performance measures is evaluated during budget formulation.

Financial Administration

Subsequent to the appropriation of the annual operating budget and before the beginning of the fiscal year each City agency shall submit to the Controller a work program which shall show the proposed allotments of the agency's appropriation for the entire fiscal year by monthly or quarterly periods as prescribed by the Controller. The Controller shall not authorize any expenditure to be made from any appropriation except on the basis of the approved allotments. Currently, the City operates on a quarterly allotment basis.

The City's accounting system maintains expenditure control at the budgetary appropriation level. Proposed expenditures require a purchase requisition and purchase order. Funds are encumbered when the purchase order is issued or when contracts are executed. Proposed commitments in excess of appropriations are not processed until additional appropriations are made available. The Board of Aldermen may establish by ordinance, from time to time, an amount of appropriation under the approved budget which the Controller, with the approval of the Mayor, shall be authorized to transfer between line items within any department or from one department to another. No such transfer in excess of such authorized amount shall be implemented unless it shall be proposed by the Mayor and approved by the Board of Aldermen, provided that an increase in the total appropriation shall be approved only by the vote of two-thirds of the entire Board of Aldermen. Budgetary revenues and expenditures are monitored by the Office of Management and Budget.

After the close of the fiscal year the unencumbered balance of each appropriation shall lapse except for capital and non-recurring expenditures, and the excess of cash receipts over expenditures plus encumbrances shall be used only for capital and non-recurring expenditures for financing the succeeding year's appropriations.

No later than 28 days after the end of each month of the fiscal year, the Mayor, through the Office of Management and Budget, submits to the Board of Aldermen and the Commission a report showing (i) budgeted and actual revenues up to the last day of the preceding month and an estimate of such revenues for the fiscal year (ii) budgeted and actual expenditures for each budgeted agency of the City up to the last day of the preceding month and an estimate of such expenses for the fiscal year, and (iii) the projected budget surplus or deficit for the fiscal year. Each monthly report is filed in the Office of the City Clerk where it is available for public inspection.

The Commission meets monthly to review the financial condition of the City as outlined in the monthly financial reports and in the audited financial statements, and conduct such other business as may come before it.

Financial Projections

The City utilizes the "MUNIS" Financial System for the computerized monitoring of its budget and actual expenditures and revenues against the budget. The system employs rigorous encumbrance and posting requirements for all line items in the budget. A monthly distribution of the budget to actual performance status is made to all City departments and the Board of Aldermen.

Investment Practices

General Fund. In accordance with the City's investment policy, the City invests in certificates of deposits, repurchase agreements and money market instruments with qualified public depositories as defined in the Connecticut General Statutes Section 36a-330(7). These qualified public depositories report to the City regularly about their capital ratios as well as the details of their posted collateral. City investment judgments are based on safety, liquidity and yield.

The City keeps a roster of qualified banks that meet the above listed criteria. The roster is periodically reviewed and analyzed for safety of the whole financial institution. In addition, the City establishes limits of deposit investments on smaller and relatively weaker financial institutions. Each account with a specific purpose has FDIC Insurance of $250,000. Safety is a primary criterion of investment decisions of this Fund.

The City invests excess cash with the State of Connecticut Short Term Investment Fund (STIF). STIF is an investment pool of high-quality, short-term money market instruments for state and local governments managed by the State Treasurer's Cash Management Division. The General Fund and other disbursement accounts, such as the Payroll Account, are also "swept" at an overnight market rate. The City attempts to keep its funds as liquid as possible in order to meet its operational requirements for the General Fund.

Special Revenue Funds. The City maintains numerous Special Revenue funds from many grantor sources. Where program activity is funded in advance and is permitted by the grantor, the City invests consistent with the criteria listed in the General Fund section of this report.

Capital Project Funds. The unexpended proceeds from the issuance of General Obligation debt are invested in a U.S. Treasury Money Market Fund. This investment fund is segregated into various sub accounts associated with each debt issuance for arbitrage purposes. Where interest income activity is unrestricted, the City maintains the investment policy outlined for the General Fund.

Pension Trust Funds. The vast majority of City employees (excluding Department of Education teachers and administrators) are covered by two major Pension Funds. The City Charter gives the responsibility for administering these funds to two Boards of Trustees consisting of mayoral appointed citizens, the City Controller and elected union employees (the “Retirement Boards”). These funds are named the City Employees’ Retirement Fund and the Policemen’s and Firemen’s Pension Fund, respectively. The Retirement Boards independently retain professional fund managers, custodial banks, legal counsel and performance monitor professionals to assist them in performing their fiduciary responsibilities.

COMMITMENT TO PROVIDE CONTINUING INFORMATION

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (“SEC”), the City will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events within ten (10) days of the occurrence of such events, and (iii) timely notice of a failure by the City to provide all the required annual information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix D to this Official Statement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes, to provide certain financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). Due to changes in personnel, long-term illnesses and lack of adequate procedures, the City has failed to file its audited financial statements in a timely manner in accordance with its continuing disclosure agreements. For the fiscal year ended June 30, 2007, the audited financial statements of the City were not filed with the nationally recognized municipal securities information repositories (“NRMSIRs”) and were filed with the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access website (“EMMA”) on March 11, 2011. For the fiscal years ended June 30, 2008 and June 30, 2009, the audited financial statements of the City were filed late with the NRMSIRs on March 9, 2009 and March 9, 2010, respectively. However, the audited financial statements for fiscal year ended June 30, 2010, 2011 and 2012 were filed on February 15, 2011, February 24, 2012 and February 28, 2013, respectively. The City also failed to file notice of the failure to file its audited financial statements on a timely basis with the NRMSIRs or the MSRB. The failure to file such audited financial statements and notices has been remedied as of July 18, 2011, and the City has implemented procedures to ensure the timely filing of audited financial statements and financial information in the future.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds shall NOT be designated by the City as “qualified tax-exempt obligations” under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner’s adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Amortized original issue premium on the Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer’s yield to maturity using the taxpayer’s cost basis and a constant semiannual compounding method. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds are sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds by such owner. Accrued original issue discount on the Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the federal income tax consequences of the disposition of and receipt of interest on the Bonds.

LITIGATION

The City, its officers, and employees are defendants in numerous lawsuits. The City is self-insured for such claims and maintains a self-insurance reserve fund, which is replenished annually as necessary. In addition to the self-insurance reserve fund, the City has property and casualty insurance and personal liability insurance for claims against it arising out of covered events. Such coverage has been in effect since July 1, 1998 in varying amounts. The current policy has a self-retention of $1.0 million per claim. The policy limit is $20.0 million. In addition, the City has Public Officials liability with a total limit of $5.0 million.

The Acting Controller and the Corporation Counsel believe that the various policies covering claims since 1998 and the City's self-insurance reserve fund are adequate to meet its potential loss exposure in the aggregate for existing lawsuits.

TRANSCRIPT AND DOCUMENTS DELIVERED AT CLOSING

Upon delivery of the Bonds, the Underwriters will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.

2. A certificate on behalf of the City, signed by the Mayor and the Acting Controller, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief that at the time the Bond Purchase Contract was executed, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Robinson & Cole LLP, Bond Counsel in substantially the form of Appendix C to this Official Statement.

5. An executed Continuing Disclosure Agreement in substantially the form of Appendix D to this Official Statement.

The City of New Haven has prepared an Official Statement for the Bonds which is dated October 23, 2013. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c-12(b)(1), but it is subject to revision or amendment. The City will make available to the Underwriters a reasonable number of copies of the final Official Statement within seven business days of the execution of the Bond Purchase Contract.

A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association and may be examined upon reasonable request.

RATINGS

Moody's Investors Service ("Moody's"), Standard & Poor's Rating Services (a division of the McGraw-Hill Companies, Inc.) ("S&P"), and Fitch Ratings ("Fitch") have assigned an underlying rating on the Bonds of "A3 (negative outlook)", "BBB+ (stable outlook)", and "A- (negative outlook)", respectively.

Based on the issuance of the Policy by Assured Guaranty Municipal Corp. concurrently with the delivery of the Bonds, the Insured Bonds are expected to be rated "A2 (stable outlook)" by Moody's and "AA-" (stable outlook) by S&P.

Such ratings, reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by the rating agency or agencies if, in the judgment of such rating agency or agencies, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the City's bonds or notes, including the Bonds.

LEGAL MATTERS

Robinson & Cole LLP, Hartford, Connecticut, is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render their opinion in substantially the form included in this Official Statement as Appendix C.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co. as representative of the Underwriters (the "Underwriter"), pursuant to the terms of a purchase contract for the Bonds with the City (the "Bond Purchase Contract"). Pursuant to the Bond Purchase Contract, the Underwriter has agreed to purchase the Bonds at the aggregate net purchase price of $38,556,732.30 (the "Purchase Price"), which is equal to the par amount of the Bonds plus net original issue premium of $985,018.55 and less an Underwriter's discount of $178,286.25. The City has agreed to indemnify the Underwriter against certain liabilities, including certain liabilities arising under federal and state securities laws. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof. The initial offering prices or yields may be changed from time to time by the Underwriter.

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Pershing LLC Distribution Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Pershing LLC Distribution Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper Jaffray & Co..

Piper Jaffray & Co. has entered into a distribution agreement (the “CS&Co. Distribution Agreement”) with Charles Schwab & Co., Inc. (CS&Co.) for the retail distribution of certain securities offerings including Bonds, at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase the Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds CS&Co. sells.

Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc. of Providence, Rhode Island, as financial advisor in connection with the issuance and sale of the Bonds. Although Public Financial Management, Inc. has assisted in the preparation of the Official Statement, Public Financial Management, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from officials and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Appendix A—Financial Information and Operating Data, Appendix B—Socioeconomic Information affecting the City and Appendix D—Continuing Disclosure Agreement have been prepared by or on behalf of the City. Appendix C—Form of Legal Opinion of Bond Counsel has been provided by Bond Counsel. All such appendices are incorporated herein as an integral part of this Official Statement.

Any questions concerning the content of this Official Statement should be directed to Michael O'Neil, Acting Controller, City of New Haven, 200 Orange Street, New Haven, Connecticut 06510, telephone (203) 946-8360. Copies of this Official Statement may be obtained from the City’s Financial Advisor, Public Financial Management, Inc., 10 Weybosset Street, Suite 902, Providence, Rhode Island 02903, (401) 709-5112.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF NEW HAVEN, CONNECTICUT

By: /s/ John DeStefano, Jr.
Mayor

By: /s/ Michael J. O'Neil
Acting Controller

Dated as of October 23, 2013

APPENDIX A -
FINANCIAL INFORMATION AND OPERATING DATA

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DISCUSSION OF FINANCIAL OPERATIONS

General Fund Budget: Fiscal Year 2013-2014. The FY 2013-2014 General Fund budget of $497,454,609 was approved by the Board of Aldermen on June 3, 2013. The budget increased by 2.27% or $11,054,255 over the previous year. The budget includes a 1.92 increase in the mill rate from 38.88 to 40.80. This is a 4.9% increase. Continued new growth in the net taxable Grand List of 1.5% resulted in $2.6 million in additional property tax revenue. The principles cited below were the basis upon which the FY 2013-2014 budget was developed:

1) Youth and academic success,
2) Public safety, and
3) Continuing economic development success.

The City also took several important steps to ensure structural balance of the budget going forward.

1) No one time revenues budgeted.
2) No projected labor savings or other expenditure savings plans included in budget.
3) Board of Education General Fund budget increased by $3 million.
4) Fire overtime budget increased by $1.1 million with a commitment to seat a class to fill the high number of current vacancies in the first half of FY 2013-2014.
5) Police overtime budget can be increased by $1.5 million but only with approval of the Board of Aldermen. Projected lapsed salary funds budgeted as a separate sequestration account. Committed to filling current vacancies through the seating of a class mid year.
6) Fully funded the Annual Required Contribution for the City Employees Retirement Fund (CERF) and Police and Fire Retirement Fund.
7) Conservative revenue budgeting in areas such as licenses, permits and fees and fines saw reductions in budget.

The City has begun plans to replenish its general fund balance in Fiscal Year 2013-2014. The City closed the 2013 Series A Bonds on September 25, 2013. Savings of approximately $4,100,000 in Fiscal Year 2013-2014 have been designated by the City as an appropriation to the "Rainy Day Reserve". A budget appropriation for this amount was submitted to the Board of Alderman in September 2013.

General Fund Budget: Fiscal Year 2012-2013. The 2012-2013 General Fund budget of $486,400,365 was approved by the Board of Aldermen on May 24, 2012. The budget increased by 2.32% or $11,009,788 over the previous year. The budget included a decrease in the mill rate from 43.90 mills to 38.88 mills which was due to the State mandated property revaluation that the City must conduct every five years. The 2011 revaluation was fully implemented for FY 2012-2013. In addition, the Grand List experienced growth outside the revaluation which accounted for $7.5 million in additional taxes available to the City. The principles cited below were the basis upon which the FY 2012-2013 budget was developed and approved:

1) Advancing the academic success of public school children,
2) Assuring the safety and strength of the neighborhoods,
3) Transforming the City center into a strong job and tax generator, and
4) Connecting City residents to employment opportunities.

The budget also made significant strides in addressing several underlying issues that were problematic in FY 2011-2012. These are cited below:

1) Increased General Fund budget for the Board of Education by $1.2 million, in addition to $3.8 million in additional State Educational Cost Sharing funds which means the Board of Education will have approximately $5 million in additional resources for FY 2012-2013. Furthermore, the full impact of the arbitrated custodial contract will be realized in FY 2012-2013.
2) Reduction in projected savings from union concessions from $5.3 million to $2.5 million. Clerical union scheduled to vote on new contract in late July 2012, which may be a precursor to settlement with other non-sworn bargaining units.
3) Increased Police overtime budget by $551,000 along with a commitment to seat two additional classes to achieve full staffing to alleviate personnel shortages requiring overtime.
4) Increased Fire budget by over $1.6 million with a commitment to seating a class to alleviate personnel shortages resulting in overtime.
5) Reduced expected revenue from New Haven Parking Authority PILOT from $5 million to $2.5 million which is in alignment with actual receipts for FY 2011-2012.
6) Increased medical benefits budget by $3 million to keep pace with projected medical benefits increases notwithstanding on-going labor negotiations.
7) Reduction in parking tag revenue by $400,000 to meet FY 2011-2012 projected levels.

It should also be noted that the City increased its annual appropriation for both the City Employee Retirement Fund ($650,349) and the Police & Fire Pension Fund ($927,245) in order to meet the Annual Recommended Contribution (ARC) as determined by the City's independent actuaries.

The FY 2012-2013 General Fund budget will end the year with a pre-audit projected deficit of ($4,505,102). The budget deficit was attributable to revenue shortfalls of $4.5 million. Of particular note, the State's error in not updating the second year of the biennium budget to reflect state wide re-valuations resulted in the City budgeting a State provided number that was inaccurate. The City budgeted $37.6 million in this line item and actual receipts were $35.1 million. Additionally, the projected re-calculation of the Yale/New Haven Hospital payment after the merger with St. Raphael's Hospital did not take place leading to a shortfall in revenue of $1.6 million. Also, there was a shortfall of $1.47 million in revenues from the State Revenue Sharing program. The City budgeted $3.86 million in this line item, which was based on actual revenues receive in FY 2011-2012. On a positive note, the tax collection rate against the current levy remains above the FY 2011-2012 level and should approach 98%. Additionally, conveyance taxes, meter collections, parking tag collections and building permit fees all showed significant increases over FY 2011-2012. The expenditure budget faced pressure in FY 2011-2012 from expenses associated with the February blizzard which impacted the General Fund via overtime costs and through contractor costs for snow removal. This level of expenditure was unanticipated. The Board of Education also exceeded its appropriation as did the Police and Fire Departments. Expenditures in the employee medical benefits program were slightly reduced in FY 2012-2013 compared to FY 2011-2012 as were workers compensation claims expenses.

General Fund Budget: Fiscal Year 2011-2012. The 2011-2012 General Fund budget of $475,390,577 was approved by the Board of Aldermen on May 23, 2011. The budget increased by 0.81% or $3,807,482 over the previous year. The budget maintained the mill rate at 43.90 mills while freezing the 2006 property re-valuation at year 2 as permitted by State Statute. Property tax revenue had increased by $6.7 million due to a 2.97% increase in the 2010 Grand List. The revenue budget reflected the Governor's Biennium budget (FY 2011-2012 and FY 2012-2013) which maintained core education funding while providing new sources of revenue that provided structural tax relief to the City. The budget did not contain one time revenues from the sale of assets or similar types of transactions. Nearly every operating department incurred reductions in their budget while the Board of Education was level funded at $173 million for the 4th consecutive year. Non-Education staffing levels were reduced by 4% as 65 full time positions were eliminated. These included reductions in both Police and Fire staffing levels. The City met its ARC to both its pension funds although the increase in required funding was $9.1 million over the previous year. As the fiscal year progressed several areas of concern arose which led the City to realize an operating shortfall. The City ran a deficit of $8 million. The main drivers of this are cited below:

Board of Education – Delayed savings from custodial union settlement stemming from July 2011 membership rejection of agreement, and leading to binding arbitration. The arbitration award given in December 2011 resulted in partial outsourcing of services with a commensurate reduction in staffing (200 to 100 members by June 30, 2012), pension reforms for remaining members, and medical benefit plan design changes coupled with cost sharing increases and important work rule changes.

Police – Due in large part to an increase in overtime expenditures and a significant number of retirements as contract talks began.

Union Concessions - In spite of intense efforts, no bargaining union settlements were agreed to during FY 2011-2012. The savings projected from concessions were $5.3 million and with the exception of the custodial unit, no other settlements were reached in FY2011-2012, although the clerical union (Local 884) reached a tentative agreement with the City which, when approved by the membership and the Board of Aldermen, included similar reforms as contained in the custodial contract.

New Haven Parking Authority PILOT – Budget was kept at FY 2010-2011 level while operational results in a normal year were significantly below budget.

Building Permits - Expected residential college projects at Yale University not undertaken in FY 2011-2012.

General Fund Budget: Fiscal Year 2010-2011. The 2010-2011 General Fund budget of $471,583,095 was approved by the Board of Aldermen on May 27, 2010. The budget increased by 1.64% or $7,582,337 over the previous year. The budget included a 1.69 mill rate increase to 43.90 mills. Residential tax increases were about 4% with the City recognizing about $3.1 million in new taxes attributable to Grand List growth. In addition, the City elected to continue to hold the phase-in of property values from the 2006 property revaluation at the 2nd year level as allowed by State Statute. The budget as approved contained $8.0 million in revenues that were expected to be realized through a monetization agreement with a 3rd party based upon future parking meter revenues. This initiative was not approved by the Board of Aldermen, leading to an $8.0 million shortfall in this line item. Other revenue shortfalls were experienced in Building Permit revenue ($3.0 million), parking meter receipts ($1.2 million) due in part to difficult winter conditions, and a slowdown in State reimbursements for School Construction projects ($3.6 million). These revenue shortfalls were partially mitigated by a number of actions taken by the City including a February reduction of 82 positions (including the Board of Education and sworn Police Officers), a stringent non-personnel control program, an expansive review of previously approved capital project programs, and the sale of City assets. A bright spot on the revenue side of the budget was local tax collection efforts. The diligent work of the Tax Collector's Office in conjunction with the Assessor's Office led to a successful year as collections finished at 97.5%. FY 2010-2011 year ended with an operating surplus of $649,904 due to the June 2011 receipt of school construction reimbursements from the State of Connecticut that were not expected to be realized in FY 2010-2011 and which had not been budgeted or projected in the monthly financial report. The total revenue received for the two projects (Conte-West Hills and John C. Daniels schools) totaled $11,218,934 and represented payments that had been scheduled for the period FY 2001-2002 to FY 2010-2011. Due to the size of the payment the City was able to end the year with an operating surplus while mitigating a sizable portion of the fund deficit in the Food Service Fund and correcting a longstanding revenue recognition issue with the State PILOT for State Property. The General Fund balance was increased to $16,827,620 as a result of this surplus.

General Fund Budget: Fiscal Year 2009-2010. The 2009-2010 General Fund budget of $464,000,758 was adopted by the Board of Aldermen on May 26, 2009. The budget increased by $8,353,242 or 1.83% over the FY 2008-2009 general fund budget. The mill rate remained constant at the previous level of 42.21 mills. In addition, the City elected to hold the phase in of property values from the 2006 property revaluation at the 2nd year level as allowed by State Statute. As a result of a retirement incentive program and position reductions via employee layoffs, the City reduced the number of budgeted positions by 97 with additional reductions by the Board of Education Department. The budget enabled the City to continue its goal of violence control and public safety by hiring another new class of 45 police officers to complement the class hired in the prior year. This budget included a major personnel initiative in the Office of the Assessor increasing the size of its staff to enhance the capabilities of the department in the development of the City's annual Grand List. Also, the City reached a new agreement with Yale University to increase their voluntary payment to the City by $2.5 million. In order to assure the City's long term financial health, the budget earmarked funding for a new five-year financial plan to be conducted by the Finance, Review and Audit Commission. Its mission was to identify savings in the three core areas of healthcare, pensions and agency reorganization with the intention of instituting and realizing savings starting in Fiscal Year 2010-2011. Throughout the fiscal year, the City made adjustments through its Monthly Report to the Board of Aldermen to both the revenue and expense side of the budgets to mitigate projected revenue over expenditures or revenue shortfalls. By doing so, the City completed the fiscal year with an operating surplus of $151,928 which resulted in the fund balance increasing to $16,177,717.

Table 1
City of New Haven General Fund Summary of Operations
Fiscal Year 2010 - Fiscal Year 2014

	Fiscal Year 2010 (Audited)	Fiscal Year 2011 (Audited)	Fiscal Year 2012 (Audited)	Fiscal Year 2013 (Projected)	Fiscal Year 2014 (Budgeted)
REVENUES					
Property taxes	$ 206,824,921	$ 218,720,737	$ 225,440,445	$ 230,988,343	$ 245,566,571
Licenses, permits and other charges	18,844,871	13,195,587	12,562,691	16,291,305	16,777,500
Fines, forfeitures and penalties	5,077,231	5,709,988	5,312,756	5,999,796	5,791,021
Federal and state governments	206,807,079	205,315,359	208,124,065	204,530,007	207,969,252
Investment income	120,213	20,088	37,183	249	40,000
Other revenue	21,904,950	24,954,756	21,403,175	24,066,236	21,310,265
Total Revenues	$459,579,265	$467,916,515	$472,880,315	$481,875,936	$497,454,609
EXPENDITURES					
General government	$ 29,515,992	$ 25,564,126	$ 24,927,551	$ 26,865,043	$ 26,859,091
Development	4,831,454	6,847,660	6,262,137	6,735,033	7,036,616
Public safety	70,769,960	73,739,649	72,617,616	72,103,165	72,352,038
Public works	16,625,665	15,178,767	13,916,281	14,239,985	14,763,347
Health and welfare	6,854,148	6,537,247	5,911,710	5,984,801	6,329,384
Education	173,565,050	173,010,518	176,537,704	174,774,403	177,219,297
Pension and insurance	97,698,274	106,160,244	120,102,608	122,985,499	126,101,609
Other expenditures	-	-	-	-	-
Capital outlays	-	-	-	-	-
Debt service	59,566,794	60,228,401	61,346,532	62,693,110	66,793,227
Total Expenditures	$ 459,427,337	$ 467,266,612	$ 481,622,139	$ 486,381,039	$ 497,454,609
Excess (deficiency) of revenues over expenditures	$ 151,928	$ 649,903	$ (8,741,824)	$ (4,505,103)	$ -
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Payment to insurance carrier	-	-	-	-	-
Retirement of bonds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Net other financing source (uses)	$ -	$ -	$ -	$ -	$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	$ 151,928	$ 649,903	$ (8,741,824)	$ (4,505,103)	$ -
FUND BALANCE (DEFICIT), beginning of year	$ 16,025,789	$ 16,177,717	$ 16,827,620	$ 8,085,796	$ 3,580,693
RESIDUAL EQUITY TRANSFER IN	$ -	$ -	$ -	$ -	$ -
FUND BALANCE, end of year	$ 16,177,717	$ 16,827,620	$ 8,085,796	$ 3,580,693	$ 3,580,693

REVENUES OF THE CITY

In FY2013, 57.56% of New Haven's revenues came from local sources, while 42.44% came from other governmental units. From FY2011 through FY2014, General Fund revenues came from or are projected to come from the following sources:

Table 2
Revenues of the City (1)

	Fiscal Year 2011 (Audited)		Fiscal Year 2012 (Audited)		Fiscal Year 2013 (Projected)		Fiscal Year 2014 (Budgeted)	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Locally Generated	$ 262,601,156	56.12	$ 264,756,250	55.99	$ 277,345,929	57.56	$ 289,485,357	58.19
Other Governmental Units	205,315,359	43.88	208,124,065	44.01	204,530,007	42.44	207,969,252	41.81
Totals	$ 467,916,515		$ 472,880,315		$ 481,875,936		$ 497,454,609	

(1) Budgetary Basis

Source: City of New Haven, Department of Finance

Locally generated revenues consist of real and personal property taxes, other taxes and assessments and non-tax revenues (licenses, permits, services and fees, fines, rents, local Payments in Lieu of Taxes ("PILOTs"), miscellaneous sources, and interest income from short-term investments). Other governmental revenues are derived from State grants, including grants for education and State PILOT payments.

Property Taxes

Real property taxes are levied pursuant to a tax levy ordinance adopted by the Board of Aldermen, concurrent with adoption of the City's General Fund budget. The Charter provides that by the third Monday in April of each fiscal year, the Mayor submit a proposed tax rate for the ensuing fiscal year. The Board of Aldermen is required to adopt a tax rate by the first Monday in June. The Board of Aldermen can reduce, but not increase, the tax rate as recommended by the Mayor. There is no taxing limit established in the Charter or by State law except as to classified property such as certified forest land which is taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Under existing statutes, the State is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation upon its power to tax such dwelling houses. In computing the amount of taxes to be collected for budgetary purposes, the Charter provides that the taxable grand list, as provided by the City Assessor, be multiplied by a factor which is to be 1% less than the amount of taxes collected for the last completed fiscal year. Table 3 shows current and back property tax collections as a percent of total General Fund revenues for FY2007 through FY2014.

Table 3
Current and Back Property Tax Revenue as a Percentage of Total General Fund Revenues

(Budgetary Basis)

Fiscal Year Ended		Total Revenues	Property Taxes and Fees	Property Taxes as % of Total Revenues
6/30/2007		$ 422,164,507	$ 180,637,982	42.79%
6/30/2008		436,743,019	186,365,020	42.67
6/30/2009		455,078,101	203,404,742	44.70
6/30/2010		459,579,265	206,824,921	45.00
6/30/2011		467,916,515	218,720,737	46.74
6/30/2012	(1)	472,880,315	225,440,445	47.67
6/30/2013	(2)	481,875,936	230,988,343	47.94
6/30/2014	(3)	497,454,609	245,566,571	49.36

(1) Fiscal year ended 6-30-12 is audited.
(2) Fiscal year ended 6-30-13 is projected.
(3) Fiscal year ended 6-30-14 is budgeted.

Source: City of New Haven, Department of Finance

Upon passage of the tax levy ordinance, City taxes, except as discussed below, become due and payable in equal installments on July 1 and January 1. Taxes may be paid without penalty on or before August 1 and February 1, respectively. All property tax bills in amounts less than $100 and all taxes on motor vehicles are due in a single payment only on July 1.

Outstanding real estate tax accounts are liened each year prior to June 30. The Office of the Tax Collector maintains very strict rules and schedules to implement certain procedures regarding its “in house” collection efforts. After cleaning its delinquent tax portfolio through the use of outside collection companies, the City has managed its collection of delinquent real estate, motor vehicle and personal property taxes. This is accomplished through the use of legal demands, alias tax warrants and tax foreclosures to collect delinquent accounts. In addition the City aggressively collects delinquent motor vehicle taxes through the use of marshals and the towing of vehicles. The City’s tax collection rate for FY2013 was 97.8%, a slight increase from the prior year’s rate of 97.2%. Payments not received by August 2 or February 2 become delinquent with interest charged at a rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first.

Table 4
Current and Back Tax Collections
As of August 31, 2013

Grand List Year	Fiscal Year Ended	Tax Rate (in Mills)	Collections at End of Fiscal Year: Adjusted Tax Levy (1)	Original Collections (2)	%	Adjusted Tax Receivable 8/31/2013 (3)	Collections through 8/31/2013	%	Balance Uncollected as of 8/31/2013
10/1/2006	6/30/2008	$ 42.21	$185,890,697	$ 182,089,417	97.96	$ 184,480,283	$ 184,252,247	99.88	$ 228,036
10/1/2007	6/30/2009	42.21	204,055,698	199,464,168	97.75	202,627,755	202,322,289	99.85	305,466
10/1/2008	6/30/2010	42.21	206,066,188	201,314,351	97.69	203,799,773	203,385,798	99.80	413,975
10/1/2009	6/30/2011	43.90	219,290,220	213,902,653	97.54	218,457,314	216,546,064	99.13	1,911,250
10/1/2010	6/30/2012	43.90	226,835,431	220,502,270	97.21	225,696,688	223,303,433	98.94	2,393,255
10/1/2011	6/30/2013	38.88	236,360,311	227,626,731	96.30	233,426,979	228,606,019	97.93	4,820,960

(1) Original Levy net of lawful corrections and adjustments made during the fiscal year of the original levy.
(2) Collections during the fiscal year of the original levy.
(3) Adjusted Tax Receivable (net of lawful corrections and adjustments made from date of original levy) through August 31, 2013.

Source: City of New Haven, Department of Finance

All property types are assessed as of October 1 in each year for the tax levy effective the following July 1. Personal Property and Motor Vehicles are assessed at 70% of market value each October 1. The most recent real estate property revaluation in the City was completed for the October 1, 2011 Grand List.

The City of New Haven conducted a city-wide revaluation of all real estate consistent with Connecticut General Statues. The effective date of completion of the revaluation was October 1, 2011. The revaluation involved approximately 27,400 parcels of taxable and exempt real estate located within the corporate limits of the City. The process included implementation of state-of-the-art software, including video imaging, plus application of all appropriate contemporary procedures, standards, techniques, and methodologies.

The table below provides an analysis of the City's Grand List from FY2010 to FY2014.

Table 5
Analysis of Grand List

	GL 2008 FY 2010	GL 2009 FY 2011	GL 2010 FY 2012	GL 2011(1) FY 2013	GL 2012 FY 2014
Real Estate	$ 5,646,072,635	$ 5,812,336,423	$ 5,973,512,384	$ 5,269,042,670	$ 5,266,248,588
Motor Vehicle	322,535,579	328,006,021	343,992,459	361,250,916	358,091,434
Personal Property	450,616,191	460,055,650	511,765,955	605,119,213	660,638,565
Gross Grand List	6,419,224,405	6,600,398,094	6,829,270,798	6,235,412,799	6,284,978,587
Exemptions	(1,523,991,716)	(1,624,538,792)	(1,669,479,369)	(240,681,083)	(200,279,289)
Net Grand List	**$4,895,232,689**	**$4,975,859,302**	**$5,159,791,429**	**$5,994,731,716**	**$6,084,699,298**

(1) Reflects implementation of a 2011 Revaluation.

Source: Office of the Tax Assessor

The table below lists the ten largest taxpayers in the City. The total assessed value of the top ten taxpayers is 16.625% of the total October 1, 2012 Net Taxable Grand List.

Table 6
Principal Taxpayers

Corporation Name	2011 Grand List (Real Property & Personal Property)	2011 Rank	2012 Grand List (Real Property & Personal Property)	2012 Rank	Percentage of Net Taxable Assessed Grand List
United Illuminating Co	$ 193,306,511	1	$ 222,142,207	1	3.6508%
Winn-Stanley	161,493,106	2	157,967,123	2	2.5961%
Fusco	151,623,835	3	148,754,954	3	2.4447%
PSEG Power Connecticut LLC	85,267,649	5	112,614,456	4	1.8508%
Yale University	107,386,651	4	105,934,937	5	1.7410%
Carabetta	71,475,552	6	71,472,776	6	1.1746%
MEPT Chapel Street LLC	-	N/A	53,754,675	7	0.8834%
Chase Enterprises	58,066,006	8	48,771,786	8	0.8015%
Intercontinental Fund IV	45,467,520	9	45,467,520	9	0.7472%
SNET	44,692,955	10	44,701,177	10	0.7346%
Net Assessed Value	$ 918,779,785		$ 1,011,581,611		16.6250%

Source: Office of the Tax Assessor

In FY2013, the City collected $231,273,978 in current and delinquent real and personal property taxes, including interest and penalties, and supplemental motor vehicle taxes, compared to $225,440,445 from these sources in FY2012 and $245,566,571 budgeted for FY2014.

Other Taxes and Assessments

The City collects a Real Estate Conveyance Tax on real estate transactions at a rate of $1.10 per $1,000 of the purchase price of property conveyed. $1,092,125 was collected in FY2012, $1,755,081 is projected to be collected in FY2013 and $1,275,000 is budgeted for FY2014. Along with other sources, including additional payments associated with the Air Rights parking facility revenue bonds, the City collected $2,084,179 in FY2012 from "Other Taxes and Assessments", $2,781,569 is projected to be collected in FY2013 and $2,426,500 is budgeted for FY2014.

Locally Generated Non-Tax Municipal Revenues

For FY2012, the City collected $24,699,749 in locally generated non-tax revenue from licenses, permits, services, fines, rents, payments in lieu of taxes from other local sources, and miscellaneous sources. For FY2013, the City is projecting to collect $26,338,055 and $27,182,480 is budgeted for FY2014.

Interest income is derived from the short-term investment of idle funds in certificates of deposit, U.S. Treasury securities, repurchase agreements, and participation in the State of Connecticut Short Term Investment Fund (STIF). The City received $37,182 in interest income during FY2012, $0 is projected for FY2013 and $40,000 is budgeted for FY2014.

State Assistance

The City receives grants from the State for education programs, payments made in lieu of taxes, and grants for other purposes. Nearly all State grants for education are deposited, pursuant to State law, in the General Fund. Certain categorical and restricted State grants are deposited into special revenue funds.

State Grants for Education

The Education Cost Sharing (E.C.S.) Grant authorized by State legislation in 1988, and effective beginning July 1, 1989, replaced the Guaranteed Tax Base Grant and the Education Enhancement Aid grant programs, and is the largest form of State aid to Connecticut cities and towns.

The E.C.S. Grant is based on a formula, which calculates State aid using a Minimum Expenditure Requirement, considering mastery test scores and a student poverty measure to determine student need. A State aid percentage based on the City's wealth is also compared to the State guaranteed town wealth level.

The City received $142,410,001 for FY2012, $142,378,798 for FY2013, and $142,509,525 is budgeted for FY2014.

Payments in Lieu of Taxes ("PILOT")

Through various special acts of the Connecticut General Assembly, the State provides payments in lieu of taxes, (PILOT), to municipalities as partial reimbursement for the tax loss on property exempt from real taxes. For FY2012 the City received $47,482,503, $45,007,370 was received FY2013 (with the largest source being the Colleges and Hospitals PILOT of $35,110,990), and $46,920,673 is budgeted for FY2014.

Other State Grants

Included in "Other State Grants" are proceeds of the Mashantucket Pequot Fund which are distributed pursuant to a Special Act of the State. The City received $6,836,736 for FY2012, $6,880,445 is projected for FY2013 and $6,879,144 is budgeted for FY2014. Town Aid for Roads and Off Track Betting revenues are also a part of "Other State Grants" which totaled $8,332,778 in FY2012, $8,320,399 projected in FY2013, and $9,012,829 is budgeted for FY2014. Additionally, the City receives PILOT payments from the South Central Connecticut Regional Water Authority, the Greater New Haven Water Pollution Control Authority (GNHWPCA), the New Haven Parking Authority (NHPA) and various telecommunication companies which accounted for $4,304,446 in FY2012, $4,704,389 projected in FY2013, and $4,793,400 budgeted in FY2014.

EXPENDITURES OF THE CITY

General Fund expenditures were distributed among the following categories:

Table 7
General Fund Expenditures

	Fiscal Year 2012 Audited	%	Fiscal Year 2013 Projected	%	Fiscal Year 2014 Budgeted	%
General Government	$ 24,927,551	5.2%	$ 26,865,043	5.5%	$ 26,859,091	5.5%
Development	6,262,137	1.3%	6,735,033	1.4%	$ 7,036,616	1.4%
Public Safety	72,617,616	15.1%	72,103,165	14.8%	$ 72,352,038	14.9%
Public Works	13,916,281	2.9%	14,239,985	2.9%	$ 14,763,347	3.0%
Health and Welfare	5,911,710	1.2%	5,984,801	1.2%	$ 6,329,384	1.3%
Board of Education	176,537,704	36.7%	174,774,403	35.9%	$ 177,219,297	36.4%
Pension and Insurance	120,102,608	24.9%	122,985,499	25.3%	$ 126,101,609	25.9%
Debt Service	61,346,532	12.7%	62,693,110	12.9%	$ 66,793,227	13.7%
	$481,622,139	**100.0%**	**$486,381,039**	**100.0%**	**$ 497,454,609**	**100.0%**

Presented on Budgetary Basis

Source: City of New Haven Department of Finance

Employee Relations

Authorized full time employees of the City were budgeted to be 1,482 in FY2013 and 1,477 in FY2014. Of this number, City department heads and certain employees of the Mayor's Office and Personnel Office are not covered by collective bargaining agreements.

Table 8 illustrates the number of budgeted full time employees in primary areas of service delivery over the past six fiscal years.

Table 8
Full-Time General Fund Authorized Positions (1) (2)

Service	2009	2010	2011	2012	2013	2014
General Government	150	140	146	131	131	131
Protection of Persons and Property	1,013	986	986	960	987	985
Health and Welfare	93	76	76	69	70	70
Culture and Recreation	119	104	104	95	95	94
Public Works	141	123	124	121	125	123
Development	86	74	76	71	74	74
Total	**1,602**	**1,503**	**1,512**	**1,447**	**1,482**	**1,477**

(1) Does not include elected officials, commission members and part-time or seasonal employees.
(2) Board of education positions are not authorized by the Board of Aldermen in conjunction with the City's annual budget. Please see Table 12 for Board of Education information.

Source: City of New Haven Office of Management and Budget

The table below summarizes the City and Board of Education bargaining units and their contract expiration dates:

Table 9
Municipal Employees Bargaining Organizations

City Group	Contract Expires
(Clerical) Local 884, AFSCME, AFL-CIO	6/30/2015
(Public Works) Local 424 Unit 34, UPSEU	6/30/2010 (1)
(Police) Local 530, AFSCME, AFL-CIO	6/30/2016
Crossing Guard Association of the City of New Haven	N/A
(Fire) Local 825, International Association of Firefighters, AFL-CIO	6/30/2011 (1)
(Management) Local 3144, AFSCME, AFL-CIO	6/30/2015
(Daycare) Local 1303-102, AFSCME, AFL-CIO	6/30/2010 (1)
(Blue Collar) Local 71, CILU	6/30/2010 (1)
Board of Education	**Contract Expires**
(Teachers) Local 933, AFT, AFL-CIO	6/30/2014
(Paraprofessionals) Local 3429, AFSCME, AFL-CIO	6/30/2015
(School Administrators) Local 18	6/30/2014
(Substitute Teachers) Local 933	6/30/2014
(Custodians) Local 287, AFSCME, AFL-CIO	6/30/2015 (2)
(Cafeteria Workers) Local 217, AFL-CIO	6/30/2010 (1)
Trade Unions (Local 24, 90 & 777 Council 11)	6/30/2012 (1)

(1) In negotiation and/or arbitration
(2) Resolved via award.

Source: City of New Haven Labor Relations

Binding Arbitration

The City's Office of Labor Relations is currently negotiating with four of the City's collective bargaining units, with arbitration hearing dates to be scheduled in the fall of 2013 in the event that settlement cannot be reached.

Fire and Parks have been in binding arbitration and the panel is expected to render a decision for each of these units in late fall of 2013. Furthermore, Teachers and School Administrators contracts expire on June 30, 2014 which means negotiations, by law, must commence and be finalized by that time.

Under the Connecticut Municipal Employee Relations Act (MERA), the arbitration process begins when the parties reach impasse at the negotiation table. Each side chooses their arbitrator (one labor/one management) and then the parties agree upon a neutral arbitrator to preside over the hearings. Dates are chosen to present testimony and exchange documents (including the last best offers of each party). When all testimony and exhibits have been presented, the tripartite panel determines the award based on the last best offers of each side, on an issue-by-issue basis, awarding to either the City or the Union on each particular issue. The process usually takes approximately six months from the commencement of arbitration and the award is binding upon the parties.

Understanding that workforce costs and performance are essential to the fiscal soundness and effectiveness of local government, the City has focused on collective bargaining as a means to contain costs and increase productivity. At the same time, the City has sought a partnership with each of its thirteen bargaining units to develop an appropriate methodology and to balance the City's ability to provide benefits to its employees to a level commensurate with its ability to pay.

Key to the success in reducing benefit costs was introducing new plan designs including a high deductible health plan with increased employee cost sharing in its self-insured medical benefit program.

The City has successfully negotiated contracts which now contain more manageable and cost effective health care plans. This has included the introduction of a high deductible health care plan and premium cost sharing rates ranging from 6% for the high deductible plan (Para-Professional) to 33% for Bluecare 1 (Police). Furthermore, the City has begun to address its retiree medical benefits liability by limiting future retiree medical benefits to the employee only for new hires. Additionally, the Police union agreed to pay 1.25% of base pay towards the cost of retiree medical coverage which represents a breakthrough in establishing a funding stream for this liability. This model will also be used in Teacher negotiations which, by far, is the City's largest unit and therefore its largest cost avoidance/savings opportunity.

The City has also been aggressive in its pursuit of pension changes and has been successful at achieving reforms of the pension provisions in both the City Employees Retirement Fund and the Police & Fire Pension fund. These changes have included increasing employee contribution percentages (e.g. 12% for Police), eliminating overtime from pension calculation totals (Police), COLA cap reductions, pension multiplier reductions, increase in years to be eligible for retirement (e.g. 25 years for new Police hires), increase in early retirement penalties and others. As the other units and particularly Fire complete this contract negotiation these changes place the City on a more stable path forward.

Lastly, the City made headway in negotiating other reforms as well such as eliminating longevity payments for any new or current employees not receiving payments and other work rule related changes particular to that specific bargaining unit.

Looking forward, the City will continue to be aggressive in its pursuit of more cost effective health and benefit packages with all its labor unions.

Risk and Benefits Management

The City has initiated a Risk Management program aimed at controlling expenditures in Workers' Compensation, Employee Benefits, Pensions, and overall General Liability, which includes auto, public official liability, and other general litigation.

City employees still receive a diverse range of benefits, including: inpatient care, outpatient care, home health and hospice services, emergency care, specialty provider services, maternity benefits, mental health/substance abuse services, prosthetic devices/medical equipment, and other outpatient services. The next step will be to move employees to a Health Maintenance Organization. Concurrently, the City has developed an on-line medical benefits database for all present and former employees who are covered by the City's health benefits program. This resulted in greater internal control over expenditures for health benefits and improved administration of the program. The City also implemented on-line access to the major medical carrier's database. This enhanced service to employees concerning reimbursement inquiries and further increased accuracy and efficiency.

Protective Self Insurance Program

New Haven established its Protective Self Insurance Program (PSIP) to serve as a master insurance policy for umbrella coverage for claims incurred after July 1, 1998. The PSIP has a self-insured retention of $1.0 million and a total limit of $20.0 million for auto, law enforcement and general liability. The City also purchases a separate policy for property damage coverage for City-owned property and automobiles. Previously, all claims were paid out of a Public Liability account funded through the City's General Fund budget, placing the City without a cap on its exposure. In addition, the City has Public Officials liability with a total limit of $5.0 million.

Motor Vehicle Policy and Training

To reduce costs associated with automobile-related claims, New Haven instituted a comprehensive policy to regulate who may operate a City vehicle and under what conditions. All employees will be required to attest that they understand the policy prior to operating the vehicle. Police, Fire, Parks, and Public Works employees also take part in a six-point defensive driver training program, with refresher courses given as scheduled.

Occupational Health and Safety Administration (OSHA) Program

The City has been aggressively organizing and implementing the core programs required by OSHA. This is being done to be in compliance with Federal program mandates and creating a safe work environment. The safer work environment will reduce job-related injuries and save the City on workers' compensation claims.

Workers' Compensation

The City has completed two workers' compensation portfolio transfers. These portfolio transfers involved selling retired and terminated open workers' compensation and heart and hypertension claim files to a private insurance company.

The risk transfer has fixed on stabilizing ongoing costs for these claimants. It caps total expenditures for these files and allows the claimants a greater chance of seeking full settlement. The City also purchases "Stop Loss" insurance for individual claims greater than $1.5 million with a cap of $25.0 million per claim.

Employee Benefits

The City has moved all active employees to a Preferred Provider Organization from an Indemnity Plan, and has required premium cost sharing for all bargaining units. Retirees also pay a portion of the retirement benefit costs.

Self-Insurance Fund

The City's Self-Insurance Fund ended FY 2012 with a cumulative deficit of $17.8 million, including a $8.4 million reserve for outstanding litigation. The City included a capital appropriation of $6 million in the FY 2013 Capital Budget and plans additional $2 million outlays in each of the next three years to finance extraordinary litigation settlements and judgments against the City and to eliminate a portion of the accrued deficit. The implementation of this action plan will likely result in the City's auditors removing the $2 million currently designated as reserved against total fund balance.

Employee Retirement System

The City of New Haven is the administrator of two single employer public retirement systems established by the City to provide pension benefits for its employees. The public employee retirement systems are considered part of the City of New Haven's financial reporting entity and are included in the City's financial reports as pension trust funds. The City provides benefits through a single employer, contributory, defined benefit plan in which practically all full time employees of the general fund, including non-certified Board of Education employees are eligible under the City Employees' Retirement Fund (CERF) while all policeman and firemen are eligible in the Policemen's and Firemen's Retirement Fund (P&F). CERF was established in 1938. The Policemen's and Firemen's Retirement Fund was created in 1958 as a replacement for separate police and fire pension funds. The former Policemen's Relief Fund and the Firemen's Relief Fund were merged into the combined fund in 1990. Retirement benefits for certified teachers are provided by the Connecticut State Teacher's Retirement System. The City does not contribute to this plan.

Since the approval of the FY1995 budget, the City has contributed 100% of the actuarial recommendations to its two employee retirement funds. The CERF market value of plan assets has grown from $84,075,100 (as of June 30, 1992) to $156,097,047 (as of June 30, 2012). The P&F market value of plan assets has grown from $115,987,200 (as of June 30, 1992) to $267,478,498 (as of June 30, 2012) per actuarial evaluation.

The FY2012 pension contribution for CERF was $16,332,514, and the FY2012 pension contribution for Police & Fire was $23,331,110. For FY2013 the budgeted appropriations are $16,909,072 for CERF and $24,258,355 for Police & Fire. These contributions are projected to be made as budgeted. For FY2014 the budgeted appropriations are $17,020,000 for CERF and $24,358,055 for Police & Fire, which are each 100% of the ARC. As of June 30, 2013, there are 1,124 retirees and beneficiaries receiving benefits from CERF with 961 active plan members. As of June 30, 2013, there are 1,197 retirees and beneficiaries receiving benefits from P&F with 699 active plan members.

The funded ratios, which are defined to be the percentage that is obtained when plan assets are divided by the total actuarial accrued liability of the plan, was 42.5% for CERF and 47.5% for P&F in FY2012.

The table below summarizes the City's General Fund contributions to the pension program. Fund contributions are made as determined by actuarial recommendation. Since FY1995, the City has contributed the actuarially determined contribution for both pension funds. The City has budgeted the actuarially determined contribution for the fiscal year ending 2014.

Table 10
Pension Contributions as a Percent of Total General Fund Expenditures

Fiscal Year	General Fund Contribution	Total Expenditures	%
2007	$ 23,151,850	$ 420,465,634	5.51 %
2008	25,494,875	435,957,311	5.85
2009	27,633,479	454,560,570	6.08
2010	29,223,000	459,427,337	6.36
2011	30,632,961	467,266,612	6.56
2012 (1)	39,589,833	481,622,139	8.22
2013 (2)	41,167,427	486,381,039	8.46
2014 (3)	41,378,055	497,454,609	8.32

(1) Fiscal year ended 6-30-12 is audited.
(2) Fiscal year ended 6-30-13 is projected.
(2) Fiscal year ended 6-30-14 is budgeted.

Source: Audited Financial Statements

For more information regarding the City's pension plans, please see Note 12 to the City's Financial Statements attached hereto as Schedule 1.

Table 11
Schedule of Funding Progress
(Actuarial Value of Assets/Actuarial Accrued Liability)

City Employees' Retirement Fund

Valuation Date	Unfunded Actuarial Accured Liability	Funded Ratio
7/1/2008	$ 136,509,700	60.4%
7/1/2010	203,942,024	46.5%
7/1/2012	229,024,154	42.5%

Policemen's and Firemen's Pension Fund

Valuation Date	Unfunded Actuarial Accured Liability	Funded Ratio
6/30/2008	$ 211,848,865	58.7%
6/30/2010	266,843,043	52.1%
6/30/2012	312,290,550	47.5%

Other Post-Employment Benefits

The City is the administrator of a single employer, contributory, defined benefit Other Post-Employment Benefits Plan ("OPEB"). The OPEB plan provides medical coverage to eligible retirees and their spouses. The OPEB plan also provides life insurance coverage to eligible retired School Administrators and Teachers. Eligibility under the plan varies depending on specific provisions for unions.

Currently, the City funds its OPEB costs on a pay-as you-go basis. For FY2012 $22,502,033 was paid for OPEB costs, for FY2013 $24,189,738 is projected to be paid and $25,500,000 has been budgeted for FY2014.

The City is in compliance with the requirements of GASB Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their OPEB plans and include information concerning the valuation of such plans in their financial statements. The City retained an outside actuarial consulting firm to prepare the valuation of its OPEB plan. Based on the most recent valuation as of July 1, 2011, the City's estimated unfunded Actuarial Accrued Liability for its OPEB plan was $444,143,000.

For more information regarding the City's OPEB plans, please see Note 12 to the City's Financial Statements attached hereto as Schedule 1.

Board of Education

The New Haven public school district is coterminous with City boundaries. The Department of Education is a department of the City and is governed by an eight member Board of Education. The Board consists of the Mayor and seven mayoral appointees who serve staggered four year terms. The Department is administered by a Superintendent of Schools who is appointed by the Board of Education. The Department is financed through the General Fund of the City and the State principally through the Education Cost Sharing Grant and its budget is prepared in the same manner as that of other City departments. Expenditures of the Department are audited by the City's auditor. Financial transactions vary from those of other City departments in that subsequent to adoption of the General Fund budget, the Board of Education has control over its budget.

The City issues debt on behalf of the Department of Education, and with the exception of certain categorical State and Federal grants, all revenues and reimbursements are accounted for in the General Fund. The State reimburses the City for certain debt service costs associated with debt for eligible Board of Education projects. The table below illustrates personnel, enrollment, General and Non-General Fund Department expenditures.

Table 12
New Haven Department of Education
Fiscal Year Ended June 30

	2007	2008	2009	2010	2011	2012
Enrollment	20,033	19,846	19,050	19,810	19,841	20,516
Schools	47	45	46	44	44	44
Teaching Positions (1)	1,527	1,547	1,549	1,536	1,483	1,474
Administrative Positions (1)	130	136	131	130	119	113
Non-Certified Positions (1)	611	606	610	866	875	808
Total Personnel	2,268	2,289	2,290	2,532	2,477	2,395
General Fund Expenditures	$164,935,010	$169,504,389	$173,005,135	$173,007,849	$173,010,518	$176,537,704
Special Fund Expenditures	75,641,123	75,540,887	82,361,731	110,567,975	117,860,566	121,158,932
Total Expenditures	$240,576,133	$245,045,276	$255,366,866	$283,575,824	$290,871,084	$297,696,636

(1) Does not include staff paid from sources other than the General Fund

Source: City of New Haven Office of Management and Budget

Based on audited figures for Fiscal Years 2001 through 2012, the City has continued to meet the Minimum Expenditure Requirement of Section 10-262(j) of the Connecticut General Statutes. The City expects to meet the Minimum Expenditure Requirement in Fiscal Year 2013.

DEBT OF THE CITY

Procedure for Debt Authorization

City bonds are customarily authorized concurrent with the City's capital budget appropriations. The Charter provides that the authorization of bonds be specific as to the purpose of such issue and in no case shall the term of any bond issue be greater than the life of the public improvements therein provided for, as determined by the Board of Aldermen. In addition, State law authorizes the City to issue revenue bonds and to borrow in anticipation of the sale of bonds or the receipt of grants.

Pursuant to the City's Code of Ordinances, a Bond Sale Committee, consisting of the Mayor, the Controller, and the President, Majority Leader, and Minority Leader of the Board of Aldermen (the "Bond Sale Committee"), is vested with the authority to supervise and approve all sales of bonds, notes, or other obligations of the City which such obligations have been duly authorized by the Board of Aldermen.

Debt Limitation

The City is limited by the Connecticut General Statutes to incurring indebtedness, in certain classes, in amounts which will not cause the aggregate indebtedness in each class to exceed the factors stated in Table 13 multiplied by total tax collections for the most recent audited fiscal year preceding the date of issuance. The computation of total tax collections includes current and back taxes, interest, penalties, and certain payments made by the State to the City in lieu of taxes. Certain indebtedness is excluded in computing aggregate indebtedness as follows:

A. Each bond, note and other evidence of indebtedness issued in anticipation of taxes or issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects for the construction of subways for cables, wire and pipes, for the construction of conduits for cables, wires and pipes for the construction and operation of a municipal antenna television system, and for two or more of such purposes;

B. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by a public improvement;

C. Each bond, note or other evidence of indebtedness issued in anticipation of the receipt of proceeds from any State or federal grant;

D. Each bond, note or other evidence of indebtedness issued for water pollution control projects in order to meet the requirements of an abatement order, provided the municipality has a plan for levying the system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality to repay such obligations as the same becomes due and payable; and

E. Upon placement in escrow of the proceeds of refunding bonds, notes or other obligations in an amount sufficient to provide for the payment when due of the principal and interest on such bond, note or other evidence of indebtedness.

Table 13
Debt Margin as of October 31, 2013
Pro Forma

Total Tax Collections for the year ended June 30, 2012 (1)	$ 224,498,789
Reimbursement for revenue loss from:	
Tax Relief for the Elderly	8,000
Base	**$ 224,506,789**

Debt Limitation	**General**	**Schools**	**Sewers**	**Urban Renewal**	**Unfunded Pensions**	**Totals**
2-1/4 times base	505,140,275					$ 505,140,275
4-1/2 times base		1,010,280,551				1,010,280,551
3-3/4 times base			841,900,459			841,900,459
3-1/4 times base				729,647,064		729,647,064
3 times base					673,520,367	673,520,367
Total Debt Limitation	$ 505,140,275	$ 1,010,280,551	$ 841,900,459	$ 729,647,064	$ 673,520,367	$ 3,760,488,716
Indebtedness (2)						
Bonds Payable	211,298,987	318,557,317	-	17,601,605	-	$ 547,457,908
Grant Anticipation Note (3)	-	69,606,340	-	-	-	69,606,340
Bond Anticipation Notes	-	-	-	-	-	-
School Grants Receivable	-	(39,494,765)	-	-	-	(39,494,765)
Bonds Authorized and Unissued (4)	-	190,745,402	-	-	-	190,745,402
Total Indebtedness	**$ 211,298,987**	**$ 539,414,294**	**$ -**	**$ 17,601,605**	**$ -**	**$ 768,314,885**
Component Unit Indebtedness (5)						
New Haven Parking Authority	$ 16,465,000	$ -	$ -	$ -	$ -	$ 16,465,000
New Haven Solid Waste Authority	9,715,000	-	-	-	-	9,715,000
Total Indebtedness	**$ 237,478,987**	**$ 539,414,294**	**$ -**	**$ 17,601,605**	**$ -**	**$ 794,494,885**
Debt Limitation in Excess of Outstanding and Authorized Debt	**$ 267,661,289**	**$ 470,866,257**	**$ 841,900,459**	**$ 712,045,460**	**$ 673,520,367**	**$ 2,965,993,831**

(1) Audited. Collections through August 31, 2012.
(2) As of October 31, 2013.
(3) The City issues grant anticipation notes in the form of a revolving loan agreement pending the receipt of State grants for school construction projects.
(4) Includes approximately $214 million which will be funded by school construction grants from the State of Connecticut. The City does not intend to issue bonds for the amount of the State grants.
(5) As of June 30, 2012.

Source: City of New Haven, Department of Finance

City Debt Service

The following table outlines general obligation debt payments as a percentage of general fund expenditures.

Table 14
General Fund Debt Service Report
(As a Percent of General Fund Expenditures)

Year	General Fund Expenditures	Type	Amount	As a Percent of Total Expenditures
2007	$ 420,465,634	City	$ 50,994,356	12.13%
2008	435,957,311	City	51,648,536	11.85
2009	454,560,570	City	58,851,808	12.95
2010	459,427,337	City	59,566,794	12.97
2011	467,266,612	City	60,228,401	12.89
2012 (1)	481,622,139	City	61,346,532	12.74
2013 (2)	486,381,039	City	62,693,110	12.89
2014 (3)	497,454,609	City	66,793,227	13.43

(1) Fiscal year ending 6-30-12 is audited.
(2) Fiscal year ending 6-30-13 is projected.
(3) Fiscal year ending 6-30-14 is budgeted.

Source: Audited Financial Statements

Debt Management

Over the past five years, the City authorizations reflected the need to improve and maintain the City's infrastructure and the quality of public services. Funding was authorized for new school facilities as well as improvements to existing schools. The City replaced aging or obsolete public safety equipment, improved City parks, and provided funding for economic and neighborhood development projects. Funds were also authorized for the renovation and replacement of bridges, solid waste management and sewer separation projects. For some of the projects, local funds supplemented grants from the State and Federal governments.

The $83.2 million FY2009 Capital Budget focused on education, public works, development, and engineering. City bonding accounted for $38.0 million, State and Federal financing provided $44.4 million, and $826,723 came from redesignations and other sources.

The $23.3 million FY2010 Capital Budget focused on education, public works, development, and engineering. Certain capital appropriations originally budgeted as state share and re-appropriated as City share ($41.8 million), and two discontinued school projects ($64.0 million) account for this credit balance. However, of the $82.5 million newly financed, City bonding accounted for $50.7 million, State and Federal financing provided $29.5 million, and $2.3 million came from redesignations and other sources.

The $39.8 million FY 2011 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for $28.57 million, and State and Federal financing provided $12.7 million.

The $34.6 million FY 2012 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for $44.0 million, and State and Federal financing provided approximately $9.6 million.

The $124.1 million FY 2013 Capital Budget focused on police and fire services, education, public works, development, and engineering. City bonding accounted for $61.4 million, and State and Federal financing provided approximately $62.7 million.

As described in the Capital Improvement section, the FY2014 Capital Budget and Five Year Plan focuses on economic development, self-insurance financing, police and fire services, education, and public works.

FY 2014	Amount	
City Bonding	$ 33,178,323	
State Funding - Non School Construction	6,273,956	(1)
State Funding - New School Construction	-	(2)
State Funding - Adjusted School Construction Projects	19,000,000	
Federal Funding	4,503,000	
Other	-	
Total Capital Budget	**$ 62,955,279**	

(1) Does not include school construction.
(2) Includes new State funded school projects.

The table below reflects the City's outstanding debt.

Table 15
Outstanding Debt 2009-2013
for Fiscal Years Ended June 30 (in thousands)

	2009	2010	2011	2012	2013 (1)
General Obligation Bonds	$ 499,461	$ 509,785	$ 497,998	$ 502,439	$ 502,003
Short Term Debt	78,700	73,000	55,259	49,181	66,146
Other Long Term Debt	23,744	19,927	17,499	19,306	17,766
Gross Direct Debt	$ 601,905	$ 602,712	$ 570,756	$ 570,926	$ 585,915
Gross Overall Debt	$ 601,905	$ 602,712	$ 570,756	$ 570,926	$ 585,915
Deductions					
Grants Receivable	56,818	51,109	40,737	44,054	39,495
Notes Receivable	78,700	73,000	55,259	49,181	66,146
Net Direct Debt	**$ 466,387**	**$ 478,603**	**$ 474,760**	**$ 477,691**	**$ 480,274**

(1) Unaudited
Source: City of New Haven, Department of Finance

The table below displays the long-term debt service schedule for outstanding general obligation bonds of the City.

Table 16
City of New Haven
Fiscal Year Long-Term Debt Service
As of October 31, 2013
General Obligation, Education and Sewers

Years	Principal	Interest (1)	Total
2014	$ 32,602,580.98	$ 13,800,430.40	$ 46,403,011.38
2015	45,189,860.05	23,806,781.28	68,996,641.33
2016	45,191,641.17	20,781,617.09	65,973,258.26
2017	45,600,694.73	18,728,304.43	64,328,999.16
2018	43,787,523.12	16,652,134.37	60,439,657.49
2019	42,617,000.89	14,560,091.49	57,177,092.38
2020	41,130,840.53	12,678,329.18	53,809,169.71
2021	40,417,765.59	10,914,525.44	51,332,291.03
2022	38,815,000.01	9,143,274.92	47,958,274.93
2023	31,224,999.99	7,609,918.74	38,834,918.73
2024	23,765,000.00	6,362,824.96	30,127,824.96
2025	21,865,000.00	5,338,581.22	27,203,581.22
2026	17,465,000.00	4,369,121.83	21,834,121.83
2027	17,580,000.00	3,562,905.57	21,142,905.57
2028	15,630,000.00	2,732,132.48	18,362,132.48
2029	13,430,000.00	1,966,493.11	15,396,493.11
2030	11,279,999.99	1,286,876.26	12,566,876.25
2031	7,685,000.00	715,800.01	8,400,800.01
2032	6,260,000.00	387,921.88	6,647,921.88
2033	4,035,000.00	176,312.50	4,211,312.50
2034	1,885,000.00	47,125.00	1,932,125.00
Total	**$ 547,457,907**	**$ 175,621,502**	**$ 723,079,409**

(1) Does not include the federal subsidy of 35% of interest due on the $41.13 million General Obligation Bonds, Issue of 2010, Series A-2 (Federally Taxable Build America Bonds - Direct Payment) issued on February 12, 2010 with a final maturity of February 1, 2030.

Source: City of New Haven, Department of Finance

Short Term Indebtedness

Whenever any town or city in the State has authorized the issuance of general obligation bonds under the provisions of any public or special act, it may authorize the issuance of temporary notes in anticipation of the receipt of the proceeds from the sale of such bonds. The amount of such notes may equal but not exceed the amount of such bonds and can be renewed from time to time. Should the period between the date of the original notes and the maturity of the notes exceed two years, a payment of principal is required during the third and each subsequent year during which such temporary notes remain outstanding. Notes may not be renewed beyond ten years from the date of original issue. In addition, the General Statutes of Connecticut authorizes the City to borrow in anticipation of the receipt of State grants-in-aid.

School Construction Projects

For school construction projects approved by the State Legislature prior to July 1, 1996, the State of Connecticut will reimburse the City for principal and interest on bonds issued for eligible school construction costs over the life of outstanding school bonds.

For projects approved on or after July 1, 1996, Section 10-287i of the Connecticut General Statues provides for proportional progress payments for eligible school construction costs. The City will only be required to issue bonds for costs net of such progress payments. The City is currently reimbursed at the rate of approximately 79 percent. This percentage is recalculated by the State annually. For certain Charter and Magnet Schools the reimbursement rate is 90 percent. All of the current school projects under construction were approved after July 1, 1996 and are subject to progress payments.

School construction projects that were approved by the State on or after July 1, 1996 are subject to progress payments which reimburse the City for costs during construction. In order to facilitate cash flow, the City has issued a general obligation note in anticipation of the State grants under a tax-exempt revolving loan agreement (the "Agreement"). This general obligation note can accommodate the issuance of up to $70,000,000 of grant anticipation notes under the Agreement which expires on June 1, 2014. As of July 30, 2013, the City has $67,238,455 of notes outstanding under the Agreement.

Overlapping and Underlying Debt

The City does not have any overlapping and underlying entities with power to incur debt. The City does not have any contingent liability to assume debt of the State or any such entity.

Authorized but Unissued Debt

As of July 1, 2013 the City has $214,441,557 of authorized but unissued debt for projects in the FY 2013-2014 capital budget and amounts remaining from previous capital budgets. A significant portion of authorized but unissued debt for school projects will not be issued and will be financed from school construction grants (see "School Construction Projects" above and Footnote 6 to Table 13 herein). Permanent financing of projects for currently authorized and unissued debt is expected to occur over a three-year period and will be timed to coincide with commencement of work.

Debt Statement

The table on the following page sets forth categories of outstanding debt which have been issued or guaranteed by the City, or which are supported by the City's General Fund and are the responsibility of the City to repay. General obligation debt of the City is indebtedness to which the City has pledged its full faith and credit for the repayment of principal and interest.

Contingent liabilities of the City consist of New Haven Parking Authority revenue bonds and the Shubert Performing Arts Center management lease agreement which do not constitute a pledge of the full faith and credit of the City.

The Greater New Haven Water Pollution Control Authority (the "NHWPCA") is a regional water pollution control authority that owns and operates a wastewater collection and treatment system over the territory of four municipalities – New Haven, East Haven, Hamden and Woodbridge. The debt of the NHWPCA is a special limited obligation of the Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or any of the member municipalities is pledged to the repayment of the NHWPCA's debt.

The New Haven Solid Waste and Recycling Authority (the "NHSWRA") is a municipal resource recovery authority responsible for solid waste disposal, resource recovery and waste management in the City. The debt of the NHSWRA is a special limited obligation of the Authority. Neither the full faith and credit nor the taxing authority of the State of Connecticut or the City is pledged to the repayment of the NHSWRA’s debt.

Table 17
City of New Haven
as of October 31, 2013

GENERAL OBLIGATION DEBT		
General Purpose	$ 211,298,987	
Schools	318,557,317	
Sewer	-	
Urban Renewal	17,601,605	
Subtotal General Obligation Debt	547,457,908	
Total General Obligation Debt		$ 547,457,908
SHORT-TERM DEBT		
Bond Anticipation Notes	-	
Short Term Notes	-	
Grant Anticipation Notes (1)	69,606,340	
Total Short Term Debt		69,606,340
OTHER LONG-TERM DEBT		
Contractual Agreement Sewer (GNHWPCA) (2)	8,584,027	
Operating Lease Obligations (3) (4)	8,931,767	
Shubert Theater	250,000	
Total Other Long Term Debt		17,765,794
GROSS DIRECT DEBT		$ 634,830,042
GROSS OVERALL DEBT		$ 634,830,042
DEDUCTIONS		
EDUCATION		
Grants Receivable (1)	39,494,765	
Notes Receivable (1)	69,606,340	
Total Deductions		109,101,105
NET DIRECT DEBT		$ 525,728,937

(1) School Construction Grants receivable of $107,955,188 are to be reimbursed by the State of Connecticut.

(2) This represents 40% of the Clean Water Fund debt previously in the City's name. On August 29, 2005 the City's Water Pollution Control Authority (WPCA) was sold to the Greater New Haven Water Pollution Control Authority (GNHWPCA). Upon the sale, GNHWPCA assumed all general fund debt of the City's WPCA. On June 14, 2008 this debt was transferred to the name of GNHWPCA. The City is contractually obligated to reimburse the Greater New Haven Water Pollution Control Authority under an agreement which requires the City to pay 40% of the Clean Water Fund debt issued for purposes of the Combined Sewer Overflow program.

(3) The City leases office space under non-cancelable operating leases. As of June 30, 2012 the total future minimum rental payments under these leases are as follows:

	Fiscal Year	Principal
	2014	$ 3,065,389
	2015	2,444,597
	2016	2,083,657
	thereafter	1,338,124
Total		$ 8,931,767

(4) All operating leases contain non-appropriation clauses.

Source: City of New Haven Department of Finance

Debt Ratios

The table below sets forth certain debt ratios based upon the City's Debt Statement as of June 30, 2013 (including 2013 Series A Bonds projected to be issued on September 25, 2013).

Table 18
Debt Ratios
Pro Forma as of October 31, 2013

	Amount	Debt Per Capita (1)	Percentage of Debt to Net Taxable Grand List (2)	Percentage of Debt to Full Value Grand List (3)
Gross Direct Debt	$ 634,830,042	$ 4,892	10.43%	7.30%
Gross Overall Debt	634,830,042	4,892	10.43	7.30
Net Direct Debt	525,728,937	4,051	8.64	6.05

(1) The population of the City is from the 2010 Census: 129,779
(2) The Net Taxable Grand List of the City dated October 1, 2012 is $6,084,699,298
(3) The full value of the taxable property of the City at October 1, 2012 is $8,692,427,569

Source: City of New Haven, Department of Finance

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program of the City begins with departmental requests identifying the projects and providing an estimate of the cost and justification of the project. The departmental requests are transmitted to the Capital Projects Committee composed of the Controller, two members of the Board of Aldermen (not from the same political party), a member of the City Plan Commission appointed by the Mayor, the Planning Director, and four citizen members appointed by the Mayor, whose terms run concurrently with the Mayor's.

Table 19
The Five Year Capital Plan
(Excluding Authorities)

	2014	2015	2016	2017	2018	Total
Fire	$ 2,196,000	$ 1,530,000	$ 480,000	$ 2,130,000	$ 430,000	$ 6,766,000
Public Works	2,473,106	2,573,106	2,448,106	2,673,106	2,673,106	12,840,530
Parks	2,425,000	1,885,000	1,417,745	1,550,000	1,725,000	9,002,745
Library	535,000	320,000	320,000	320,000	320,000	1,815,000
Police	850,000	905,000	875,000	765,000	765,000	4,160,000
Other Departments	8,578,706	12,558,294	10,490,000	6,767,500	3,865,000	42,259,500
Economic Development	18,457,467	18,488,000	33,337,000	15,785,919	18,074,000	104,142,386
Education	25,440,000	5,210,000	55,575,000	44,000,000	31,895,000	162,120,000
Self Insurance Fund Deficit	2,000,000	2,000,000	2,000,000	-	-	6,000,000
Total Budget	**$ 62,955,279**	**$ 45,469,400**	**$ 106,942,851**	**$ 73,991,525**	**$ 59,747,106**	**$ 349,106,161**
State Funding	$ 25,273,956	$ 2,882,106	$ 52,228,851	$ 31,957,525	$ 22,486,176	$ 134,828,614
Federal Funding	$ 4,503,000	$ 8,007,000	$ 17,714,000	$ 7,034,000	$ 5,537,000	$ 42,795,000
Total City Budget	**$ 33,178,323**	**$ 34,580,294**	**$ 37,000,000**	**$ 35,000,000**	**$ 31,723,930**	**$ 171,482,547**

Source: City of New Haven Office of Management and Budget

The Capital Projects Committee reviews and evaluates departmental requests and recommends a Capital Improvement Program to the Mayor not later than February 15th of each year. The Mayor shall prepare and submit a capital budget to the Board of Aldermen as part of the annual budget submission. After a public hearing, the Board of Aldermen adopts an ordinance appropriating funds for capital projects. The capital budget is primarily used to finance improvements with an average life of five years or more as well as large scale permanent improvements. Regular capital improvement programs for the maintenance of City streets, sewers, parks and for purchases of major equipment are also financed through the capital budget. Capital budget funding comes from the following three primary sources: the City's general obligation bonds, State resources and Federal resources. Below is a listing of recent projects to be funded from bonds of the City presented to the Capital Projects Committee.

Selected Projects Included in the FY2014 Capital Budget

- $20 million approved for a school construction project, which includes approximately $19 million in funding from the State.
- $5.4 million for other general improvements and upkeep to school buildings and equipment, including computers, in addition to the school construction program.
- $3.0 million for Police and Fire vehicles, equipment, and station rehabilitation.
- $325,000 for various improvements at Tweed New Haven Airport.
- $2.5 million for Public Works for vehicles, bridge repairs, and the ongoing pavement management program.

RELATED AUTHORITIES

The New Haven Parking Authority

The New Haven Parking Authority (the "Parking Authority") was created and established in 1951 by the General Assembly of the State. The Parking Authority consists of the Traffic Engineer for the City and a Board of Commissioners with five members appointed by the Mayor, not more than three of whom may be members of the same political party. The term of the appointed members of the Parking Authority is five years and one member's term expires on August 15 in each year. The term of the Traffic Engineer is indefinite. The daily operations of the Parking Authority are administered by its Executive Director.

The Parking Authority is authorized in the name of the City to acquire, construct, reconstruct, improve, operate and maintain parking facilities at such locations as shall be approved by the Board of Aldermen. Subject to authorization and approval by the Board of Aldermen, the Parking Authority has the power to acquire real property or any interest therein for parking facilities by purchase, gift, devise, lease or by exercise of the power of eminent domain. The Parking Authority owns and operates or leases (as lessor) six major multi-level, drive-in parking garages primarily serving the downtown areas of the City, comprising approximately 6,456 parking spaces. In addition, the Parking Authority owns or leases (as lessee) and operates sixteen surface parking lots serving the downtown and other areas of the City of 2,191 spaces and eight peripheral facilities serving residential areas of the City of 219 spaces. The aggregate number of parking spaces of all of the Parking Authority's garage facilities is 8,866.

The Parking Authority is also authorized, subject to authorization and approval of the Board of Aldermen, to finance its various projects through the issuance of general obligation bonds of the City, revenue bonds or bond anticipation notes, which may be secured using revenues from the following sources: ad valorem tax levies; parking fees and special charges from the use of parking facilities; appropriations duly authorized from the General Fund of the City; assessment of benefits against owners of real estate specifically benefited by any parking facility; gifts; bequests; devises; grants in aid or otherwise; and on-street parking revenues. The Board of Aldermen, in authorizing the issuance of revenue bonds, also fixes the initial schedule of rates, rentals, fees and other charges for the use of the parking facilities to be financed.

The Parking Authority is accounted for as a component unit in accordance with generally accepted accounting principles. By ordinance, annual audits must be conducted by an independent certified public accountant chosen by the Parking Authority.

On May 23, 2002 the City, the Authority, Yale New Haven Hospital and Yale University issued $29,110,000 to currently refund $30,905,000 of outstanding Air Rights Parking Facility Revenue Bonds, Series 1991. This resulted in a savings of approximately $2.9 million over the life of the bonds. The Series 2002 Bonds mature December 1, 2015

In January 2012, the City issued $6,100,000 of revenue bonds. The bonds are secured by unrestricted net revenues of certain Authority parking facilities. The bonds are variable rate and the City entered into a fixed rate swap in conjunction with the issuance of the bonds. The Authority is responsible for all fixed interest payments required under the swap agreement.

The City of New Haven is considering the sale of certain parking assets in the future.

The New Haven Solid Waste and Recycling Authority

The New Haven Solid Waste and Recycling Authority (NHSWRA) was created by Board of Aldermen vote on March 31, 2008. The NHSWRA is a municipal resource recovery authority whose responsibility is to provide the essential public and government function of furthering the health, safety and welfare of its residents.

The NHSWRA is specifically responsible for the operations and management of the City's transfer station for solid waste disposal and recycling. The NHSWRA's bonds are a special obligation of the Authority and are not a pledge of the full faith and credit of the City.

SCHEDULE 1 -
CITY OF NEW HAVEN AUDITED GENERAL PURPOSE
FINANCIAL STATEMENTS AS OF JUNE 30, 2012

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APPENDIX B -
SOCIOECONOMIC INFORMATION

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APPENDIX C -
FORM OF LEGAL OPINION OF BOND COUNSEL

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APPENDIX D -
FORM OF CONTINUING DISCLOSURE AGREEMENT

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