

Office of Management & Budget

165 Church Street
203-946-7922

Department Head:

Joe Clerkin
JClerkin@newhavenct.net
203-946-7922

Additional Point Person:

Elizabeth Smith
ESmith@newhavenct.net
203-946-8390

Positions:	GF- 5	SF- 0
General Fund Budget	\$395,186	
Capital Fund Budget:	\$0	
Special fund Budget:	\$42,878	

Legal Authority: Charter

Article V Section 11 (i) The Mayor

The Mayor has the power

i) To appoint up to four coordinators, with professional qualifications in such fields but not limited to, community development, human services, public administration and public finance, to aid the mayor in the carrying out of said Mayors duties as chief executive and administrative officer of the City of New Haven. The coordinators shall be under the direction of the Mayor and removable at the pleasure of the Mayor

Article XI Section 58 to Section 64 . Budgetary procedures; Reporting; Financial Review and Audit Commission

Mission/Overview:

The Budget Director is a Mayoral appointment responsible for aiding the Mayor in the carrying out of his/her duties as chief executive and administrative officer of the City of New Haven. Primarily this includes helping to determine strategic financial goals for the City as manifested in the annual City budget and in other financial areas that the Mayors determines require executive leadership. The Budget Director is assisted in these duties by the Office of Management & Budget which is budgeted within the Finance Department.

Specific responsibilities include:

- Prepare and administer the City's annual budget in accordance with statutes and policies.
- Financial reporting to City Officials, the Board of Aldermen, the Financial Review and Audit Commission ("FRAC") and interested external parties.
- Assist in the preparation of the year end financial statements and single audit.
- Provide monthly reports on the financial status of the City per Charter requirement.
- Works with all City Departments on as needed basis on financial matters including but not limited to such areas as projections, budget entry , budget transfers, MUNIS support etc.

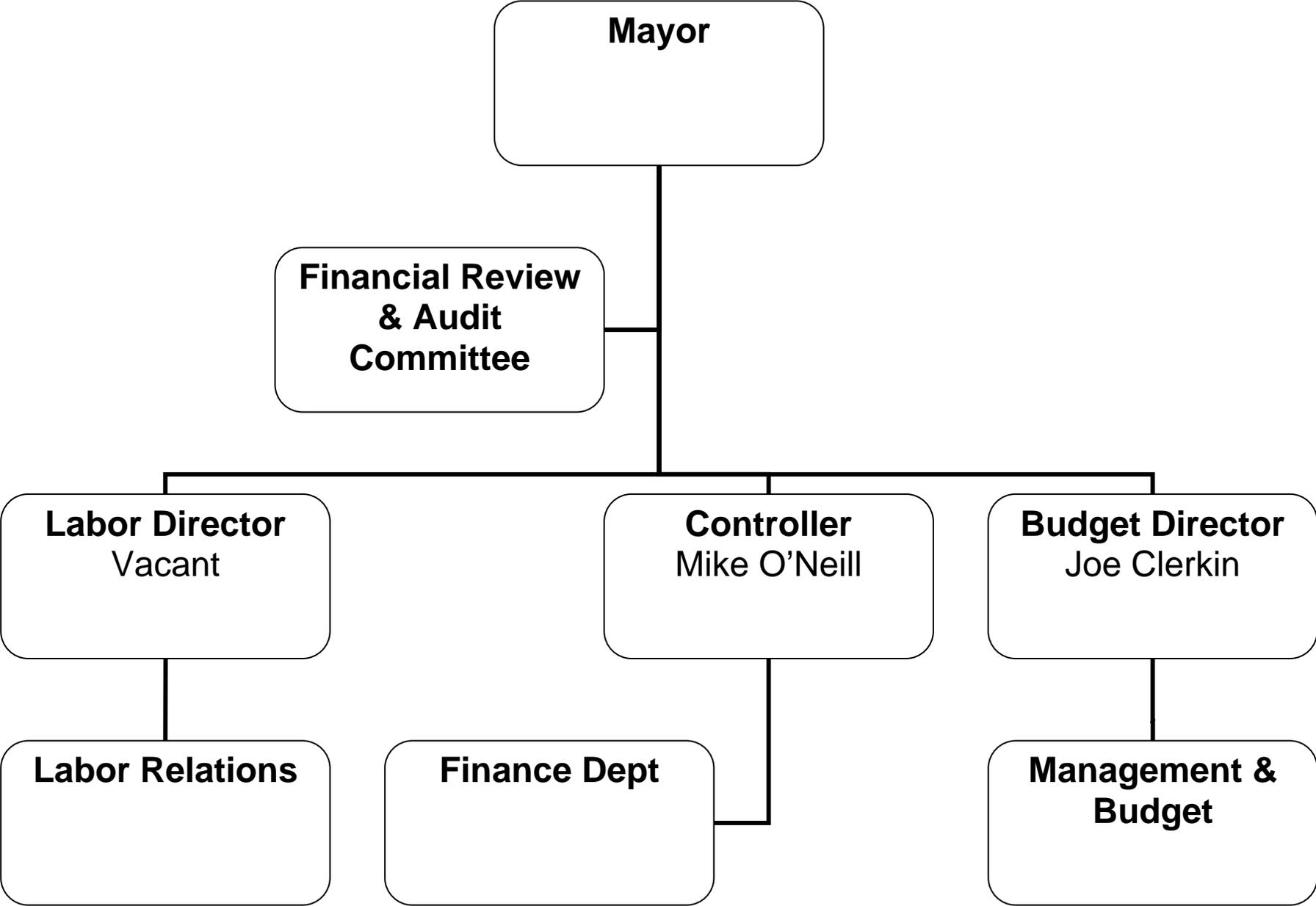
- Assist in the issuance of bonds and notes.
- Provide oversight of Federal, State, and Local grants (i.e. CDBG, ESG, HOME and HOPWA,).
- Coordinate and prepare the Consolidated Annual Performance Evaluation Report (CAPER) due September 28th to HUD.
- Administer the application process and develop the Consolidated Annual Action Plan for HUD funding.
- Assist with grant compliance issues.
- Assist in the negotiation with the City's collective bargaining units.
- Other such financial matters as the Mayor determines.

Attention Required by March 31st:

The Charter requires the Mayor submit the annual budget by March 1st of each year for the fiscal year commencing on July 1st.

As of March 31st the FY 14-15 Mayor's Budget will have been submitted to the Board of Aldermen for its deliberations and review. The budget includes the General Fund, Capital Budget, Special Funds budget, Enterprise Fund budgets and license permits and fees and other such information as is determined to be useful to the Board of Aldermen and public.

Per Article XI, Section 62 of the City Charter, the Office of Management & Budget acting on behalf of the Mayor shall submit a monthly financial report by the 28th of each month to the Board Aldermen.



Budget Summary:

The budget is broken down as follows. The salaries include the Local 3144 raises approved after the adoption of the budget.

Salary = \$389,958

#2090 - Supv of Management & Budget R 11-8 \$90,565 – Vacant – Local 3144

#2100 Financial Analyst/Business Manager – R11-6 \$82,378 –Local 3144 – Person dedicated to half time in Office of Management & Budget working on Capital Budget and utility costs containment program and half time in the Library as the systems business manager.

#2110 Management & Policy Analyst – Local 3144 - R8-4 \$55,899 – General Fund support and part time at BOE to support Food Service program.

#2120 Project Coordinator- Local 3144 – R11-6 \$82,378 – Special Funds budget coordinator

#2130 Financial Manager – Local 3144 – R9-9 \$78,738 – Special Funds budget support including IT system budget support

Other Budget Lines

General Office Supplies = \$200

Printing & Binding = \$7,000. Budget is issued in March first and again after Board of Aldermen adoption in the spring. The printing costs of these two books make up the cost.

Other Contractual Services = \$15,000 - Funds will be use for special projects relating to such areas as labor presentations, the work of the utility review group and other items that may arise.

Summary of Open Items:

The immediate task of the new Administration as it relates to the Budget Director and Office of Management & Budget will be the development of the Mayors FY 14-15 budget for submission to the Board of Aldermen by March 1, 2014. Since March 1st is a Saturday the budget will have to be transmitted on Friday February 28, 2014. This will involve the coordination of the General Fund (including BOE), Special Funds (grants), Capital Budget, Enterprise Fund Budgets and other such information as is determined to be of importance to the Board of aldermen and public.

The other significant factor is monitoring the current year budget and the development and promulgation of the Monthly Financial Report to the Financial Review and Audit Commission and the Board of Aldermen. This is due by the 28th day of each month. The first report of the new administration will be due on Tuesday January 28, 2014.

Below is a list of significant open issues;

- 1) **FY 13-14 budget must be balanced.**
- 2) Board of Education budget must be balanced. Progress on Food Service Management a must. Fund negative in Food Service of (\$5.5m) at close of FY 12-13 fiscal year.
- 3) The effort to replenish General Fund Balance must be continued. A growing Fund Balance is a necessity for an improvement in the City's credit ratings. See below for Fund Balance position of City as of 6-30-13. As noted, the City is seeking Board of Aldermen approval for the appropriation of cash flow savings proceeds from the FY 13-14 Series A re-funding to reduce the Fund deficit.

PROJECTED FUND BALANCE ANALYSIS - PRE-AUDIT

1) MCGLADREY AUDIT REPORT	
A. FUND BALANCE 6-30-12 - per audit page 14, 15 and 40	
1) TOTAL FUND BALANCE 6-30-12	8,791,796
2) OPERATING DEFICIT FY 12-13	<u>(4,505,102)</u>
	4,286,694
NON-SPENDABLE	
SELF INSURANCE	(4,000,000)
EDUCATION	
FOOD SERVICE	(3,400,000)
DAYCARE	<u>(1,600,000)</u>
SUB TOTAL -PROJECTED NON SPENDABLE PORTION OF FUND BALANCE	(9,000,000)
UNASSIGNED FUND BALANCE 6-30-13	(4,713,306) *

*** Note:**

On September 27, 2013 the City submitted a FY 13-14 Budget Transfer of \$4.1m from Debt Service (Dept. 600) to the Rainy Day Replenishment Fund (Dept. 601). The City is seeking Board of Aldermen approval to appropriate unspent funds resulting from the 2014 Series A re-funding transaction to the Rainy Day Replenishment Fund. Additionally, if available, proceeds from the 2014 Series B Bond issuance in October may also be appropriated for Rainy Day replenishment if approved by the Board of Aldermen. The funds from both Series A and Series B will offset or eliminate the projected 6-30-13 fund balance deficit.

- 4) Improve bond rating with credit rating agencies.
- 5) Completion of current round of open labor contracts; Fire and Parks arbitration process has been completed and the parties await a decision in each case. Public Works arbitration commences December 5, 2013 with an ability to pay presentation by the Budget Director. The Daycare and cafeteria units are being finalized. Trades, a small group of 12 have been nearly completed.

- 6) Successful negotiation with teachers and School Administrators is imperative particularly as it relates to medical benefits.
- 7) Seating of Fire and Police classes. Fire class should not be seated until a new contract has been finalized. Changes to the contract for new hires should be applied commencing with this class.
- 8) FY 14 Building Permit budget of \$9m heavily dependent on Yale University moving forward on initiatives and completing the long planned two new residential Colleges. Major fundraising gift of \$250m announced by President Salovey on 9-30-13.
- 9) Medical Benefits expenses must be closely tracked to ensure budget is balanced... Re-enrollment of Local 3144 and Executive/confidential employees to take place in October with implementation date of November 1. Negative fund balance of (\$2.5m) at close of FY 12-13.
- 10) Voluntary payment agreements must be monitored to ensure compliance.
- 11) Self Insurance Fund deficit elimination plan is in year two. The plan requires capital appropriations of \$2m in the new two fiscal years (FY 14-15 and FY 15-16) to eliminate much of the deficit in the fund.
- 12) Continued support for Grand List growth through economic development and infrastructure investments and through maintaining and/or improving capacity in the Assessor's and Tax Collectors Offices.
- 13) Continue efforts to strengthen Finance Department through filling vacancies and/or restructuring.
- 14) Continued efforts at the State level to fully fund State Property and College & Hospital PILOT.
- 15) Continued work with Federal partners to insure funding levels for critical community needs not reduced.

In terms of budget development, we have listed the FY 13-14 budget timeline below as a typical example of the process. As can be seen, the process typically begins in November which will be during the formal transition period.

October 22nd, 2012

HUD Application (Community Development Block Grant, HOME, Housing Opportunities for Persons With AIDS and Emergency Solutions Grant) known as the Consolidated Plan available to the public and Non-profit organizations to be returned mid November

November 15, 2012

Budget guidelines for developing the FY 2013-14 General Fund, Special Fund and Capital Project budgets are sent to Coordinators and Department Heads.

November 16 - January 6, 2013

Departments work with respective Coordinators in compiling budgets

<u>Mid-December</u>	Funding recommendations for the Consolidated Plan are developed with the Mayor's Office and the Coordinators
<u>January 7, 2013</u>	General, Special and Capital Budget requests submitted to Management & Budget.
<u>February</u>	Mayor's recommendations for the Consolidated Plan is submit to the Board of Aldermen
<u>February 6, 2013</u>	Governor's Biennium Budget released
<u>January 8 – Feb 29, 2013</u>	Budget submissions are compiled by Management & Budget. Additional input of Coordinators and Department Heads will be required in finalizing the budget.
<u>March 1, 2013</u>	The Mayor's FY 2013-14 General, Special and Capital budgets are submitted to the Board of Aldermen.
<u>March – May</u>	Workshops, Public Hearings, Deliberation and First & Second reading of the Board of Aldermen on the Consolidated Plan
<u>March 13, Wednesday</u>	Public Hearing #1 on the budget at Hillhouse High School
<u>March 21, Thursday</u>	Budget Workshop – Briefing by Management & Budget
<u>April 4, Thursday</u>	Workshop #1 – Department presentations
<u>April 10, Wednesday</u>	Workshop #2 – Department Presentations
<u>April 18, Thursday</u>	Workshop #3 – Department Presentations
<u>April 29, Monday</u>	Public Hearing #2 on the budget at Columbus School
<u>April 30 Tuesday</u>	Workshop #4 – Department Presentations
<u>May 2, Thursday</u>	Public Hearing on the budget #3 – City Hall
<u>May 7, Tuesday</u>	Deliberations on the Budget
<u>May 15</u>	Consolidated Plan Submitted to HUD
<u>May 16, Thursday</u>	Deliberations on the Budget
<u>May 28, Tuesday</u>	Board of Aldermen Special Budget Meeting
<u>June 3, Monday</u>	Board of Aldermen – Approval of Budget with final State Budget estimates.

Major Functions/Projects:

The overall function of the Budget Director and the Office of Management & Budget is budget development and monitoring to ensure adherence to policies and procedures while remaining within budget. Efforts undertaken to support these goals are cited below;

- 1) Regular meeting with Mayor and Staff to determine strategies to implement Mayor's policies.
- 2) Regular meeting with City personnel from Finance, IT, Assessor's and Tax Collectors Office to monitor current financial activity of City operations.
- 3) Regular budget projections published via the monthly report
- 4) Regular testimony before the Board of Aldermen's Finance Committee to discuss budget, monthly financial report and other financial matters as may arise.
- 5) Regular testimony before the Financial Review and Audit Committee to discuss the monthly financial report and other financial matters they may wish to review
- 6) Regular consultation with Federal and State partners to ensure compliance with regulations and /or program guidelines for grants or funds received
- 7) Regular consultation with all departments in terms of budget projections, budget development, budget transfers and other financial issues that may arise.
- 8) Assist the Finance Department in the development of the year end financial statements and audit.
- 9) Assist the Finance Department in the development of the City's Official Statement for use during bond sales.
- 10) Assist the Finance Department in credit rating presentations before bond sales.
- 11) Assist the Office of Labor Relations with financial analysis in labor contract negotiations including arbitration hearings and the development of that aspect of the process entitled the "Ability to pay" presentation.
- 12) The Budget Director is Chair of the Litigation Settlement Committee which meets regularly to review and approve/disapprove the disposition of cases as developed by the Corporation Counsels Office.
- 13) Central role in coordinating the budget development, budget entry and maintenance and reporting aspects of the Federal CDBG, HOME and HOPWA programs and other grants as received by the City

Key Systems/Processes:

The Office of Management & Budget relies heavily on the City's MUNIS financial system in order to enter budgets as approved by the Board of Aldermen and to track the budget during the fiscal year. Access to this information is of the highest priority. The Office also relies heavily on the Federal reporting system (IDIS) in order to properly account for program expenses while drawing down funds.

The Office on a daily basis is heavily reliant on the Microsoft suite of services including word, excel, access, publisher and PowerPoint.

System Deficiencies/Attention Required:

There are no system deficiencies currently inhibiting the Office of Management & Budget and Budget Director from fulfilling their responsibilities.

The most significant management issue will be developing a plan for the Supervisor of Management & Budget vacancy. The Office is staffed by a top notch group of very professional, seasoned employees who thoroughly understand their jobs and do an excellent job. They need no additional supervision other than what is provided by the Budget Director. What is needed is an additional Management & Policy Analyst to assist with the workload. Reconfiguring the vacancy a hiring an additional staffer would be a possible solution. A second solution is to transfer these functions to the current staff with an increase in compensation (see Local 3144 contract and Re-Classification Committee).